# Landlord's Self-Help Centre

*A specialty legal clinic funded by Legal Aid Ontario*

**1500 - 55 University Avenue**
**Toronto, Ontario M5J 2H7**


**Sent by Email**

June 26, 2020

Standing Committee on Social Policy
99 Wellesley Street West
Room 1405, Whitney Block
Queen's Park
Toronto, ON
M7A 1A2

**RE: BILL 184 (*Protecting Tenants and Strengthening Community Housing Act. 2020*)**

I am writing on behalf of the Landlord's Self-Help Centre (LSHC) to provide comments on Bill 184 (*Protecting Tenants and Strengthening Community Housing Act, 2020*). Our comments focus on Schedule 4, proposed changes to the *Residential Tenancies Act, 2006* (RTA).

Many of the proposed amendments reflect reforms that have been long sought and represent the initial step in moving toward bringing the legislation into better balance and establishing a fair and predictable operating environment that supports both the small landlord community and tenants. Unfortunately, several of the proposed amendments will serve as a disincentive for the homeowner thinking of creating a rental unit, the small entrepreneurial landlord ready to invest in a rental property, and spur experienced landlords to exit the rental business to further erode the supply of rental housing.

Small landlords across Ontario have been significantly impacted by the COVID-19 pandemic and the emergency measures implemented to keep the community safe. They continue to provide housing to tenants who have been unable to pay rent, in some cases for several months pre-pandemic, and have made best efforts to work with their tenants and enter into agreements and develop repayment schedules. For these small housing providers, receiving rent is akin to a paycheque and it is how they put food on their tables and pay their bills.

LSHC asks that Schedule 4 of Bill 184 be passed and your consideration be given to additional amendments we have proposed in this submission to address deficiencies and procedural problems we have identified.

## PART I – LSHC'S BACKGROUND, MANDATE AND EXPERTISE

LSHC was founded in 1975 and operates with a mandate to provide information and support services to landlords and homeowners on a non-profit basis, to educate members of the community in landlord and tenant relations, and to assist such persons in their dealings at various governmental levels.

LSHC is funded by Legal Aid Ontario and has operated as a legal clinic since 1977. We assist small landlords in all regions of the province and fully understand the challenges and obstacles faced by our client community as they navigate the minefield of regulation that governs all aspects of residential tenancies from creating a rental unit to the termination of a tenancy and collection of monies owed.
Over the past 45 years, LSHC has assisted thousands of small landlords with practically every imaginable residential tenancy issue. LSHC provides general information and summary legal advice on an individual basis to guide these landlords through the onerous regulatory environment.

LSHC also develops and maintains a comprehensive array of learning materials and tools which offer a full range of resources for small landlords. A website, www.landlordselfhelp.com serves as an information hub and host for the material. We have previously partnered with the City of Toronto and the Ministry of Municipal Affairs and Housing to develop educational materials and tools promoting the creation of secondary suites - www.secondsuite.info.

Ontario's small landlord community is estimated to provide as many as 600,000 rental units province-wide[1] and are integral to Ontario's rental housing landscape, often providing rental accommodation that is needed to bridge the gap created by the lack of purpose-built affordable housing.

Small landlords typically rent rooms, basement apartments and secondary units, laneway suites, apartments over stores, condominiums, single houses, converted houses, duplexes and triplexes. These entrepreneurs have leveraged their property investment to generate the income required to offset the cost of homeownership and typically become landlords with very little to no experience renting.

Given our long history and close contact with Ontario's small landlord community, LSHC can offer valuable insight and experience in the matters addressed in Schedule 4 of Bill 184. We have also reviewed the legislative debates on Bill 184 as it progressed through First and Second Reading in the Ontario Legislature.

[1] https://landlordselfhelp.com/media/LSHC-Secondary-Rental-Market-Research-Report_November-2016.pdf

LSHC has carefully reviewed and considered Schedule 4 through the lens of promoting the creation of new rental housing in the form of secondary suites, basement apartments, and laneway homes; making the regulatory process simpler for landlords and improving operations and increasing efficiency at the Landlord and Tenant Board; and balancing the legislation to ensure the system is fair for both tenants and landlords.

## PART II – LSHC'S ANALYSIS OF SCHEDULE 4 OF BILL 184

*Residential Tenancies Act, 2006*

### *"Balanced and fair for both landlord and tenant"*

*The Honourable Steve Clark,*
*Minister of Municipal Affairs and Housing*

### Section 82 - Require advance notice of any new issues that would be raised at an eviction hearing for nonpayment of rent.

