



**Government of the Northwest Territories Response to
Motion 75-19(2): Maximum Allowable Rent Increase for Private Rental Units**

Motion

NOW THEREFORE I MOVE, seconded by the honourable Member for Hay River South, that this Legislative Assembly recommends that the Government of the Northwest Territories update the Northwest Territories Residential Tenancies Act to include maximum allowable rent adjustments which are no more than the five-year average of the Canada Consumer Price Index;

AND FURTHER, the Government include in the Northwest Territories Residential Tenancies Act that increases to rent above the five-year average of the Canada Consumer Price Index can be applied for by private landlords to the NWT Rental officer;

AND FURTHER, the Government of the Northwest Territories provide a response to this motion within 120 days.

GNWT Response

The Northwest Territories' Residential Tenancies Act (the Act) does not currently include a maximum allowable amount by which a landlord can increase a tenant's rent. The Act does stipulate that landlords may only increase rent once in each 12-month period, and they must give the tenant three months' notice before the increase is effective. The Act allows a tenant to take a notice of rent increase as a notice of termination. The Act also requires the landlord to rent the property at the increased amount when they find a new tenant – if they don't, it is considered an improper termination and the landlord is subject to a fine, and may be ordered to compensate the tenant who moved.

Rent Control is always a contentious issue and the question of whether to include a rent control regime in the territorial legislation has previously been reviewed extensively at different points in time. To date, a rent control regime has not been included in the Residential Tenancies Act (the Act).

The last significant review of the Act occurred in 2014 with subsequent amendments in 2015, and less substantial changes brought forward in 2017, 2018 and 2019. In the 2014 review, the Department of Justice (the Department) considered research on rent control generally, the experience of other jurisdictions that have instituted rent control, and the housing situation in the Northwest Territories. It was concluded that taking steps to improve the availability of affordable housing for residents is a more feasible approach to dealing with high rent charges than implementing rent control. Rent control has the potential to help some renters but could also cause negative impacts on the private housing market, leading to higher rent and reduced construction and availability of rental units overall. Implementing rent control in the NWT would require the establishment of a Rent Review Agency to hear applications for rent increases, as well as the creation of a bureaucracy for reviewing, investigating and enforcing rent controls.

The Department is currently concentrating on its existing legislative initiatives for the remainder of the 19th Legislative Assembly, but plans to undertake a review of the Residential Tenancies Act in the 20th Legislative Assembly. This review will consider the recommendations brought forward by the Chief Rental Officer in their annual reports, as well as the issue of rent control and any other issues that may be raised during the course of the review.