

# Implementing a Rental Renovation Licence Bylaw to Address Renovictions

Item PH16.4  
Planning and Housing Committee  
October 30, 2024

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# What is a Renoviction?

- Illegitimate eviction by a landlord claiming the need for vacant possession for the purpose of renovations.
- These can include refusing tenant's return post-renovation, illegally raising rent on new/returning tenant or not undertaking major renovations after eviction.

On October 30, the Planning and Housing Committee will consider a staff report titled: **Implementing a Rental Renovation Licence Bylaw to Address Renovictions or "Renovictions Bylaw"**

The report:

- Recommends the adoption and implementation of bylaw to address the issue of renovictions in Toronto protect tenants and preserve affordable rental housing
- Provides the results of public engagement
- Outlines an implementation plan focused on communication

The Renovations Bylaw will be enacted under the authority of the **City of Toronto Act**.

Under the **Building Code Act**, a building permit is required for the construction and/or demolition of a new building, an addition, or material alteration of any building or structure.

The **Residential Tenancies Act, 2006** outlines the rights and responsibilities of landlords and tenants in Ontario.

- Landlords can serve N13 notice to end tenancy for demolition, conversion, or major renovations to a rental property.
- N13 notices must be issued at least 120 days before eviction

Enacted under the authority of the City of Toronto Act, the proposed Renovictions bylaw **will not**

- prevent the issuance of N13 notices,
- prevent/delay the issuance of a building permit,
- or allow City staff intervention in landlord-tenant disputes

# Summary of the proposed Bylaw

- Effective July 31, 2025 landlords would require a [Residential Rental Renovation Licence](#) for the renovation, repair, or maintenance work if an N13 notice is issued.
- Includes a requirement for a [Tenant Accommodation or Compensation Plan](#) and payment of moving allowances to support tenants.
- Provide tenants with [severance compensation](#) where the tenant chooses not to return to the unit after the renovation or repair work is complete
- Landlords must post a [Tenant Information Notice](#) with details about the renovation and available tenant resources.
- The [scope](#) of the bylaw covers all rental units in Toronto, with limited exemptions.
- [Violations of the bylaw](#) may result in fines up to \$100,000 and equivalent to the economic benefit gained from non-compliance.

- Confirmation of approved building permits (and any other required approvals, if applicable)
- A copy of the N13 notice to end tenancy
- \$700.00 application fee
- Confirmation that the landlord has posted a Tenant Information Notice advising tenants of a licence application and how to obtain information on eviction prevention and the Renovictions Bylaw
- A report prepared by a qualified person noting that the renovation requires vacant possession
- A Tenant Accommodation or Compensation Plan



**Moving Allowances:** \$1,500 for studio/one-bedroom units and \$2,500 for two-or-more-bedroom units, adjusted annually based on cost of living.

## **If a tenant chooses to return**

**Alternative Accommodation:** Temporary housing at similar rents that is acceptable to the tenant, provided by landlord through own properties or partnerships, or

**Financial Compensation:** Monthly 'rent-gap' payment to cover rent difference, with tenants finding their own temporary housing. The 'rent-gap' calculation will be the difference between the tenant's current rent and the average market rent for similar units first occupied after 2015, using CMHC data for fair market reflection.

## **If a tenant chooses not to return**

**Expenses:** Landlord to pay lump sum equal to three months of 'rent-gap' payments (as calculated above).

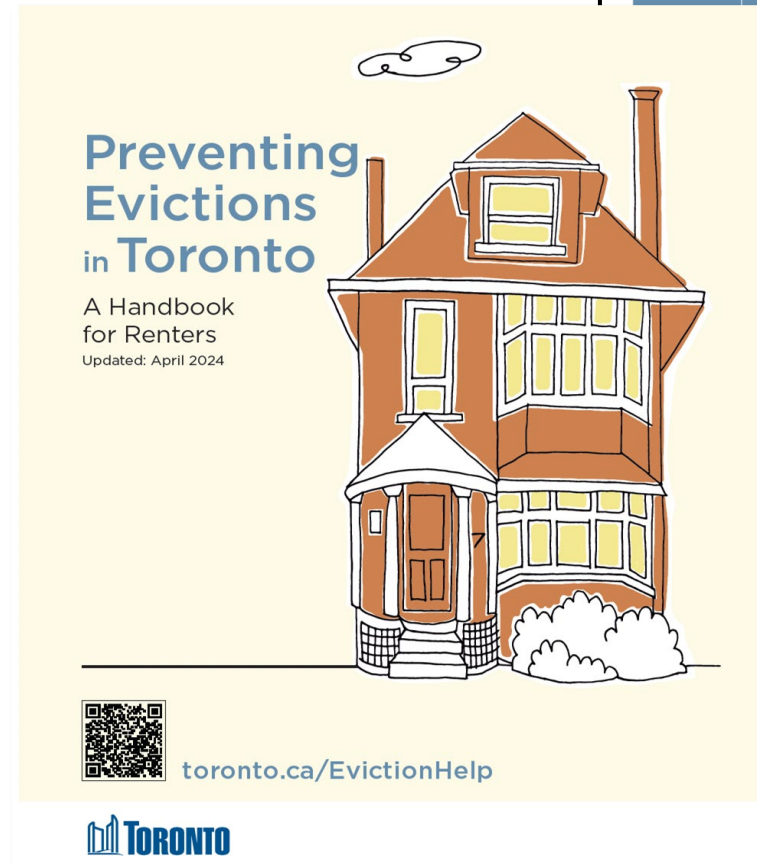
Landlords will also be required to:

