



**Federation of
South Toronto
RESIDENTS'
ASSOCIATIONS**

May 10, 2023

Ontario Legislature
Standing Committee on
Heritage, Infrastructure and
Cultural Policy

Submission re Bill 97 *Helping Homebuyers, Protecting Tenants Act*

Dear Sir/Madam;

The Federation of South Toronto Residents Associations (FoSTRA) is a federation that currently represents 23 residents' associations (RAs) in the five downtown Toronto wards; Wards 4, 9, 10, 11 and 13 and, through these RAs, hundreds of thousands of Toronto's residents.

FoSTRA submits the following comments and recommendations on the issue of protecting tenants in Ontario.

Executive Summary

Bill 97, the *Helping Homebuyers, Protecting Tenants Act*, affords enhanced protections for renters against renovictions and bad-faith displacements via stiffer fines for landlords and the provision of more human resources to the Landlord & Tenant Board (L&TB).

While these initiatives will undoubtedly prove helpful, better outcomes might be achieved by addressing the root cause of many renovictions and displacements – the allure of re-setting rental rates in this climate of double-digit rental increases.

FoSTRA recommends that the provincial government look beyond the enforcement and penalty side of the equation to remove the incentives to evict or displace tenants by

1. Expanding rent controls
2. Adopting vacancy controls
3. Reviewing rental replacement plans on new developments
4. Exploring incentives to increase net rental stock

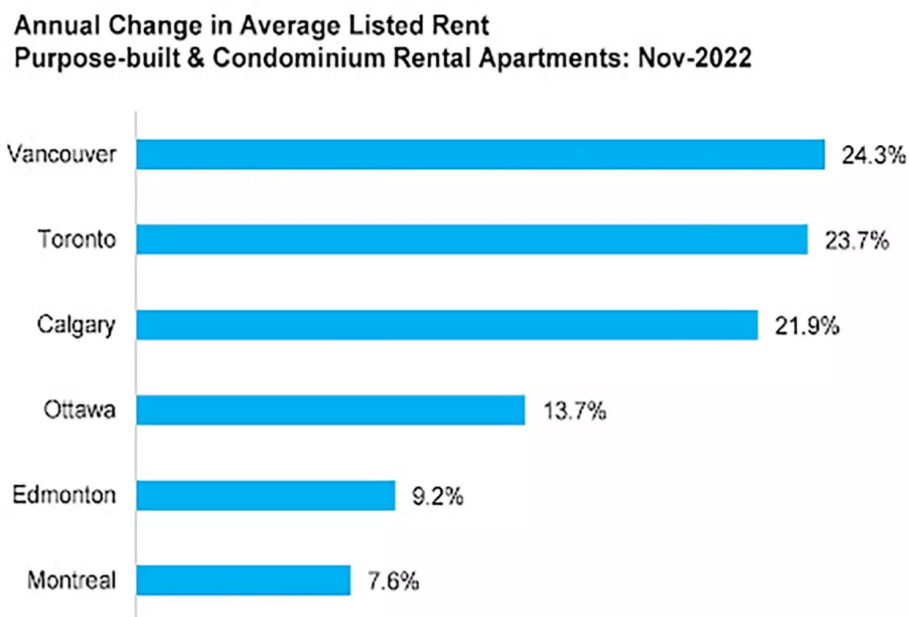
Context

While this Act undeniably provides some additional safeguards, it relies on:

- 1) tenants themselves gathering the proof of landlord “bad faith,”
- 2) swift proceedings at the Land & Tenant Board,
- 3) renters having both the means and the time to pursue resolutions at the L&TB, and
- 4) landlords respecting the decisions made, including paying any fines that are assigned.

The reality is that most renovations/displacements end up with previous tenants never regaining their former homes, and the very best outcome they can expect is limited to some level of financial compensation after years of L&TB processing.

Ultimately, forcing the tenant to seek a remedy after their eviction through the Landlord & Tenant Board will place undue burden on the individual and cause excess harm.



