

To Toronto City Council

May 22, 2024

Re: Item - 2024.MM18.24

Requesting the Province to Protect Small Businesses and Support Vibrant, Affordable, and Successful Mainstreets

To Toronto City Council,

Since launching our [Commercial Rent Report](#) in 2022, our team at the Better Way Alliance has been talking to businesses from across Canada. Out of these discussions, we've created the [Commercial Renter Bill of Rights](#). It's a simple roadmap for provincial governments to create regulations that will immensely help local business owners:

1. **Right to a Standard Lease**
Simplify complex legal language to ensure transparency and accessibility in landlord-tenant agreements.
2. **Right to Affordable Dispute Resolution**
Access to out-of-court resolution reduces legal costs and resolves conflicts swiftly, keeping businesses focused on growth.
3. **Right to Predictable Rent Increases/Changes**
Cap rent increases to prevent unexpected costs and ensure business stability and continuity.
4. **Right to Withhold Rent Payments**
Allow rent withholding, without eviction, as an offset when the landlord owes money – protecting tenants from unfair financial pressures.

We encourage you to support Councillor Matlow's Motion and add the Right to Withhold Rent tenet to the Motion. When a repair needs to get done right away, businesses will often pay for it with the expectation that their landlord will repay them. However, that doesn't always happen. Instead of suing their landlord, businesses should be able to subtract an amount they're owed from their rent, without the threat of eviction.

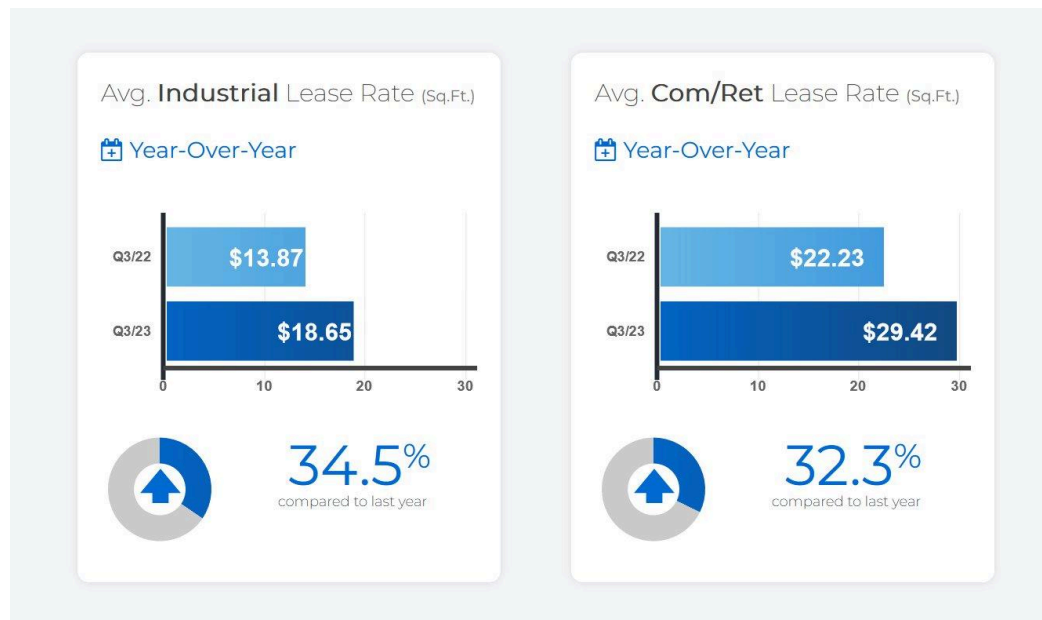
Why Now?

Commercial renters have [little to no rights](#). Unlike many residential renters, for businesses renting commercial space:

- Rent can be raised by landlords by any amount. We often hear of 50% to 100% increases, or even higher.

- There is no dispute resolution process. If they need a contractually obligated repair done by an uncooperative landlord, the renter's only option is to sue them.
- There are no standard leases. Lease documents can be 70+ pages long in complex legalese, often featuring harmful clauses.
- They cannot stop paying rent when a landlord owes them money. A commercial renter can be evicted even if their landlord owes them money.

With current high business debt, stabilizing Toronto's businesses through commercial rent reform must be a priority. Businesses need access to a secure space that won't see a 32% rent increase year over year.



Courtesy TRREB: Market Snapshot Q3 2022 to Q3 2023

We need to invest in raises for workers during an affordability crunch instead of seeing landlords extract community wealth through hugely raised rents. **Businesses can't create and sustain good local jobs if landlords keep raising the rent by 30%.**

If governments want to encourage greater productivity, good local jobs, and brick & mortar business success, they must support commercial rent reforms.

Sincerely,

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