

CALCULATION OF THE 2022 RENT INCREASE

Montréal, January 19, 2022 – The Tribunal administratif du logement has established the applicable percentages for calculating the 2022 rent increases, in accordance with the *Regulation respecting the criteria for the fixing of rent*. The percentages enable the amounts attributed to each component of the calculation to be determined based on the actual expenses incurred for the building or dwelling in question.

The Tribunal must wait for Statistics Canada to release the Consumer Price Index for December before it can calculate the percentages that apply. In fact, the methodology used takes the 12 months of the preceding year into account. Statistics Canada has released the data for December 2021 today.

Table 1: Applicable percentages for calculating rent increases

Rent component	Applicable percentages in 2022
Electricity	0.9%
Gas	7.6%
Heating oil and other sources of energy	17.5%
Maintenance costs	1.6%
Service costs	3.1%
Management costs	2.7%
Net income	1.4%
Capital expenditures	2.0%

CAUTION
These applicable percentages are not the estimated average increases.

RIGHT OF REFUSAL

In Québec, lessors and lessees are free to agree on a rent increase that both consider acceptable. If the two parties cannot agree on the rent increase (or on any other modification to the lease), an application to modify the lease can be filed by the lessor with the Tribunal administratif du logement no later than one month after the date of receipt of the lessee's negative reply. It is important to note that, for dwellings in buildings constructed not more than five years earlier, a lessee who refuses a rent increase must leave the dwelling at the end of the lease if section F of the lease refers to this restriction (box checked).

AVAILABLE TOOLS

The lessee also has the right to refuse a rent increase proposed by the lessor. To facilitate agreements on rent increases, the Tribunal now provides a calculation tool on its website (www.tal.gouv.qc.ca). The website provides both an electronic version of this form, entitled **Calculation 2022 Tool**, and a printable PDF version of it.

These simplified calculation tools make it possible to establish the rent increase, by taking into account the variation in municipal and school taxes, insurance, major improvements and all operating costs of the building.

It should be noted that the simplified calculation tools make no allowance for certain particular situations that could be the subject of a hearing before the Tribunal administratif du logement, such as the provision of a new service that results in additional management costs, or an expenditure that does not benefit all the occupants of the building.

APPLICATION OF PERCENTAGES

For example, the Tribunal provides a hypothetical calculation scenario to better illustrate the application of the **Regulation respecting the criteria for the fixing of rent**. **NOTE** that this example does not take into account the specific features of each building and dwelling. The income and operating expenses of a given building may justify a variation in rent that differs from this calculation example, particularly if the building has undergone major work.

Consequently, it is important to point out that the online calculation tool must be used to obtain a more precise estimate of the increase.

Table 2: Hypothetical calculation scenario

Calculation example						
Monthly rent before calculation: \$1000						
Type of dwelling	Estimated average basic increase in %	New monthly rent after calculation of the basic increase	Estimated average basic increase plus municipal tax increase Example: a 5% municipal tax increase	New monthly rent after calculation of the municipal tax increase	New monthly rent after calculation of the major work Example: \$5000 invested in the dwelling only (2.0% = \$1.67 for every \$1000, i.e. a \$8.35 increase)	Percentage increase after calculation of the taxes and major work
Unheated dwelling	1.28%	\$1 013	1.96%	\$1 020	\$1 028	2.80%
Heated dwelling:						
by electricity	1.34%	\$1 013	2.02%	\$1 020	\$1 029	2.86%
by gas	1.91%	\$1 019	2.59%	\$1 026	\$1 034	3.43%
by heating oil	3.73%	\$1 037	4.41%	\$1 044	\$1 052	5.25%

The estimated average basic increase is calculated from the proportions observed in 2,200 calculations performed by the Tribunal in 2020 and 2021.

CASES BROUGHT BEFORE THE TRIBUNAL

From 2013 to 2021, the Tribunal administratif du logement granted an average rent increase of 3.1% for the cases that were brought before it, taking into account the capital expenditures that were submitted to it.

Table 3: Average rent increases granted by the Tribunal from 2013 to 2021

YEAR	WITHOUT CAPITAL EXPENDITURES					CASES AS A WHOLE WITH CAPITAL EXPENDITURES	NUMBER OF DECISIONS	INFLATION RATE
	HEATED DWELLING			UNHEATED DWELLING	CASES AS A WHOLE			
	ELECTRICITY	GAS	HEATING OIL					
2013	2.2%	1.1%	2.7%	2.0%	1.8%	3.1%	2 087	0.8%
2014	1.8%	1.7%	1.4%	2.0%	1.9%	2.9%	2 361	1.4%
2015	1.6%	2.6%	2.4%	1.8%	2.2%	3.5%	2 831	1.1%
2016	1.7%	1.3%	-1.9%	1.7%	1.5%	2.6%	2 062	0.7%
2017	1.2%	1.0%	-1.6%	1.4%	1.2%	2.4%	1 159	1.1%
2018	1.2%	1.3%	2.7%	1.5%	1.4%	3.0%	1 396	1.7%
2019	1.0%	1.2%	4.2%	1.2%	1.3%	2.9%	1 268	2.1%
2020	1.9%	2.2%	1.2%	1.9%	2.0%	3.9%	1 769	0.8%
2021	1.2%	0.1%	-2.4%	1.4%	1.3%	3.2%	431	3.8%

As of January 19, 2022

The years correspond to the reference period for calculating rent increases, not to the year in which the calculation was performed. The percentages granted take into account all the rent components, including taxes (municipal and school) and insurance. However, the results without capital expenditures do not take into account the major expenses attributed to the building or dwelling in question. The number of decisions corresponds to the number of calculations used in determining the average rent increases granted for each reference year.

FOR MORE INFORMATION

The specific rules that apply to rent increases for rental units (for example: time periods allowed for serving notices, particular circumstances for members of a cooperative or someone living in low-rental housing) are explained on the Tribunal's website, which also provides a model of rent increase notice and a model reply to such a notice.

For more information: www.tal.gouv.qc.ca.

You can also reach the Tribunal by phone:

Montréal, Laval and Longueuil
514 873-BAIL (2245)

Other regions
1 800 683-BAIL (2245)