

City Council**Motion Without Notice**

MM12.33	ACTION			Ward: 5
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Protecting Tenants from unfair rent increases in new builds - by Councillor Frances Nunziata, seconded by Councillor Brad Bradford

** This Motion has been deemed urgent by the Chair.*

** This Motion is not subject to a vote to waive referral. This Motion has been added to the agenda and is before Council for debate.*

Recommendations

Councillor Frances Nunziata, seconded by Councillor Brad Bradford, recommends that:

1. City Council request the Province of Ontario to reinstate rules limiting rent increases, as prescribed in Sec. 120 (1) of the Ontario Residential Tenancies Act, 2006, for all new rental units occupied for residential purposes.

1. City Council request the City Manager to report to the January 22, 2020 meeting of the Planning and Housing Committee on requiring that landlords in new developments, where incentives from the City of Toronto have been provided, be prevented from increasing rents by more than the Guideline, as prescribed in Sec. 120 (1) of the Ontario Residential Tenancies Act, 2006, and that no further Requests for Proposals for Housing Now sites be issued until the report is received.

Summary

Last week, tenants of a new build in Ward 5 received notice of rent increases. For month-to-month tenancy, their rent would increase by over 25 percent; six percent for year-long leases. Through my efforts and advocacy by the building's tenants' association, the decision to apply an exorbitant 25 percent rent increase was reversed however, tenants will still be facing a six percent rent increase.

How was this possible?

On November 15, 2018, the Government of Ontario announced reforms to the Residential Tenancies Act, 2006 ('the Act') exempting new rental units from rent control. Landlords of new rental units would no longer have to adhere to the rent increase guidelines stipulated under Sec. 120(1) of the Act. For 2019, the rent increase guideline was 1.8 percent; for 2020 it will be 2.2 percent. With the provincial reforms, tenants in new rental units are not protected from rent increases in excess of these guidelines.

Approximately 50 percent of households in Toronto are renters. This number is expected to grow. Without limits to rent increases many Torontonians will be at risk of being priced out of their homes.

We must demand better protection for current and future tenants.

While the City of Toronto cannot implement rent control, we can and should ensure that when financial incentives are provided for the construction of affordable housing as was the case with the building in Ward 5, all residential units, including those at market rent, are protected from unfair rent increases.

This Motion is urgent as there are many City initiatives underway to incentivize the development of affordable housing in Toronto.

Background Information (City Council)

Member Motion MM12.33