*LSHC supports the proposed section 82 amendment and recommends further amendment to improve the effectiveness of this provision.*

It is a fundamental tenet of natural justice and fairness that parties know the case they have to meet before the case is heard. A respondent should have the right to be aware of the case against them before they arrive at a hearing, particularly with the tenant's right to raise section 82 issues at a rent hearing. The current process, which is commonly referred to as trial by ambush, is uncharacteristic of our judicial system and it should not be a part of the Landlord and Tenant Board's practice.

The proposed s.82 amendment does not in any way undermine tenants' fair access to justice. It merely provides the landlord with a fundamental right to procedural fairness by preventing a trial by ambush and giving the landlord the ability to know and prepare for the case against them. The amendment does not abrogate a tenant's rights or access to justice in any way – tenants can continue to raise their issues at the landlord's application hearings (in addition to the right to commence their own applications).

Tenants are already informed of their right to raise what they believe to be relevant matters at rental arrears eviction hearings. For example, page 7 of the "Important Information About Your Hearing" brochure (which every tenant would receive from the Board in their Notice of Hearing package) states:

**A tenant can raise other issues on an application involving arrears of rent**

If the landlord files either:

- an Application to Terminate the Tenancy for Non-Payment of Rent (Form L1), or
- an Application for Arrears of Rent (Form L9)

the tenant can raise issues at the hearing that they could have raised had they filed their own application - such as maintenance concerns, illegal charges, etc.

For more information on this topic, see the separate brochure on Issues a Tenant Can Raise at a hearing for a Landlord's Application for Nonpayment of Rent (Form L1 or L9). A copy of this brochure is available from the Board.

Furthermore, even though the "Issues a Tenant Can Raise at a Hearing…" brochure provides information to both landlords and tenants on how to prepare for a hearing, landlords are disproportionately prejudiced by the need to prepare for all possible arguments by the tenant, whereas the tenant merely has to disclose evidence about specific matters they wish to raise during the hearing, see: *TSL-62983-15 (Re)*, 2016 CanLII 12084 (ON LTB) - http://canlii.ca/t/gnpbx.

With the current no-disclosure system, landlords can have the matter adjourned while the arrears mount or choose to proceed and try to respond effectively to issues raised at the eleventh hour (if they even have the chance to proceed, which usually they do not since these issues are generally raised at rent arrears applications which the Board schedules for a full five minutes along with dozens of other files on "arrears day" at the Board). This change would certainly reduce the number of adjournments granted.

*LSHC further recommends that tenants be required to provide both the Landlord and Tenant Board and the landlord with a detailed written list of section 82 issues that they intend to raise at least five days before the hearing. With these proposed section 82 amendments, LSHC believes procedural fairness may be achieved and delays at the LTB will be reduced.*

**Section 88.2 - Create a new section to allow a landlord to apply to recover out of pocket costs for unpaid utilities.**

*LSHC supports the proposed section 88.2 amendment.*

The definition of "rent" in the RTA includes utilities, the Board is failing to fulfill its mandate to provide a forum to resolve the disputes of matters that fall under the RTA without the section 88.2 amendment. Landlords must be provided with a remedy to recover unpaid utilities.

The addition of section 88.2 will allow landlords to apply to the Landlord and Tenant Board (LTB) to recover costs for unpaid utilities. In light of several well-reasoned decisions of civil court which have thrown out landlord actions against tenants for

non-included utilities, this reform is necessary to ensure a proper forum and means is provided to recover these costs.

The decisions concluded that utility charges fall within the exclusive jurisdiction of the LTB according to the definition of "rent" and section 168(2) which gives the LTB exclusive jurisdiction with respect to all matters covered by the RTA.
Since utilities are "rent", the provisions in the RTA for utility arrears should be identical to the remedies available for rent arrears and include remedies for repayment and termination of the tenancy. Further to this, landlords should also be permitted to collect a deposit for utilities similar to a last month's rent deposit.

The N4 termination notice should be revised to include a separate section for unpaid utilities which can then be added to unpaid rental arrears (or claimed as standalone unpaid rent). With minor modifications, the same L1 application could be brought, and a hearing held to determine the remedies related to utilities and/or rent arrears. The exact same payment timelines and general process as for any other arrears should be followed by the Board.

