Summary of Possible Areas for Change
Tenant Protection Legislation

Possible Areas for Change	Current Practice	Provincial Options being Presented	Potential General Impacts
Amount of rent increases for new tenants at time of move-in.	Landlords can charge new tenants what the market can bear. Social Housing landlords typically charge the market rent in effect for a unit for that year.	1) Landlords may not be able to charge new tenants any more than was charged the previous tenant(s). 2) Landlords could have rent increases for new tenants restricted by the annual guideline amount. 3) Landlords could increase rents to new tenants to include any increases the landlord was entitled to charge the previous tenant but chose not to.	Landlords may be restricted by the market **and by legislation** as to the amount of rent they can charge new tenants in area where rents are controlled.
Timing of first rent increases for new tenants.	Landlords cannot increase rents for a period of 12 months after tenants move in.	1) Keep existing arrangements in place. 2) Allow rents to increase every 12 months regardless of turnover. 3) Set a province wide anniversary date for rent increases.	Adopting new arrangements for first rent increases could be initially confusing to both landlords and tenants.
Letting tenants know what their initial rents might be.	Landlords presently inform tenants of their initial rents.	1) A new tenant could contact the previous tenant. 2) Landlords tell new tenants what the previous rent was. 3) The landlord must register rents with the province.	Landlords could be required to register and update rents to the Province.

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Classes of rental accommodation to be exempted.	All units built or first occupied after November 1, 1991 are exempt from most rent rules in Tenant Protection legislation. Social Housing units are presently exempt from rent increase limitations of Tenant Protection legislation.	1) Exempt buildings of fewer than four rental units. 2) Exempt luxury rental buildings. 3) Partial exemption or perhaps time limited exemption for units built between November 1, 1991 and the time the new legislation is enacted.	Small landlords and those with basement apartments and second suites may not have their rents regulated. Landlords of properties developed since 1991 might be exempted. Social Housing units might not be exempt from rent controls.
Method of setting the annual guideline increase.	Annual guideline increases are calculated by taking 55% of a three year rolling average of the increase in residential building operations as tracked by the Province and added to a base amount of 2%.	1) Continue the current calculation. 2) Reduce the base amount to 1%. 3) Rent increases will be limited only to the amount of increases in building operating costs. 4) Tie allowable rent increases to changes in the Consumer Price Index.	Rent increases based only on operating costs may limit landlords in areas with rent control compared to increase they would have received otherwise.
Volatile Utility Costs	Landlords can apply for above guideline increases (AGI's) in years when utility costs rise significantly. There is no provision for rents to be decreased if utility costs subsequently decline.	1) Allow AGI's to remain in effect for one year and have landlords reapply annually 2) Allow AGI's to remain in the rent, but allow tenants to apply for rent decreases if utility costs subsequently decrease. 3) The province will track utility costs and announce rent decreases if the costs go down.	Landlords may have extra administrative burden if they must reapply for AGI's every year. Tenants could appeal rents for costs no longer borne by the landlord. Rent levels may not be predictable in any given year.
Capital Expenditures	Landlords can apply for AGI's for major capital work. Tenants cannot ask for rent decreases when the useful life of the capital item is over.	1) Leave the current system in place. 2) Allow rents to be decreased when the useful life of capital items is over.	Landlords could face administrative complexity, given the long time frames involved with capital expenditures, the overlapping and phasing of work that is common in the industry and the possibility of control and decontrol of rents by subsequent governments.

Possible Areas for Change	Current Practice	Provincial Options being Presented	Potential General Impacts
Property maintenance and rent increases	Landlords may increase their rents even though they may have outstanding work orders. The Ontario Rental Housing Tribunal can order landlords to make repairs, pay tenants an abatement of rent or compensate tenants for cost of repairs or damage to their property.	1) Don't allow a rent increase if a landlord has not complied with a work order. 2) Don't allow above guideline increases for landlords with outstanding work orders. 3) Expand the remedies available to the Ontario Rental Housing Tribunal including permanent reductions of rent.	Landlords may be restricted in their ability to raise rents or even face permanent reductions in rent if they do adequately maintain their properties.
Regional decontrol of rents	n/a	1) Remove rent controls when a region has a 3% or perhaps higher vacancy rate. 2) In addition to the vacancy rate, other factors such as vacancy rates on affordable units, percentage of tenants living in core need, and low average rent increase may be considered before a region removes rent controls.	Some jurisdictions may have rents controlled, others may not.
Interest on rent deposits	Since 1975, landlords have had to annually pay tenants a 6 per cent interest rate on their rent deposits.	1) Change the interest rate paid to a fixed rate of 3%. 2) Keep the rate of interest at 6%. 3) Change the rate to a variable rate based on the rate of inflation or on the returns earned by investments such as GIC's.	Landlords may pay less interest to tenants on an annual basis.

Possible Areas for Change	Current Practice	Provincial Options being Presented	Potential General Impacts
Dispute resolutions	Landlords file an application with Ontario Rental Housing Tribunal, and serve a copy of the application and a notice of hearing. If the tenant does not file a written response within five days, the Tribunal can cancel the hearing, and issue a default eviction notice based on the landlord's application.	1) Remove the default process. 2) Allow tenants longer times to respond, and allow tenant responses by telephone or by FAX. 3) Require the Tribunal to serve notices of hearing on tenants. 4) Require the Tribunal to notify tenants that an application has been filed by the landlord, but still require the landlord to serve the notice of hearing.	The length of the eviction process could be lengthened. Tenants could have easier access to the dispute resolution process. Landlords may not be required to serves notices of hearings on tenants. Tenants may receive notification of hearings more often than they do presently.
Awareness of rights and responsibilities	There is presently no requirement for landlords to make tenants aware of their rights and responsibilities.	1) May require landlords to post information about the rights and responsibilities of tenants and landlords.	Landlords may be required to post and hand out information to tenants. There is no indication if the Province will absorb costs for materials.
Demolition and conversion	Landlords who are converting or demolishing buildings with five or more units are required to provide tenants three months of rent or provide them with another unit. Recent court decisions have indicated that municipalities have the right to set policies in their official plans regarding demolitions and conversions, but not set policies where a rental building is replaced by a similarly constructed condominium.	1) Enact provincial legislation that requires cities and towns to have an approval process for demolitions and conversions based on provincial government rules. 2) Enact provincial legislation that allows each town and city to have their own approval process but based on provincial government rules. 3) Enact legislation that allows towns and cities based on their own rules.	Municipalities may have to follow provincial legislation when deciding if they should allow demolitions and conversions.