

Stricter rules ahead for GTA apartment owners Toronto's new bylaw aims to help tenants—but will it?

Toronto city council has approved a plan that will impose stricter rules on apartment building owners, but may inadvertently lead to higher rents for tenants. The new regulatory program, which is expected to cost \$5 million and aims to be in place by the summer of 2017, will require rental property owners to register their buildings with the city for an annual registration fee of \$10.60 per rental unit and comply with an ongoing inspection regimen. While intended to be a solution to tenant dissatisfaction, over-taxed landlords and building owners in the GTA are seeing the program as just another penalty that will impede affordability.

“The real question tenants should be asking is, will this new registration fee increase the quality and quantity of rental housing in the city? The answer is no,” says Scott Andison, president and CEO of The Federation of Rental Housing Providers of Ontario (FRPO). “The city already has the necessary powers to enforce sanctions on landlords operating poor quality buildings—instead of taking action to help tenants in poorly run apartment buildings, council is focused on simply raising costs on tenants. We think council’s approach is wrong.” On the flipside, city councillor Josh Matlow and tenant advocacy group, Acorn, have been pushing for an apartment licensing program all year and are positive the new plan will only improve conditions for tenants, requiring that landlords maintain better properties. “For far too long, too many landlords have been able to keep their buildings in disrepair, leaving renters in shameful conditions without as much accountability and consequences as we need,” Matlow told the *Toronto Star* on Wednesday following the vote. “This demonstrates that Toronto councillors as a whole recognize that tenants need us to take substantive action to make sure that they are better protected.”

To kick start regulatory efforts, city staff will be performing a city-wide audit of the 3,500-plus rental buildings and 200,000 rental units that currently house about half of Toronto’s population. Apartment buildings and management will need to meet specific criteria to be eligible for the license—including, having a comprehensive pest management plan that employs only licensed professionals; using licensed contractors for all building repairs; and having a state of good repair capital plan. It will also require a process to track tenant complaints, and ask for hard targets so city staff can ensure issues are being identified and resolved. While the aim is to penalize bad landlords who aren’t already providing these services, Andison believes the approach is wrong. “The city has now turned its focus on tenants to raise money to finance a bloated bureaucracy. Council is focused on its own well-being, not the well-being of tenants,” he asserts.

As a GTA landlord and property manager with over 500 units in his portfolio, Adam Kitchener echoes Andison’s sentiments and sees the proposed solution as redundant. “There are already a variety of resources that exist for tenants with long standing complaints, like the Landlord Tenant Board and Public Health,” he says. “Tenants should use these resources if they are in a poorly managed building rather than have the government create yet another program that already exists. Penalties and fines should be given out to individual landlords based on the merit of the complaint or long standing issue. But the majority of landlords, including myself, run quality buildings and address issues in a timely fashion. This is just an added expense to the operator that will inevitably be passed along to the renter.” Kitchener adds that at a time when affordable housing is lacking in the GTA, landlords should be given more incentives to lower their rents—not reasons to increase them. “We have essentially created a service that already exists,” he says.

Ranking rental buildings

As part of the proposal, a ranking system similar to the city’s DineSafe program, is under consideration. This might consist of a colour-graded sign that apartment building owners would be required to post in their lobbies, indicating their rating within the system.

City staff will have until March to draft the bylaw, which would also include the recommended staffing levels and program costs as part of 2017 budget discussions, with the aim of launching the program by next summer.

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