

CALCULATION OF THE 2024 RENT ADJUSTMENT

Montréal, January 16, 2024 – The Tribunal administratif du logement has established the applicable percentages for calculating the 2024 rent adjustment, 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.

In accordance with the *Regulation respecting the criteria for the fixing of rent*, the components of the Consumer Price Index (CPI) for Quebec set out below were used to determine the applicable percentages:

- Electricity: CPI, Electricity
- Gas: CPI, Natural gas
- Heating oil and other sources of energy: CPI, Fuel oil and other fuels
- Maintenance: CPI, Homeowner's maintenance and repairs
- Building services: CPI, Services
- Services of a personal nature provided to the lessees: CPI, Health care services
- Management cost: CPI, Rent
- Net income: CPI, Rent

For capital expenditures, the average interest rates administered by Canadian trust companies during the reference period on 5-year guaranteed investment certificates is increased by 1%. These interest rates are published in the Bank of Canada Review.

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 2023 today.

Table 1: Applicable percentages for calculating rent adjustment

Rent component	Applicable percentages in 2024
Electricity	2.8%
Gas	-7.3%
Heating oil and other sources of energy	-10.0%
Maintenance costs	7.5%
Building services	5.3%
Costs of services of a personal nature provided to the lessees (Private seniors' residence)	6.6%
Management costs	5.6%
Net income	3.9%
Capital expenditures	4.8%

CAUTION
These applicable percentages are not the estimated average adjustment.

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 adjustment, 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 2024 Tool](#), and a printable [PDF version](#) of it.

These simplified calculation tools make it possible to establish the rent adjustment, 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 adjustment.

Table 2: Hypothetical calculation scenario

Calculation example						
Monthly rent before calculation: \$1000						
Type of dwelling	Estimated average basic adjustment in %	New monthly rent after calculation of the basic adjustment	Estimated average basic adjustment 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 (4.8 % = \$4.00 for every \$1000, i.e. a \$20.00 increase)	Adjustment percentage after calculation of the taxes and major work
Unheated dwelling	4.0%	1 040 \$	4.6%	1 046 \$	1 066 \$	6.6%
Heated dwelling						
by electricity	4.0%	1 040 \$	4.6%	1 046 \$	1 066 \$	6.6%
by gas	3.3%	1 033 \$	3.9%	1 039 \$	1 059 \$	5.9%
by heating oil	1.6%	1 016 \$	2.2%	1 022 \$	1 042 \$	4.2%

The estimated average basic adjustment is calculated from the proportions observed in 5,789 calculations performed by the Tribunal in 2022 and 2023.

CASES BROUGHT BEFORE THE TRIBUNAL

From 2015 to 2023, the Tribunal administratif du logement granted an average rent adjustment of 3.4% for the cases that were brought before it, taking into account the capital expenditures that were submitted to it.

Table 3: Average adjustments rent granted by the Tribunal from 2015 to 2023

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					
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%	2.3%	1 184	1.1%
2018	1.2%	1.4%	2.7%	1.5%	1.4%	2.9%	1 524	1.7%
2019	1.0%	1.1%	4.2%	1.2%	1.2%	2.9%	1 412	2.1%
2020	1.9%	2.8%	1.3%	1.9%	2.2%	4.2%	2 273	0.8%
2021	1.0%	0.9%	-1.2%	1.4%	1.3%	3.1%	983	3.8%
2022	2.4%	3.4%	5.0%	2.8%	2.9%	3.7%	2 737	6.7%
2023	3.5%	6.1%	10.6%	3.5%	4.6%	5.8%	3 052	4.5%

As of January 15, 2024, and December 31, 2023, for the inflation rate.

The years correspond to the reference period for calculating the rent adjustment, 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 adjustments granted for each reference year.

FOR MORE INFORMATION

The specific rules that apply to rent adjustment 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)