
City Council

Notice of Motion

MM48.19	ACTION			Ward:All
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Protecting Toronto's Tenants: Above the Guideline Rent Increase Reform - by Councillor Josh Matlow, seconded by Councillor John Parker

** Notice of this Motion has been given.*

** This Motion is subject to referral to the Executive Committee. A two-thirds vote is required to waive referral.*

Recommendations

Councillor Josh Matlow, seconded by Councillor John Parker recommends that:

1. City Council request the Province of Ontario to amend section 126 of the Residential Tenancies Act, 2006, to:
 - i. eliminate a Landlord's ability to levy an Above the Guideline Rent Increase for costs prescribed in subsection (1)1 relating to the municipal taxes and utilities;
 - ii. eliminate eligibility of capital expenditures for the purpose of an Above the Guideline Rent Increase under the categories prescribed in subsection (7) a, b and c that constitute general repair and maintenance of the property;
 - iii. add new subsection requiring Landlords to save 10% of rental income for a maintenance account to be accessed for capital expenditures related to the categories prescribed subsection (7) a, b and c; and
 - iv. no rent increases be permitted related to the enactment of i. and ii.

Summary

Being a renter in Toronto is becoming increasingly difficult. While guideline rent increases have been capped, Above the Guideline Increases (AGIs) for basic upkeep and repairs have pushed rents that were already steep into the unaffordable range. In addition, the low vacancy rate has made it nearly impossible to find lower-cost alternatives elsewhere. Average rents have risen \$80 per month for a one bedroom in just the last four years. That's almost \$1,000 a year extra at a time when wages have stagnated. No Torontonians should be forced to choose between paying rent and buying groceries, but that's the unfortunate choice too many of us are facing.

An AGI is a rent increase above the "Guideline" increase that a landlord can apply for through the Landlord and Tenant Board to cover the cost of capital repairs such as replacing elevators or balconies. As a result of this provincial law, tenants are being unfairly burdened for the landlord's cost of doing business. Landlords already receive guideline increases and further rent hikes from vacancy decontrol to deal with their costs. Repairs should be included as part of a landlord's overall expenses and paid for from the significant rent they already receive.

This Motion requests the Province to amend the Residential Tenancies Act to require that landlords maintain the building and pay for maintenance as needed, not be given incentive to let their buildings deteriorate and then place huge bills on the backs of tenants. This Motion also requests that landlords be required to save 10% of rental income for a maintenance account that they can then access for capital expenditures instead of getting tenants to fund the projects. A similar requirement is already in place for condominiums.

(Submitted to City Council on February 19 and 20, 2014 as Member Motion MM48.19)

Background Information (City Council)

Member Motion MM48.19