



Licensing of rental apartments should NOT be supported

The Greater Toronto Apartment Association supports the city's efforts to crack down on bad operators. However, most landlords are good landlords that work hard every day to ensure Toronto's renters have a safe, secure and affordable place to live.

On the surface, landlord licensing may sound like a good idea, and it certainly makes a great media soundbite. But the analysis of actual and factual data clearly shows that a widespread system is not required when the problem rests with a small number of bad operators. Going in with surgical precision is what's needed.

The proposed rental apartment building licence will not help the city crack down on bad operators.

The current proposal will increase red tape, increase rents and make rental housing less affordable.

- Licensing proposal will increase rents and make rental housing less affordable:
 - Tenants already pay almost 3 times more than their fair share of property taxes;
 - New City fees AND the resultant administrative burdens on landlords WILL INCREASE RENTS.
- Licensing proposal will create a new layer of red tape and bureaucracy without improving the quality of rental housing:
 - MLS will collect 33,000 new documents from 3,300 landlords;
 - MLS staff will be reviewing hundreds of thousands of pages or cleaning schedules and maintenance plans, instead of going after bad operators;
- Licensing proposal doesn't focus on the worst offenders:
 - Instead of focussing on the worst offenders, MLS will spread its resources thin with a cursory inspection of 3,300 buildings each year;
 - That's a 1,600% inspection load increase. This will not lead to effective enforcement.
- Licensing proposal will double the inspection program's existing budget:
 - Budget will increase from \$1.78 million to \$3.5 million;
 - No increase in front line inspection staff. Unclear how increase will be spent.

City staff and City Council rejected licensing in 2008 in favour of MRAB. What's changed? Excerpts from MLS staff report 2008:

“any regulatory strategy needs to be part of a comprehensive housing strategy that promotes a sustainable stock of affordable, well-maintained housing. These two sides of the equation need to be in balance. In the long run, focusing solely on the regulatory means to address property standards issues in rental housing is likely to disrupt this balance and create undesirable pressures for the sector” (page 4)

*“Despite an obvious need for there to be credible consequences in the instance when a licence is revoked, it is just as important that any licensing system not lead to the unresolved de-housing of tenants. Although perhaps manageable on a smaller scale, these conflicting issues make **licensing**, especially with respect to high-rise buildings, a practically **unworkable proposition**.” (page 36)*

MRAB works and it's getting results

- At end of 2015, compliance in private sector buildings is 92%; TCH is 85%.
- Significant service level improvements (pre-audit response reduced from 10 to 5 days). 1,000+ buildings audited since 2009.
- GTAA has worked with City to improve effectiveness of MRAB; new MRAB just started in 2015 and has proven to be very successful.
- MLS highlights many successful case studies where the City / MLS aggressively pursued negligent landlords and had the remedial work done immediately at the bad landlord's expense.

There are more effective ways to crack down on bad operators

- City already has the tools to crack down on bad operators.
- City should build on what works and enhance MRAB by undertaking more enforcement actions against the bad operators – focus resources where they're needed and will get results.

Current proposal did not consider any other options – no due diligence or research

- The current plan fails to address any of the many shortcomings revealed in 2008.
- Before deciding on a licensing regime, MLS staff should provide City Council with a full analysis of its options, including enhancements to MRAB – as the only way to make a fully informed decision.

For more information or to discuss this, please contact me:

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