- Notify tenants of a Licence application after submission
- Post a Tenant Information Notice

The City will provide tenants with the **“Preventing Evictions in Toronto”** handbook.

Public Registry:

- Real-time information to tenants on license and permit status & completion date



### Types of Renovations and Potential Impact on Renters

Many renovations and repairs can be completed without renters needing to leave their homes. General information on several types of renovations<sup>15</sup> is included below.

Type of renovation/repair	Description of work	Disruption to you	Likelihood of you needing to move out during the renovation	Permit requirements
Multiple renovations involving changes in use or number of dwelling units, layouts and dividing walls		Likely significant Disruption varies depending on the extent of the work being conducted, however, efforts may be made to stage the work in a manner that minimizes its impact on renters.	You may need to leave your unit for the work to progress.	Multiple permits, including building
Grades to kitchen and bathroom, interior painting, flooring replacement or repairs		Minimal Disruption varies depending on the extent of the work being conducted. Renters may be exposed to hazardous fumes/materials.	You will likely <u>not</u> have to leave your unit but you may have limited access to the kitchen/bathroom while work is underway.	Likely no required permits
Replacement or repair of balcony deck		Minimal to moderate During concrete removal activities, there may be a high level of noise and/or vibration.	You will likely <u>not</u> have to leave your unit. Timely and appropriate notification can be provided to notify you of each planned balcony closing.	A building permit may be required depending on the scope of work.

provide guidance for renters whose units are being repaired or renovated. If your unit is different rules may apply to you.

Evictions in Toronto - A Handbook for Renters

An **education-first approach** is consistent with the Council-adopted Renovictions Policy.

### **Strategies:**

- **Integration with building permit approvals** facilitates compliance
- **Outreach** proactively informs landlords of their obligations and provides tenants information on their rights
- **Public Registry:** Real-time information to tenants on license and permit status & completion date
- **Enforcement & Compliance:** Investigation and graduated enforcement where appropriate

<b>Offence</b>	<b>Example</b>	<b>Fine</b>
<b>Failure to submit licence application or provide information</b>	Failure to submit application within 7-days N13 issuance, or fail to provide/post a tenant information notice	Up to \$1,000
<b>Continuing Offences</b>	Violating the By-law over multiple days	Up to \$10,000 per day
<b>Evicting without renovations</b>	Evicting a tenant for renovations but not completing them	Up to \$100,000
<b>Non-compliance with licence</b>	Not adhering to the tenant accommodation plan	Up to \$100,000
<b>Economic advantage through violations</b>	Renting at a higher rate without offering the previous tenant the right to return	Special fine equal to the economic advantage gained (no maximum fine)

# Expenses and Funding

- Difficult to accurately predict licence volume
  - N13s issued under-reported
- The recommended fee is \$700.00
- Fee needs to:
  - Disincentive illegal renovations
  - Mitigate against loss of rental stock due to high compliance cost
  - Encourage landlords to continue, renovations, maintenance and repair
  - Support compliance where N13 is appropriate
  - Avoid rush of N13s during phase-in period

## Summary: Expenses and Funding

	2025 Half Year	2026 Full Year
14 Positions	\$938,410.00	\$1,781,976.00
Education/Comms	\$500,000.00	\$300,000.00
License Fee	-\$56,000.00	-\$112,000.00
<b>Total Expenses</b>	<b>\$1,382,410.00</b>	<b>\$1,969,976.00</b>
60% - Building Permits	\$1,001,985.60	\$1,181,985.60
40% - City Revenue	\$380,424.40	\$787,990.40
<b>Total Funding</b>	<b>\$1,382,410.00</b>	<b>\$1,969,976.00</b>

- Tenants and landlords agreed that the City needs to develop **clear, multilingual guidelines** and supporting documents to support implementation
- Engagements identified **broad support of the bylaw** from tenants.
- Landlords voiced **concerns with additional administrative and financial burdens.**

**1,416**

Online survey responses

**6**

In person  
drop-in sessions

**1**

Online session

**25**

Tenant & Landlord  
organizations engaged

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Staff report to be considered by the Planning and Housing Committee on October 30

[www.Toronto.ca/renovictions](http://www.Toronto.ca/renovictions)