Right to Housing
Social housing opens doors

Rent control loopholes must be dealt with

by Jace Kettner

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Amid an affordable housing and homelessness crisis, why has the provincial government gone back on its word to “make life more affordable for renters?”

The NDP ran for government in 2023 on a promise to “strengthen rent controls with legislation to protect renters from big rate hikes.” In fall 2024, the NDP government introduced a bill to do just this, but, surprisingly, let it die on the order paper.

Meanwhile, in the last three years, average asking rents have increased 27.1 per cent, the highest rate among Canadian provinces, skyrocketing beyond renters’ incomes.

Why is this happening?

Manitoba’s annual maximum rent increase guideline is tied to the rate of inflation, but not all units are covered.

Over the past decade, average rent increases have trended consistently and well above the guideline because of the many exceptions and loopholes which permit limitless rent increases. Units excluded from rent control include newer buildings and units renting above $1,640 monthly. An estimated 30,000-40,000 households rent units that aren’t protected from huge rent hikes.

Those on fixed incomes, like seniors who downsize to a newly built apartment, or folks who rely on disability benefits, are particularly vulnerable to losing their housing from a rent increase.

Two additional loopholes that permit the evasion of rent control are the ability of a landlord to withdraw “rent discounts” with little notice, and “above-guideline rent increase” (AGIs). AGIs allow landlords to claim an unreasonable range of one-time expenses for permanent rent increases without limit.

AGIs hit renters especially hard, and often by surprise.

A renter may sign a lease on a unit they can afford, only to find that their landlord has applied to raise the rent above the guideline to a now unaffordable amount through an AGI. AGIs are almost always approved by the Residential Tenancies Branch.

Landlords claim these rent increases are needed to cover expenses such as repairs or renovations. Yet, they result in permanently higher rents after the landlord’s costs are recouped. Why should a renter continue to pay forever for a one-time repair or improvement? Rather than a method to pass through increased costs to the renter, the AGI system is a tool to permanently increase landlord profit margins.

In 2022, the tenancies board permitted AGI increases of 9.8 per cent on average (an increase of $125/month for the median rent of a two bedroom unit), but documented increases have been as high as 30, 50, and 126 per cent in recent years. What's more, a landlord can apply for a new AGI every 12 months. This is not uncommon.

Large rent increases push affordable housing further out of reach for low- and moderate-income households.

In Winnipeg, the median annual income of a renter household was only $53,200 in 2023 (constant dollars). A family requires an annual household income of $76,000 to afford the average asking price of a two-bedroom rental in Winnipeg ($1,900 per month) today.

A single renter needs to earn almost $28 per hour at a full-time job, almost $58,000 per year, to afford the current average asking price of a one bedroom rental in Winnipeg ($1,443/month). Minimum wage is only $16/hr.

Renters have no real protections against large rent increases, which can force them to move with limited affordable alternatives, cut back on critical expenses like food to pay rent, or face an increased risk of eviction and homelessness. Indeed, Food Banks Canada's Hunger Count 2025 report revealed that renters in private market units comprise 70 per cent of food bank users.

Critics of rent control argue that new supply is the answer. However, research from the Canada Mortgage and Housing Corporation shows it takes 25 to 30 years for new supply to become affordable. We need to keep units that exist today affordable. The obvious solution is to close the loopholes in the rent control system, which won't cost the government or taxpayers a dollar.

All renters, regardless of their legal rent or the age of their rental unit, should be protected from unreasonable, unpredictable and unlimited rent increases. Landlords should not be allowed to permanently increase their profit margins under the guise of passing temporary cost increases to renters through AGIs.

In a few weeks, the Manitoba government will deliver its throne speech summarizing what it expects to achieve during the next legislative session.

The thousands of renters who have seen their rent jump since the NDP took office will be listening closely. The government must announce it will keep its promise to protect renters and affordable rental housing by passing a strong new bill in the upcoming legislative session that meaningfully limits unreasonable and big rate increases.

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