

Information for Landlords and Tenants – Zero Per Cent Annual Rent Increase Guideline for 2022 and 2023

The Manitoba government began a multi-year phase-out of education property taxes in 2021. Property owners receive the Education Property Tax Rebate to reduce a portion of their education property taxes. For more information, visit: www.manitoba.ca/edupropertytax.

As property owners, landlords of residential buildings also benefit from the 25 per cent rebate.

To account for the reduced education property tax, the annual rent increase guideline is set at zero per cent for 2022 and 2023. During this time, there will be no annual rent increase guideline announced by the Residential Tenancies Branch (RTB).

What kinds of rental units are not included in the two-year zero per cent annual rent increase guideline?

Rental units that are not currently subject to rent control could see rent increases during the two-year zero per cent rent increase guideline. These include:

- rental units renting for \$1,570 or more per month
- various types of social housing
- rental units owned and operated by, or for, provincial, municipal, or federal governments
- rental units in buildings first occupied after March 2005
- not-for-profit life lease units
- cooperative units
- approved rehabilitated rental units

Can landlords still apply to the RTB to increase the rent during this time?

Yes. Landlords will be able to apply for an above guideline rent increase. If their application is successful, the landlord will be able to increase the rent by an amount set by the RTB.

Landlords applying to the RTB for a rent increase must give three months' written notice of the increase to their tenant(s) and apply to the RTB at least two and a half months before the first rent increase is set to take place.

The RTB considers the new Education Property Tax Rebate, along with other rebates and incentives given to landlords, before approving an increase. RTB staff reviews each application to ensure that landlords have provided the required financial documentation.

Once the RTB assesses a landlord's application, orders are issued setting out both the allowable increase for each unit, and the date the increase can begin.

These orders can be appealed to the Residential Tenancies Commission by either the landlord or tenant.

Can a landlord apply for a temporary exemption from the guideline through the rehabilitation scheme?

Landlords will be able to apply for approval of a rehabilitation scheme (major renovations) and a temporary exemption from the guideline.

Can landlords reduce or remove a rent discount during the two-year zero per cent rent increase guideline?

Yes, they can, as long as they do so in accordance with The Residential Tenancies Act.

Can a landlord increase the rent for a new tenant during the two-year zero per cent rent increase guideline?

When a new tenant moves into a residential complex that has up to three units, the landlord can increase the rent, as long as they give the tenant a Notice to New Tenant form. The landlord may decide the amount of the rent increase.

When a complex has four or more units, the landlord can also increase a new tenant's rent, as long as they give the tenant a Notice to New Tenant form. The new rent cannot be more than the average of the rents charged for similar, or comparable, units in the residential complex.

Will the Education Property Tax Rebate affect the rent increase allowed by the RTB?

All rebates, incentives or grants, or other benefits received or receivable by landlords related to the services, facilities, privileges or accommodations that landlords provide to tenants are considered when the RTB assesses an application.

The RTB considers the new Education Property Tax Rebate when assessing a landlord's application for an above-guideline rent increase

The following is an example of how the 2021 Education Property Tax Rebate could affect a landlord's application for an above-guideline increase:

- As part of an application for a complex with 16 units, a landlord reports that their taxes have increased from \$8,389.30 in 2020 to \$8,582.09 in 2021.
- The increase in taxes alone justifies a monthly increase of \$1 per unit ($\$192.79 \div 16 \text{ units} \div 12 \text{ months}$).
- The net property taxes for 2021 includes \$4,374.41 in school taxes and \$4,207.68 in total municipal taxes.
- The Education Property Tax Rebate amounts to \$1,093.60 (25 per cent of \$4,374.41).
- Applying the rebate, the allowable amount the landlord can report for taxes in 2021 is \$7,488.49 ($\$8,582.09 - \$1,093.60$).
- For the purpose of the application, the landlord would report a decrease in taxes of \$900.81 ($\$7,488.49 - \$8,389.30$).
- Rather than justifying a monthly increase of \$1 per unit, the decrease in taxes would reduce the overall monthly increase by \$4.69 per unit ($\$900.81 \div 16 \text{ units} \div 12 \text{ months}$).

For Landlords:

I must give my tenants a Notice of Rent Increase in 2021, but the rent increase takes effect in 2022. Will the tenants have to pay the increase?

Rent increases can only take effect between Jan. 1, 2022 and Dec. 31, 2023, if the landlord has applied for a rent increase above the zero per cent guideline or if the unit is exempt from the guideline. A landlord can give a notice of rent increase in 2021 for an effective date in 2022 and is required to submit an application for rent increase above the guideline for approval. If a rental unit is exempt, a landlord is required to give a notice for a rent increase to the tenant.

I've never applied for an above-guideline rent increase. Will the RTB help me complete the application?

Yes. If you are applying for a rent increase for the first time, you can contact the RTB to make an appointment with a rent regulation officer who will answer any questions you may have. You can also refer to the RTB's [Guide for Landlords](#).

If I apply for an above-guideline rent increase in 2022 or 2023, what do I use for the Economic Adjustment Factor?