Just as the landlord may file for charges related to NSF fees on an L1/L2 application (section 87 (5)), the landlord should be able to file for costs incurred as a result of the tenant's contractual breach related to the utility portion of the rent – typically these include deposit amounts, connection or reconnection fees, utility account late payments, and payments made to reinstate a discontinued service (to enable the landlord to re-rent, prevent the pipes from freezing, etc.).

There is no rational basis for making a distinction between charges for utilities that are embedded in rent and those that are paid separately to the landlord based on actual use. They are charges equally related to the provision of the rental unit.

Furthermore, courts have held that utilities constitute "rent" whether they charged back by the landlord to the tenant or paid directly by the tenant in their own name to the utility[2]. The following cases are a testament to the need for the s.88.2 amendment,

- *Kiselman v. Klerer, 2019 ONSC 6668,* CV-17-132819-00 and SC-16-11-00
- *Spirleanu v. Transglobe Property Management Service Ltd*., 2015 ONCA 187 (CanLII) (Court of Appeal) - http://canlii.ca/t/ggqqr
- *Mackie v. Toronto (City)*, [2010] O.J. No. 2852 (S.C.J.), Perell J. - http://canlii.ca/t/2bf5v
  - Sets out a test for determining whether a matter falls within the jurisdiction of the Board. Repair claims fell within the jurisdiction of the Board.

[2] *Luu v O'Sullivan*, 2012 CanLII 98396 (ON SCSM) (Winny J.)

- Efrach v. Cherishome Living, 2015 ONSC 472 - http://canlii.ca/t/gg2dv
  - Applied *Mackie* test. Found that a dispute regarding a landlord leaving a door unlocked was within the exclusive jurisdiction of LTB.
- *Luu v O'Sullivan*, 2012 CanLII 98396 (ON SCSM) (Winny J.)
  http://canlii.ca/t/g0pzq
  - Tenant obligated to pay utilities, but it was not clear whether the tenant was to register for utilities in their own name or reimburse the landlord. LTB staff refused to accept the landlord's application. Court strongly criticized guideline 11 (para. 39). *Held*: plaintiff's claim for arrears of utilities falls within the exclusive jurisdiction of the Landlord and Tenant Board (para. 43).
- *Campbell v Macdonald*, 2015 Small Claims Court (Marshall J.)
  http://canlii.ca/t/gn7bs
  - Review of case law on the issue of jurisdiction of court versus LTB.
- *Finney v Cepovski*, 2015 CanLII 48918 (ON SCSM) (Winny J.)
  http://canlii.ca/t/gkl15
  - "In my view the board had jurisdiction over the claim for unpaid utilities." (para. 12).

*LSHC recommends that the section 88.2 amendment include a requirement that the LTB apply a "but for" test – any cost or expense that would not have been incurred but for the tenant's non-payment of utilities should be recoverable at the Board.*

**Section 87 and 89 - Allow landlords to seek remedies at the LTB up to one year post-tenancy.**

*LSHC supports the proposed sections 87 and 89 amendments.*

Tenancies often end with monies owing to the landlord and typically the amount cannot be fully determined until the rental unit has been vacated and the landlord has had an opportunity to assess damage that may exceed ordinary wear and tear. Landlords are often left out of pocket for unpaid utilities, outstanding rent, the cost of repairing damages, losses resulting from insufficient notice by tenant, and cleaning costs when the unit is not left in broom clean condition. When the landlord seeks recovery of monies owing from the former tenant, the recourse available is to file a claim with the Small Claims Court.

Landlords who have pursued a claim in Small Claims Court for rent arrears, damage, utilities, and out of pocket expenses such as cleaning costs have been met with questions respecting jurisdiction. In several cases it was determined that that the Small Claims Court did not have jurisdiction and was not the appropriate forum for such action, *Lungo v Ehioghae, 2015 CanLII 52578 (ON SCSM),* leaving the landlord with no recourse to recover monies owed.

Further, the RTA includes a variety of provisions under which a former tenant may apply the LTB post-tenancy which include illegal rent, the return of last month's rent, failure to pay compensation by the termination date for N12 or N13 notices, and bad faith provisions included in section 57. However, to date a similar provision has not landlords been afforded to landlord to permit applications be filed with the LTB post-tenancy for monies owed.

Results from a 2019 poll conducted by LSHC indicated that 96% of the respondents thought that landlords should be permitted to file an application with the LTB within 12 months of a tenancy ending.

