

Directive

Directive: 2026 Affordable Housing Rent Increase Guideline

		Directive No.:	AHDIR2026-01
Issue Date:	March 1, 2026	Revision Date:	n/a
Replaces No.:	n/a	Type:	Operational
Applicable Policy:	Leeds and Grenville Landlord Secondary Suite Policy Ontario Priorities Housing Initiative Secondary Suite Policy Rent Supplement Policy		

The policies and procedures in this Directive are applicable to all affordable units funded by the Canada-Ontario Affordable Housing Program.

Applicable Affordable Housing Providers

- ☒ Elgin Seniors Housing Development
- ☒ United Counties of Leeds and Grenville
- ☒ Community Involvement Legacy Homes
- ☒ Marguerita Residence Corporation – St. Vincent de Paul
- ☒ 2049515 Ontario Inc. (Oxford Mills)
- ☒ Community Living North Grenville
- ☒ Marguerita Residence Corporation – Wall Street Village
- ☒ Secondary Suite Program Units

Background

Affordable housing providers must maintain “affordable” rents for funded units for the duration of the affordability period as set out in the funding agreement. This

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means that rent increases for funded units cannot exceed the maximum rents communicated annually by Directive from the Service Manager.

Annual rent increase guidelines for all residential tenancies are set each year by the Ontario government based on the Ontario Consumer Price Index (CPI), and is the maximum percentage by which a landlord can increase the rent for current residential tenants without approval from the Landlord and Tenant Board. The guideline is designed to take into account increases in building operating and maintenance costs incurred to protect the health and safety of tenants.

The provincial rent increase guideline applies to any rent increase for current tenancies effective between January 1 and December 31. The provincial rent increase guideline for all rent increases in 2026 is 2.1 per cent. The guideline for 2027 will be announced by the province in late summer.

An optional person-centered affordable rent table (Table Three) has been added to this directive, which provides an income-based rent table geared to the affordability of low-to-moderate income households in Leeds and Grenville. Affordable Housing Providers are encouraged to consider the rents listed in Table Three where feasible, but are advised that the use is optional.

Purpose

The purpose of this directive is to notify all affordable housing providers within The United Counties of Leeds and Grenville of the 2026 rent increase guideline that is **effective April 1, 2026 to March 31, 2027**, and the allowable average rent as published by Canada Mortgage and Housing Corporation, and the Ministry of

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Community and Social Services, or alternate Average Market Rent approved by the Ministry of Municipal Affairs and Housing.

Action to Be Taken

Each Affordable Housing Provider is directed to increase the Affordable Rent for all funded units in accordance with Ontario's rent increase guideline (see applicable year for the percentage increase) **up to** the allowable rent under the Affordable Housing Program (AHP), Investment in Affordable Housing (IAH), Social Infrastructure Fund (SIF), or Ontario Priorities Housing Initiative (OPHI) by Service Manager area.

Table One: Ontario's Provincial Rent Increase Guideline

Time Period	Maximum Percentage Increase
Rent increases that take effect between January 1, 2026 and December 31, 2026	2.1%
Rent increases that take effect between January 1, 2027 and December 31, 2027	TBD

The rent increase must be approved in a motion by the Board of Directors, if applicable, prior to notifying tenants of the rent increase. Allowable rents under the AHP/IAH/SIF/OPHI and secondary suite programs by unit type and size are as follows:

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Table Two: Maximum Allowable Affordable Housing Rents Effective April 1, 2026 to March 31, 2027

Unit Size	Allowable Rent per Unit per Month
Bachelor	\$1,137
One Bedroom	\$1,290
Two Bedroom	\$1,565
Three Bedroom	\$1,872

For Current Tenants:

1. Check Table One and determine the Provincial Maximum Allowable Rent Increase for each unit based on the date the rent increase takes effect (i.e. 2026, or 2027):

$$\text{Current Rent} \times \text{Percentage Increase} = \text{Provincial Maximum Allowable Rent Increase}$$
2. Compare the Ontario provincial rent increase guideline rent amount to the Maximum Allowable Affordable Housing Rent listed in Table Two. The **lesser amount** may be charged.
3. All in-situ tenants must be given a **Form N1: Notice of Rent Increase** at least **90 days** in advance of the effective date of the rent increase.

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4. At least 12 months must have passed since the tenant first moved in or since the previous rent increase.

For Move-in's:

Units may be rented at the Maximum Allowable Affordable Housing Rent per Unit per month listed in Table Two following a vacancy.

Further restrictions to rent increases may apply to rent increases where the Housing Provider has a rent supplement agreement in place. Reference your rent supplement agreement for further details.

Affordable Housing Rent Increase Examples

Example One: Existing Tenant

Tenant signed a lease for a one-bedroom Affordable Housing unit on June 1, 2025, paying \$990 per month. Under Ontario's Rent Increase Guideline, rents may only be increased by up to 2.1% in 2026, twelve months after the tenant first moved into the unit (or since the previous rent increase).

Current rent (\$990) x Guideline Percentage Increase (1 + 2.1%) = \$1,011

As \$1,011 is less than the rent listed in the Maximum Allowable Affordable Housing Rent Table for a one-bedroom unit (\$1,290), the maximum this tenants rent may be increased to is \$1,011, effective June 1, 2026.

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Example Two: New Tenant

A new tenant is set to move into a two-bedroom Affordable Housing unit on August 1, 2026. The maximum rent chargeable is according to the Table Two: Allowable Affordable Housing Rents, which is \$1,565.

Optional Person-Centered Rent Information

Person-Centered Approach to Affordability

As market rents have continued to rise throughout Canada, including Leeds and Grenville, the Community Housing Department undertook a study to determine what low-to-moderate income households in our community can afford to pay for shelter costs. The study determined that average market rents are slightly above what is affordable, and encourage the Affordable Housing Providers, where feasible, to consider using Table Three: Person-Centered Affordable Rent Table (Optional) when setting maximum rents.

Table Three: Person-Centered Affordable Rent Table for the United Counties of Leeds and Grenville (Optional)

Unit Size	Optional Maximum Rent per Unit per Month
Bachelor	\$930
One Bedroom	\$1,140
Two Bedroom	\$1,360

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Three Bedroom	\$1,640
Four Bedroom	\$1,640

References

Landlord and Tenant Board 1-800-332-3234 or www.ltb.gov.on.ca

Ontario's Residential Rent Increases

<https://www.ontario.ca/page/residential-rent-increases>

If you have any questions, please contact the following:

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A handwritten signature in blue ink, appearing to read "CM", positioned above a horizontal line.

Chris Morrison, Manager

Housing Department

March 9, 2026

Date