



**Residential
Tenancy Office**

Prince Edward Island • CANADA

2025 Annual Allowable Rent Increase is 2.3%

**Jennifer L. Perry,
Director of Residential
Tenancy**

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BACKGROUND

1. On April 8, 2023, the Government of Prince Edward Island repealed the *Rental of Residential Property Act* and proclaimed the *Residential Tenancy Act* and the *Residential Tenancy Regulations*. This means the new *Residential Tenancy Act* (the “Act”) is law as of April 8, 2023.
2. Subsection 49. (2) of the Act, sets out the formula and requires the Director to establish the allowable annual increase in rent for the calendar year 2025 and publish it in the Gazette.
3. In accordance with subsection 49. (2)(a) of the Act, the Director gave public notice inviting written representations from landlords and tenants to assist in establishing the allowable annual rent increase.
4. This year, submissions closed on August 14, 2024, and a total of 57 submissions were received by the deadline; 21 from landlords, 35 from tenants, and 1 from unknown/other sources. There were 29 submissions requesting a rental increase between 1 and 3 %, there were 10 submissions requesting a rental increase of 4 % or more, and there were 18 submissions requesting no increase at all.
5. In accordance with subsection 49. (2) (b) of the Act, the Director requested from the Commission, the “percentage change from year to year in the All-Items Consumer Price Index for Prince Edward Island as reported monthly by Statistics Canada, averaged by the Commission over the 12-month period that ends at the end of June of the previous calendar year and rounded to the first decimal point”.
6. The Commission provided the requested data to the Director and the 1-year percentage change required in subsection 49. (2) (b) of the Act, for the period July 2023 to June 2024, was 2.3%.

Average Percentage change from July 2023 to June 2024	
Avg Jul 2022 to Jun 2023	160.6
Avg Jul 2023 to Jun 2024	164.3
1 yr Change	
23/24 over 22/23	2.3%

7. In accordance with subsection 49. (2) (c) of the Act, the Director is required to consider any other factors specified in the regulations. There are no other factors in the regulations at this time.
8. Subsection 49. (3) of the Act, states the guideline for a calendar year shall not exceed 3 percent.
9. Based upon a review of the factors set out in the Act, the Director establishes the 2025 annual allowable rent increase for all residential rental properties to be 2.3 percent.
10. Subsections 48. (1), (2) (b) and (4) of the Act state that 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.