In light of the several well-reasoned civil court decisions previously mentioned, the proposed amendment will address the jurisdictional question raised in several Small Claims Court decisions pursuant to section 168(2) which gives the LTB exclusive jurisdiction with respect to all matters covered by the RTA. Moreover, the amendment will bring the rights of landlords to bring an application to the LTB within 12 months post-tenancy into alignment with those available to tenants and improve the balance of rights.

**Section 189.0.1 - Notice from Applicant with respect to s. 87, 88.1, 88.2 or 89**

*LSHC supports the proposed section 189.0.1 amendment and recommends a further amendment to enhance the efficiency of the provision.*

Unpaid rent, utilities, and damage to the rental unit are routinely written off by small landlords because they either do not know the tenant's new residential address or the likelihood of successfully recovering the monies owing is very low.

While the opportunity to file an application with the LTB for monies owing post-tenancy has been sought for quite some time and is strongly supported by the small landlord community, the barrier to effectively utilizing this provision will be whether the landlord is aware of the former tenant residential address to permit delivery of the application and any notice of hearing documents issued.

LSHC proposes that the section 189.0.1 amendment be revised to require that the former tenant keep the landlord informed of their residential address within one year of vacating the rented premises. This provision is similar to the s.53(4) provision for tenant right of first refusal with respect to termination notice for renovation or repair which requires the tenant to inform the landlord, in writing, of any change of address.

*LSHC recommends that the amendment be expanded to require the tenant to keep the landlord informed of their new residential address within one year of vacating the rented premises.*

**Section 88.1 - Definition of damages expanded to allow landlord applications to the LTB for compensation for out of pocket costs due to the tenant's substantial interference with the landlord's reasonable enjoyment.**

*LSHC supports the proposed section 88.1 amendment.*

The proposed amendment to expand the definition of damages to include tenant behaviour or conduct that results in monetary "damages" will allow the landlord to apply to the LTB to seek compensation for out of pocket costs.

Currently, landlords may serve a termination notice to a tenant who has caused property damage to the rental unit or residential complex and if the property damage is not repaired or the cost of repairs paid for, the landlord may proceed to the Board for an order for payment and/or eviction. However, if a tenant's behaviour or conduct results in monetary "damages", the landlord has no recourse. For example, if a tenant maliciously pulls a fire alarm and the fire department attends the property and determines it is a false alarm, the landlord may be charged hundreds and even thousands of dollars. Likewise, if a tenant disables a smoke detector or C02 detector or props open a fire door etc., the landlord may be charged under the Provincial Offences Act and fined similar amounts. As this is considered "damages" the landlord has no recourse to the Landlord and Tenant Board.

**Section 136.1 - Clarify Rules about Lawful Rent**

*LSHC supports the proposed section 136.1 amendment.*

Section 136.1 deals with increases in rent that would otherwise be void as a result of a landlord's failure to give at least 90 days' written notice of the landlord's intention to increase the rent. Under subsections 135.1 (1) and (2), the increase in rent is deemed not to be void if the tenant has paid the increased rent in respect of each rental period for at least 12 consecutive months, provided the tenant has not, within one year after the date the increase is first charged, made an application in which the validity of the rent increase is an issue.

The amendment will provide clarity that even a rent increase that is a "nullity" or "void ab initio" is nonetheless subject to the saving provisions of this section. If a tenant has paid an unlawful amount of rent for at least one year without bringing an application to the Board to complain, these sections resolve that the rent was then deemed to be lawful.

Originally intended to provide some certainty to landlords when determining what the lawful rent is, and to forgive small mistakes made by landlords when increasing rents – i.e. their notice of rent increase was on an old form, or was a few cents off, or was served a few days late, or in situations where, for example, the parties agreed to raise the rent by $25 as it hadn't been raised in years but no paperwork was done.

However, the decision of the Ontario Court of Appeal in Price v. Turnbull's Grove [2007] O.J. No. 2177 (C.A.) had rendered those provisions essentially meaningless as that decision, which is, of course, binding on the Board, has been widely followed. It found that the notice of rent increase in that case was a "nullity" and that therefore the saving provisions of the RTA do not apply.

As a result, the Board tends to find that any rent increase that does not scrupulously comply with the requirements of the RTA is a "nullity" and that therefore the saving provisions do not apply. This is unduly onerous on the small landlord community given the exactitude required to raise the rents lawfully. It unfairly prevents landlords from keeping even guideline increases that the tenants have already paid and makes it impossible to determine the lawful rent on which to base the next valid notice of rent increase without making an application to the Board and risking having your previous rent increases rolled back and a payment or credit is given to the tenant.

