

How much can you increase your rent?

Categories : [Real estate investment](#), [Rebate Blog](#)

For any investment property, the hope is that you can charge enough rent to offset your mortgage costs and additional housing costs. A little extra money in your pocket doesn't hurt either.

But with hikes in electricity, water or utilities out of your control, your one option to counter higher housing expenses is raising your rent. Investment property owners may not be aware that there are limits to how much they can increase their rent. Each province has its own rent increase guidelines.

In Manitoba, the government recently announced a 2.4 per cent rent increase that would effect on Jan. 1, 2015. The province's guidelines are based on the consumer price index and the Bank of Canada's inflation-control target range. If raising the rent is an option landlords are looking at, there's protocol they need to follow to avoid running into issues.

The amount of notice you give your tenant is important or it can void the increase and your tenant has the right to refuse paying the additional amount. How you tell them is important to and in some provinces, a written notice is required, which includes when the increase will happen, when the notice was issued and the landlord's signature.

In Manitoba, landlords need to give their tenants at least three months notice before the increase takes effect. This way tenants have a heads up regarding the upcoming changes and they can make a decision whether to stay and save up more money or look for a new place to live. Typically, rent can only be increased once per year. While landlords can increase their rent higher than the guidelines, they first need approval and during this process, they need to prove that their expenses grew at a faster rate compared to the bump in rent guidelines.

In Ontario, landlords can raise their rent by 1.6 per cent in 2015 and any higher rent increases need to be approved by the Landlord and Tenant Board. Ontario landlords follow similar rules as Manitoba, but if their costs, such as municipal taxes and utilities have gone up by a greater percentage than the guideline plus 50 per cent, then they can apply for a higher rent increase.

Research your rent guidelines before making any changes since not all the provinces have rent controls. For example, New Brunswick only has guidelines on the timeframes that tenants are notified about the rent increase and how frequently rent increases can be implemented.

Also, just because a landlord announces a rent increase, it doesn't mean the tenant has to agree. They have 60 days before the rent increase to file an objection to the Residential Tenancies Branch.

It's a different ball game if you currently don't have a tenant and you're advertising the place to rent. But figuring out [how much rent you can charge](#) on a property is also dependent on other factors. Landlords are also [responsible for emergency repairs](#) and they handle [more responsibilities than you might think](#).

Some [investment property owners may not realize that they can claim an HST rebate](#) from the CRA. Save more money on your investment by using [Rebate4U](#) to help you properly file an HST rebate. Our priority is to provide our clients with the most professional and quality service in obtaining rebates for their new and renovated homes. We are proud to offer our clients the most personal and attentive service, and we make sure that all of our clients are 100% satisfied.