Under the Residential Rent Regulation, the Economic Adjustment Factor is equal to 62.9 per cent of the provincial annual guideline increase that is in effect for the year you apply. Since the annual guideline increase is zero per cent in 2022 and 2023, the Economic Adjustment Factor will also be zero per cent.

What if the RTB does not issue an order setting the rents before the date the rent increase comes into effect?

The RTB's goal is to issue an order setting the rents before the date the landlord plans to increase the rent, or within 90 days from the date it receives the application.

If the RTB does not issue the order before the date of the proposed increase, the tenant(s) must pay the landlord the rent increase the landlord requested. If the RTB later sets the rent increase at a lower amount, and the landlord does not appeal the order, they must return the overpayment to the tenant(s). The landlord may give the tenant(s) a refund, or allow them to reduce their next rent payment. If the landlord appeals the order, the tenant(s) must continue to pay the requested amount until the Residential Tenancies Commission issues an order setting the rent.

What can I do if my tenants do not pay their rent?

Tenants are required to pay their rent in full, and on time. If tenants cannot pay their rent, the landlord can try to work with them to see if payment arrangements can be made. Landlords and tenants can contact the RTB to help mediate and resolve the situation by calling 204-945-2476 in Winnipeg, or toll-free 1-800-782-8403.

What financial relief is available for landlords who are struggling due to COVID-19?

The Manitoba government offers new measures in the Manitoba Protection Plan to provide extra support and relief to businesses. For more information, visit www.manitoba.ca/covid19.

The federal government also offers a comprehensive COVID-19 economic response plan for businesses. For more information, visit www.canada.ca/en/department-finance/economic-response-plan.html.

Landlords should visit engagemb.ca for current updates.

For Tenants:

Why is the tax credit for renters being proportionally reduced when it's the landlord who receives the Education Property Tax Rebate?

Residential tenants qualify for the same tax credits as residential homeowners, so proportional reduction to those tax credits is the same.

What kinds of rental units are not included in the two-year zero per cent annual rent increase guideline?

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If I receive a Notice of Rent Increase in 2021 for an increase that will take effect in 2022, do I have to pay the increase?

The Manitoba government has set a zero per cent guideline to take effect between Jan. 1, 2022 and Dec. 31, 2023. You will be required to pay the proposed rent increase if the rental unit is not currently subject to rent regulation. However, landlords can still apply to the RTB for an above-guideline rent increase. If you have questions about a Notice of Rent Increase you received, call the RTB information line at 204-945-2476 in Winnipeg, or toll-free 1-800-782-8403, or email rtb@gov.mb.ca.

I received a Notice of Rent Increase. How can I confirm if the landlord has submitted an application to the RTB?

If you receive a Notice of Rent Increase in 2022 and/or 2023, you can call the RTB at 204-945-2476 in Winnipeg, toll-free at 1-800-782-8403, or email rtb@gov.mb.ca. Staff will tell you if your landlord has applied for an above-guideline rent increase. The RTB sends each tenant a letter to let them know about the application and their right to view it.

What can I do if I disagree with the proposed rent increase?

When the RTB receives an above-guideline rent increase application and has reviewed all of the required information, you will receive a letter inviting you to review your landlord's application. You can do so by making an appointment during the allocated period by calling the RTB at 204-945-2476 in Winnipeg, toll-free at 1-800-782-8403, or by emailing rtb@gov.mb.ca.

Tenants are encouraged to send written comments or concerns to the RTB about their landlord's application. The RTB reviews these written submissions as part of the assessment process.

What if the RTB does not issue an order before the date of rent increase?

The RTB's goal is to issue the order setting the rents before the date the landlord plans to increase the rent, or within 90 days from the date it receives the application. If the RTB does not issue the order before the date of the proposed increase, you must pay the landlord the rent increase shown on the Notice of Rent Increase form.

If the RTB later sets the rent increase at a lower amount, and the landlord does not appeal the order, the landlord must return the overpayment to you. The landlord may give you a refund, or allow you to reduce your next month's rent payment. If the landlord appeals the order, you must continue to pay the requested amount until the Residential Tenancies Commission issues an order setting the rent.

What financial relief is available for tenants affected by COVID-19 to help them pay their rent?

The federal government offers a comprehensive COVID-19 economic response plan for individuals, families, seniors and students. For more information, visit www.canada.ca/en/department-finance/economic-response-plan.html.

This fiscal year, the Manitoba government will be investing nearly \$22 million more in Rent Assist to provide monthly financial benefits to low-income Manitobans living in private rental accommodations.

Rent Assist and Non-Employment and Income Assistance (EIA) Rent Assist recipients will see an increase in their benefits between 2.4 per cent and 11 per cent, depending on the composition of their household. This investment will ensure that more Manitobans have access to safe, appropriate and affordable rental housing. For more information, visit www.manitoba.ca/fs/eia/rent_assist.html.

The Manitoba government launched the Manitoba Rent Relief Fund, a new initiative that supports stable housing for low-to-moderate income families who have had their income interrupted, or are facing other financial challenges. This \$5.6-million pilot program

provides interest-free loans to tenants who are behind on their rent or must move to more suitable housing. For more information, visit <https://manitobahelps.com>.