
The Matt Mysak Report



WINTER 2006

Page 1

Residential Tenancies Act, 2006

The Residential Tenancies Act, 2006 (RTA), received Royal Assent on June 22, 2006. This means that it is law, but is not in effect until it is proclaimed, which is scheduled for January 31, 2007. With a few exceptions, most of the rules of the Tenant Protection Act (1997) (TPA), still apply until the RTA is proclaimed.

The 2006 rent increase of 2.1% is unchanged. The 2007 rent increase guideline will be 2.6%. Future rent increase guidelines will be based on the Ontario Consumer Price Index. Landlords can apply to the Landlord & Tenant Board for *above-guideline*

rent increases for capital work on rental buildings. Above guideline rent increases are limited to 3% per year, for a maximum of 3 years. Under the RTA, the fee for above guideline increase applications would be reduced. However, before a landlord is allowed to pass costs onto tenants, there will be a more in depth test to decide if the expenses are really necessary.

Starting rents can still be negotiated, but once established, the rent is controlled by the RTA regulations.

Buildings constructed after 1991 remain exempt from most rent controls, such as the annual rent increase guideline.

Rental Housing Market

Ontario's current vacancy rate is high. Although 32% of all homes in the province are rented, the 2005 vacancy rate was 3.7%. The highest vacancy rates are seen in the least expensive apartments. In the lowest 20% of the housing market the rate was 5.5%. The average rent in 2005 increased by 0.7%

Fair interest rates on rent deposits

Presently landlords must pay 6% interest on last month's rent deposits. Under the RTA, interest would instead be based on the Ontario Consumer Price Index. This is closer to actual interest rates.

FOR SALE



TROPHY apt. building on the beach of Cobourg. Only \$1,950,000

FOR SALE



CENTRAL WHITBY, 51 units on 2 Acres. 7.7% CAP \$3,490,000.

FOR SALE



TORONTO WEST, 30 units overlooking golf course. \$2,050,000.

**CALL NOW FOR A FREE,
NO OBLIGATION MARKET
EVALUATION**

Matt Mysak

Office: 416-767-5500 ext. 22 Toll Free: 1-877-382-5500

Fax: 416-760-7878 Email: matt@mysakrealty.com

Website: www.MysakRealty.com

Industry Professionals

Real Estate Lawyer

Bill Zyla, B.A., L.L.B.
Mitchell, Bardyn & Zalucky
416-234-9111 ext. 227

Customer Driven

**MIDTOWN Honda
Richard Macdonald
Business Manager
416-789-4101**

Accountant

Sandy M. Feld, B.Comm.
3089 Bathurst St. Suite 319
Toronto, ON M6A 2A4
416-789-4846