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Manitoba must pass legislation to protect tenants and keep rental housing affordable

Worsening rental housing affordability in Manitoba

There is a low and rapidly decreasing amount of affordable rental housing in Manitoba, severely impacting very low to moderate income tenants. For example, researcher Steve Pomeroy, analyzing Statistics Canada data, shows that 24,095 non-subsidized units renting below \$750 monthly were lost in Winnipeg from 2011-2021 (2022). He finds that in the same period, a shocking ratio of 35 rental units renting between \$750 to \$1,000 monthly were lost for every 1 new unit at the same rent that was built; the loss of units renting under \$1,000/month was equal to roughly 40% of the total 2011 rental stock (Pomeroy, 2024).

According to the Housing Assessment Resource Tools (HART) project (2024a), very low to moderate income tenants have no to very little affordable housing options in Canada's major cities in the private rental market. For example, households in Manitoba with a low annual income between \$16,200 to \$40,500 can only afford a maximum monthly rent of between \$405 to \$1,013, based on 2020 data; this group comprises almost 30% of renter households (HART 2024b). Yet, data from the Canada Mortgage and Housing Corporation [CMHC] shows that the average and median monthly rent in the primary rental market in Manitoba as of October, 2024, is far higher at \$1,311 and \$1270, respectively, and, moreover, the vacancy rate is low for units renting less than \$1,500 monthly (2024a,b,c). The situation is even worse when considering 'asking' rents,¹ where the monthly average province-wide is \$1,599 (Rentals.ca & Urbanation, 2025a).²

New units are also unaffordable; in the primary rental market the average monthly rent for units built in 2000 or later is already \$1616 province-wide, and \$1685 in Winnipeg (CMHCd, 2024).

The pace at which rents are increasing is worsening the problem: average asking rents increased by 5% in Manitoba in 2024, the highest rate in Canada (Rentals.ca & Urbanation, 2025b). In its Fall 2024 Rental Market Report, the CMHC (e) highlighted that affordability

Snapshot of Renting in Manitoba

\$405 to \$1,013: Maximum affordable shelter cost for households earning between \$16,200 to \$40,500/year, that comprise almost 30% of renter households in Manitoba (2020)

\$1,311: average rent in Manitoba in October 2024

\$1,599: average asking rent in Manitoba in February, 2025

\$1,616: average monthly rent in Manitoba for new units built after 2000 (as of 2024)

35 to 1: ratio of 'units lost to new units built' for units renting from \$750 to \$1,000/month in Winnipeg, 2011-2021

5%: increase in average 'asking' rents in Manitoba in 2024, the highest rate in Canada

9.8% or \$115.15/month: average above-guideline rent increase in Manitoba in 2022

92%: approval rate by Residential Tenancies Branch of above-guideline rent increase applications in 2022

¹'Asking' rents refer to the advertised rent for vacant units, as opposed to the average rents that sitting tenants are currently paying.

²Note that there are differences between CMHC and Rentals.ca information on average rents, as each draws from different data sources.

worsened in Winnipeg even though there was strong growth in rental supply, reflecting a national trend, and thus it concluded its report with a call for policies to address the lack of affordable housing for low-to middle-income renters.

The cause of worsening rental housing affordability: loopholes in government rent control

Rent increases cause a major loss of affordable housing, and in Manitoba weak rent regulations under the Residential Tenancies Act further intensify this trend (Bernas et al., 2023; Pomeroy, 2022). The maximum amount a landlord can raise rent each year is regulated by an annual guideline tied to the rate of inflation. The 2025 rent increase guideline is 1.7% and was 3% in 2024 and 0% in 2023 (Government of Manitoba, 2024). The rent increase guideline, however, does not apply to all units. There are a number of exemptions that allow landlords to raise rent to any amount without limit. As a result, tens of thousands of tenants in Manitoba are not protected by the rent control guideline (Bernas et al.). Additionally, no tenants are protected from a category of exemption to the guideline related to a landlord's increased costs, called an "above-guideline rent increase" (AGI). Large rent increases can force tenants to move - with limited affordable alternatives - or cut back on critical expenses, like food and medicine, to pay the rent (Abas, 2023; Bernas et al.; Sala, 2022).

The Right to Housing Coalition therefore calls for amendments to the Residential Tenancies Act to close the loopholes, protect tenants and preserve affordable housing. An explanation of the current rent control loopholes and recommended changes follow below.

Recommendations to strengthen rent control, protect tenants and preserve affordable housing

Issue # 1: Exemptions to annual rent increase guideline based on the unit's age and 'rent amount'

There are no limits to annual rent increases for the following types of rental housing, where a landlord can raise the rent to any amount once every 12 months.³

- New buildings first occupied after March 2005 are exempt from the annual increase guideline for a 20-year period. For example, a new building first occupied in 2020 would be exempt from rent control until 2045.
- Units renting at \$1,670 monthly or above are permanently exempt from the annual increase guideline. (This rental amount is adjusted each year by an amount equal to the maximum annual rent increase guideline.)

