



PRINCE EDWARD ISLAND

Regulatory & Appeals Commission

Commission de réglementation et d'appels

ÎLE-DU-PRINCE-ÉDOUARD

NOTICE

2023 Maximum Allowable Rent Increase

Charlottetown, Prince Edward Island, September 21, 2022 – The Island Regulatory and Appeals Commission has set the maximum allowable rent effective January 1, 2023 as follows:

A 5.2% increase may be applied to rental units including:

- Unheated premises
- Premises heated with sources other than furnace oil
- Mobile home site located in a mobile home park

A 10.8% increase may be applied to rental units including:

- Premises heated with furnace oil

The 2023 allowable rent increase is based on the 2022 Consumer Price Index (CPI) for Prince Edward Island. The Commission has determined a formula to calculate the appropriate 2023 Residential Rent Increase that takes into consideration the CPI values that relate to the costs of owning and operating a rental unit. The formula uses a weighted average approach to ensure each specific CPI index is weighted as a proportion of overall expenditures. The formulas are as follows:

(a) Weighted average calculation for unheated premises and premises heated by sources other than furnace oil:

$$\begin{aligned}\text{Percentage Increase} &= (\text{CPI Electricity} \times \% \text{ of Electricity}) + (\text{CPI Water} \times \% \text{ of Water}) + (\text{CPI Owned} \\ &\quad \text{Accommodations} \times \% \text{ of remaining expenses}) \\ &= (4.8\% \times 5\%) + (2.3\% \times 3\%) + (5.3\% \times 92\%) \\ &= 5.2\%\end{aligned}$$

(b) Weighted average calculation for premises heated with furnace oil:

$$\begin{aligned}\text{Percentage Increase} &= (\text{CPI Electricity} \times \% \text{ of Electricity}) + (\text{CPI Water} \times \% \text{ of Water}) + (\text{CPI Fuel Oil and} \\ &\quad \text{other fuels} \times \% \text{ of fuel oil}) + (\text{CPI Owned Accommodations} \times \% \text{ of remaining expenses}) \\ &= (4.8\% \times 5\%) + (2.3\% \times 3\%) + (75.9\% \times 8\%) + (5.3\% \times 84\%) \\ &= 10.8\%\end{aligned}$$

The Commission also considered the submissions received from the landlords, tenants and the general public, and information collected by the Commission over the last 12 months related to rental accommodations.

Each year, the Director of the Office of Residential Rental Property advertises for written submissions on the allowable rent increase from tenants, landlords and members of the public. This year, the Office broadened

its advertising campaign to reach a wider audience and to encourage greater input. As a result, 375 submissions were received by the August 12, 2022 deadline:

- 201 submissions received from tenants
- 65 submissions received from landlords
- 109 general responses received that did not identify whether they were a landlord or tenant

The Commission thanks everyone who contributed to this process.

Under the Rental of *Residential Property Act*, landlords are permitted to raise the rent once every 12 months and are required to provide tenants with three months' written notice on an approved form before the rent increase can take effect. Landlords seeking rent increases greater than the allowable amount must apply to the Director of the Office of Residential Rental Property and provide the required information.

[Click here to view Order LR22-54.](#)