Source: URBANATION

Currently, rent controls in Ontario apply only to properties built in 2018 and prior, and even then, only to units with no change of tenancy. Current initiatives to boost development and add units to the market will only result in increasingly large numbers of rentals that will be completely exempt from any form of rent control.

Low-income earners are particularly vulnerable to uncontrolled rent increases, which may result in families being forced to find alternative housing or even becoming de-housed.

The Recommendations

Firstly, if the province supported universal rent controls for all residential rental properties, regardless of the age of the property, much of the incentive to evict or displace tenants in favour of higher rents would be significantly reduced.

Secondly, the adoption of vacancy controls would cap the percentage a landlord can raise the rent when a tenant gives up his tenancy and moves out.

Combined, these two elements would dampen spiraling rent increases that are driving average income earners out of the city.

This would directly affect the approximately 50% of Toronto families who rent their accommodations and provide a much-needed degree of stability to housing costs in general.

Tellingly, the removal of rent control on newer properties in Ontario has **not** resulted in a construction surge of purpose-built rental units to the market.

Quebec has realized more than a 70% higher rate of new rental apartment construction completions per capita than Ontario over the past five years, despite having a stronger rent control regime in place.

In the span from 2017 to 2022, only 15,000 more rental units came on the market in Toronto, a scant 5% over five years (Toronto numbers, CMHC). During the same period, its population increased by some 470,000. (Statista)

	3-5 UNITS	6-19 UNITS	20-49 UNITS	50-199 UNITS	200+ UNITS	TOTAL
2017 October	10,464	20,744	35,040	134,831	110,517	311,596
2018 October	10,642	20,696	34,864	134,586	112,331	313,119
2019 October	10,714	20,606	34,904	135,747	113,659	315,630
2020 October	10,747	20,577	34,767	136,635	115,887	318,613
2021 October	10,785	20,511	34,651	137,369	116,836	320,152
2022 October	10,684	20,590	34,492	138,317	123,180	327,263

Source: [CMHC Rental Market Survey](#). 

CMHC Rental Market Report, January 2023

Thirdly, weak and inconsistent rental replacement requirements for landlords add to the financial incentives to demolish scarce existing affordable rental units. To better protect tenants' rights in displacement scenarios, it would be beneficial to incorporate a review of landlords' rental replacement plans and actions within the municipal planning approvals process for new developments and redevelopments.

The way to bring consistency across the province is a proactive set of guidelines that would foster a better understanding of the obligations and rights for both landlords and tenants.

Incentivizing Landlords and Builders

1. In recognition that building, and mortgage financing costs have increased, a sliding-scale rent control system could recognize this fact and afford a reasonable accommodation for inflation for these newer properties and protect investors from inflationary pressures.

If, for example, annual rent increases ranged between 2% and 6%, newer builds would be allowed a higher annual increase than older properties.

2. Incentives for purpose-built rental properties should be developed at the federal, provincial, and municipal levels. This would encourage developers and investors to undertake construction of rental properties that would increase the rental stock in a meaningful way.
3. Federal, provincial and municipal funding for programs like Toronto's Multi-Unit Residential Acquisition (MURA) program would ensure that existing affordable housing stock could be saved and made available at much less cost than any new build.

In Conclusion

The province is strongly urged to consider adopting universal rent controls and vacancy increase caps, as well as to address the problem of affordable rental replacement as part of the planning approvals process for any redevelopment projects.

Funding for programs like *MURA* would guarantee that the most affordable rental properties would be preserved for lower-income citizens.

All levels of government need to coalesce around a coordinated approach to create the financial environment necessary to ensure that new developments continue to contribute to overall rental stock.

These key strategies are central to establishing reasonable and affordable rental options for millions of affected Ontarians.

Regards,

A handwritten signature in blue ink, appearing to read "Rick Green". The signature is fluid and cursive, with the first name "Rick" and last name "Green" clearly distinguishable.

Rick Green
Chair