



December 9, 2016

Mayor and Council Members  
Toronto City Hall  
12<sup>th</sup> Floor, West Tower  
100 Queen Street West  
Toronto, ON M5H 2N2

Sent via email: [clerk@toronto.ca](mailto:clerk@toronto.ca)

Dear Mayor and Council Members;

**Re: LS15.3 Rental Apartment Buildings: Results of Public Consultation and Proposed Regulatory Regime**

The Greater Toronto Apartment Association (GTAA) represents the owners and managers of over 150,000 units of purpose-built, multi-family rental housing. GTAA's members care about our residents and our communities and work hard every day to ensure that Toronto's renters have a safe, secure and affordable place to live.

We have serious concerns about the proposed regulatory bylaw for rental apartment buildings.

Creating and maintaining affordable, high quality rental housing is our core business. The proposed regulatory bylaw will increase costs, increase rents, and discourage investment.

**Apartment tenants already pay more than their fair share.**

The City of Toronto's multi-residential property tax rate is 2.9 TIMES higher than its residential property tax rate. There is absolutely no policy justification for this differential treatment – significantly higher and detrimental property tax rate.

The result is higher rents – yes, municipal fees and charges are embedded in monthly rent. The average Toronto tenant over pays \$85 per month – or \$1,000 per year – in rent as a result of the significantly higher (2.9 TIMES) multi-residential property tax rate. That has a real and substantial negative impact on housing affordability.

The proposed new per unit fees and administrative burdens associated with the proposed regulatory bylaw will drive up the costs of providing high quality rental accommodation and, as a result, increase rents. City staff estimate that the per unit fee alone will cost Toronto's rental housing providers an additional \$2 million per year.

Instead of providing incentives to build and maintain affordable rental housing, the proposed regulatory bylaw will create new and unnecessary roadblocks.

We respectfully submit that the City of Toronto should not add to the cost burden shouldered by rental apartment tenants and building owners until property tax parity is achieved.

### **Build on MRAB's Success**

There are better ways to improve the quantity and quality of affordable rental housing in Toronto.

Over the last seven years, the GTAA and its members have worked hard to strengthen and improve the City's Multi-Residential Apartment Building Audit Program (MRAB).

MRAB is getting better and has achieved many successes. At the end of 2015, the compliance rate for private rental housing providers was 92%. MRAB works by focussing the City's resources where they are needed most: on the small number of landlords that require additional oversight and enforcement.

Instead of spending an additional \$1.2 million every year and creating new regulatory burdens, we should build on what works and aggressively pursue negligent operators through an enhanced, results-oriented MRAB program.

As we have in the past, the GTAA would be delighted to work with the City to further enhance MRAB. For example, the GTAA believes that enhancing remedial actions and prosecutions could provide a strong and significant deterrent mechanism.

The proposed regulatory bylaw will increase costs, increase rents and discourage investment in new rental housing. It will make it more difficult to create and maintain affordable, high quality rental apartments.

We kindly ask that you do not support the proposed regulatory bylaw. In the alternative, we urge you to reduce the proposed per unit fee.

Thank you for the opportunity to take part in this important decision. I would be delighted to speak to you in more detail about the proposed regulatory bylaw, MRAB or the GTAA's position.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Daryl Chong', with a stylized flourish at the end.

Daryl Chong  
President and CEO  
Greater Toronto Apartment Association