**CPI RENT INCREASE CLAUSE**

When it comes to any rental agreement, a CPI rent increase clause may have to be included to protect both parties. A CPI clause states that a landlord may tie the rent amount to the Consumer Price Index (CPI). This means that the rent may have to be escalated at the beginning of every lease year according to the percentage increase in the CPI over the last year.

This is done for two main reasons:

* To make sure that the premises' rent can keep up with inflation rates.
* To increase the premises' market value.