Recommendation

³Not all exemptions are listed here. For the full details, refer to the Residential Tenancies Branch web page of the Government of Manitoba (n.d.), here: <https://www.gov.mb.ca/cca/rtb/faqsrent.html#faqsrent1>

All tenants should be protected from unpredictable and unlimited rent increases, regardless of the amount of rent they pay or the age of their rental unit.

- 1) Apply rent regulations to units renting for more than \$1,670 monthly.**
- 2) Replace the 20-year rent regulations exemption for buildings first occupied after 2005 with a 5-year exemption.**

Issue # 2: Exemptions to annual rent increase guideline based on landlord's increased costs, the above-guideline rent increase (AGI)

All rental units can be subject to 'above-guideline rent increases' (AGIs). AGIs allow landlords to apply to the Residential Tenancies Branch (RTB) to increase the rent to any amount above the guideline and without limit. To do so, a landlord must prove that they have already incurred expenses related to increased capital and operating costs. The legislation currently allows an unreasonable range of expenses that a landlord can claim. AGIs are effectively being used to raise the rent excessively beyond the guideline.

Tenants have reported that the changes to the building or unit that the landlord makes to justify an AGI are neither seen as necessary (Woelk, 2023) nor resulting in "meaningful improvement[s]" (Da Silva, 2022, para. 8). Moreover, the AGI rules allow large increases to be applied to rents over short time periods, which causes "rent shock," as described by MLA Adrien Sala (2022, para. 25). For example, Manitoba spreads the cost of the capital expense over 3 to 8 years only, whereas in Ontario the period is 10 to 25 years (Bernas et al., 2023). In Ontario, where there are stronger limitations on what costs are permissible (for example, capital expenses must be "extraordinary" or "significant") (Landlord and Tenant Board, 2018), an AGI cannot exceed 9% total - but not more than 3% per year - for capital expenses or security services (Community Legal Education Ontario, 2023). A major and unfair issue in the application of an AGI is that, once the tenant has paid for the landlord's expense through higher rent over a set number of years, the rent does not return to baseline. The tenant continues to pay for an expense in perpetuity. This also results in the permanent loss of the affordable housing stock (Bernas et al.).

In 2022, 25,381 rental units in Manitoba were subject to an AGI, at an average of 9.8% (Buffie, 2023). This is an increase of \$115.15 per month as per the 2022 average rent (CMHC, 2024a). In recent years, AGIs on individual buildings have been documented to be as high as 30%, 50% (Froese, 2021) and even 126%, the latter in a year when the guideline was set at 0% (Da Silva). The average AGI was 10.3% in 2021, 11.65% in 2020 and 10.8 % in 2019 (Da Silva). Additionally, AGIs push rents ever closer to and beyond the amount where the unit is no longer covered by the rent increase guideline (Bernas et al.).

AGIs are the only exemption for which a landlord must first get permission from the RTB and which tenants are allowed to formally challenge. In practice, however, AGIs are usually

granted (Froese, 2021; Sala, 2022) and tenants are mostly powerless to stop them. For example, the RTB's approval rate of AGI applications was 92% in 2022, 80% in 2021, and 96% in 2020 (Abas, 2023). Tenants report that the process to challenge an AGI is very difficult and long, with accounts of a challenge taking over a year (Abas; Woelk, 2023). The process is unfair to tenants; for example, they are given a minimum of only 15 days to both view the landlord's application and supporting materials at the RTB (in-person and typically only during business hours) and to prepare their own comments. In a study looking at tenants experiencing AGIs in West Broadway, tenants reported confusion over paperwork, lack of anonymity, tight two-week timelines and inflexible weekday hearing schedules as some of the barriers with the RTB and Residential Tenancies Commission (Cooper, Emms & Cowkur, 2025). Many of the tenants who managed to navigate these systems say that their lived experiences, such as economic impact and concerns over the necessity, costs and quality of renovations, were not seriously considered by the commissioners who oversaw their AGI appeals.

Recommendation

Landlords should not be allowed to permanently increase their profit margins under the guise of passing temporary cost increases to tenants. Unfair above-guideline rent increases (AGIs) should be restricted.

- 3) Limit above-guideline rent increases to no more than 9% above the rent increase guideline and no more than 3% a year.**
- 4) Calculate rent increases for capital expenses over a 10 to 25-year amortization period, after which the rent increase should be reversed.**

Issue # 3: the withdrawal of "rent discounts"

A rent discount is where the tenant has an arrangement with their landlord to pay less than the maximum amount that the landlord can charge for the unit (Government of Manitoba, 2015). Generally, landlords may reduce or withdraw rent discounts with just three months' notice; if the tenant violates a condition of a rent discount agreement it can be even shorter. (Government of Manitoba, 2015). Both cases are subject to the rule that prevents more than one rent increase every twelve months. As described by Bernas et al., 2023, rent discounts are problematic because "[t]enants with discounts have told housing workers they are hesitant to ask their landlord for things they are entitled to (such as repairs) because they fear being economically evicted through the loss of a discount (personal correspondence)." (p.48). Additionally, the discount may be offered in bad faith by the landlord as a tactic to entice a tenant to rent a unit at a lower rate that the landlord does not intend to keep (Sala, 2022).

Recommendation

- 5) Disallow rent discounts while ensuring renters keep existing discounts.**

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