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Guide to Lease Renewals and Month to Month Tenancy in Ontario

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For Ontario renters, reaching the end of a fixed term lease does not automatically mean moving out. Tenants can usually remain in the rental unit under a month to month tenancy. This guide covers lease renewals, rent increases, notice periods, and the rules landlords and tenants must follow.

Lease Renewal Guide for Ontario Renters

1. End of a Fixed Term Lease

Most 1-year leases become month-to-month tenancies after the fixed term ends.

The tenant stays in the same rental unit and existing lease conditions continue. No new lease is required. Landlords and tenants can also agree to another fixed term, which can be any months' long.

Ontario's Residential Tenancies Act sets this automatic renewal rule.

2. Ontario Lease Renewal Rules

Key rules after a fixed term ends:

- Existing lease terms continue
- New fixed term can be agreed to
- Tenant does not need to sign a new fixed term lease to remain in the unit
- Lease expiry alone does not end the tenancy
- Landlord cannot require the tenant to move only because the term ended
- Rent can increase only under Ontario rent increase rules
- Changes to lease terms must follow the Residential Tenancies Act

A landlord needs a lawful reason and proper process to end a tenancy.

3. Rent Increases After the Lease Ends

Lease expiry does not automatically allow a rent increase.

For most rental units:

- At least 12 months since tenancy started or last rent increase
- At least 90 days of written notice
- Increase must follow applicable Ontario rent rules

For most rent controlled units, landlords use Form N1: Notice of Rent Increase.

A renter can remain month to month after receiving a lawful rent increase. Signing another fixed term is not required.

4. Month to Month Tenancy

Month-to-month tenancy removes the fixed end date. Most other lease conditions stay the same.

This includes:

- Rent payment date
- Parking terms
- Storage arrangements
- Included utilities
- Rules listed in the original lease
- Landlord and tenant responsibilities

The tenant continues paying rent each month until the tenancy legally ends.

5. Ending the Tenancy

Tenant normally uses Form N9: Tenant's Notice to End the Tenancy.

For a monthly tenancy:

- At least 60 days notice
- Termination date must normally fall on the last day of a rental period

Example: Rent paid on the first of each month usually means a month-end termination date.

For a fixed term lease, termination date cannot normally fall before the final lease date. Special notice rules apply for February and March.

Landlord and tenant can also mutually agree to end the tenancy using Form N11: Agreement to End the Tenancy.

6. Before Signing Another Fixed Term

Compare the proposed lease with the current agreement.

Review:

- Start and end dates
- Monthly rent
- Parking costs
- Storage costs
- Included utilities
- Added fees
- Services included
- Changes to existing terms

Do not assume another fixed term provides better tenant rights. Month to month tenants remain protected under Ontario's Residential Tenancies Act.

Understanding the renewal rules helps renters decide whether another fixed term or month-to-month tenancy better suits their plans.