**Section 194 - Proposed amendment allowing the LTB to offer additional methods of alternative dispute resolution services before their hearing date, where appropriate and at the LTB's discretion.**

*LSHC supports the proposed section 194 amendment.*

Currently, the LTB offers mediation to tenants and landlords on the date of the hearing and at case management conferences (for tenant applications). LSHC supports increasing opportunities for the parties to voluntarily participate in mediation before the hearing date and the inclusion of additional alternative dispute resolution services.

**Section 206 - Pre-hearing repayment agreement to include a clause allowing the landlord to apply without notice to the tenant for an eviction order if the tenant breaches the agreement.**

*LSHC supports the proposed section 206 amendment.*

The re-enactment of subsection 206 (3) and addition of subsection 206 (3.1), which allows the Board to include in an order made under subsection 206 (1) a provision for the landlord to make an application under section 78 (if the tenant fails to comply with one or more of the terms specified in the order) to obtain an order terminating the tenancy and evicting the tenant, will improve efficiency and streamline the process at the LTB.

Under the current rules, if the landlord and tenant settle an application through a repayment agreement and the tenant fails to comply or breaches the terms of the agreement, the landlord must re-open the application and schedule a hearing for the

matter to heard by an adjudicator. The amendment would permit the landlord to move without notice (ex parte) to obtain an order terminating the tenancy or evicting the tenant, supported by an affidavit filed by the landlord providing details respecting the breach together with other available supporting documentation.

The proposed amendment will reduce delay and expedite the process where a repayment agreement has been reached and the tenant has failed to comply with the terms. The amendment will significantly reduce the demand placed on the LTB's limited resources and enhance efficiency by eliminating the need to schedule a hearing of the parties.

**Section 11, 241.1, and 137 - Streamline Administrative Requirements**

*LSHC supports the proposed amendment of sections 11, 241.1, and 137.*

The proposed amendments will streamline administrative requirements and remove the requirement for landlords to provide new tenants with the tenant information pamphlet since the standalone pamphlet has been incorporated into Ontario's Standard Lease Form, required for residential tenancies since April 30, 2018, and therefore no longer required to be provided separately. The amendment also eliminates the landlord's disclosure obligation regarding energy efficiency and the past electrical use to new tenants.

There are several amendments contained in Schedule 4 of Bill 184 which increase tenant protection and serve to counterbalance the proposed reforms which improve the operating environment for small landlords.

The presumption of bad faith continues to be a disturbing aspect of the legislative landscape for housing providers and the small landlord community who believe they are disproportionately prejudiced by this presumption. The comprehensive amendments related to the termination of a tenancy grounded on no-fault reasons expand protection for tenants and increase penalties for acting in bad faith. For this reason, LSHC believes that the proposed changes related to increased tenant protection will be negatively perceived by the small landlord community and ultimately impact the supply of rental housing provided by the secondary market and thereby result in the further loss of rental accommodation and discourage the creation of new rental accommodation by small landlords.

**Section 49.1 - Compensation required for purchaser's own use**

*LSHC does not support this proposed amendment.*

The amendment of s.49.1 establishes a new provision that requires the payment of compensation in an amount equal to one month's rent when the termination of the tenancy agreement is sought because the premises are required for the new purchaser's own use. The amendment further requires that the payment of compensation be paid by the landlord who gives the notice on behalf of the purchaser.

This provision mirrors s.48.1 currently in force when termination is sought for the landlord's own use or that of an immediate family member as defined in s.48 (1). That provision includes the payment of compensation in an amount equal to one month's rent or the offer the tenant another rental unit acceptable to the tenant if the landlord gives the tenant a notice of termination of the tenancy under section 48. The compensation payment is required on or before the termination date specified in the notice of termination according to section 55.1.

There is currently no provision in the RTA respecting the refund of a compensation payment should a notice of termination fail. For example, the process for obtaining an order at the LTB may take as long as five months or more, unless the purchaser is flexible and willing to change the closing date of the Agreement of Purchase and Sale, the sale may be lost. If the notice can be withdrawn, what happens if the landlord/ vendor has paid compensation to the tenant on the termination date of the notice? It is unclear whether the compensation payment be returned to the landlord given there is no RTA provision to address this situation.

Another example could be if the landlord's application for termination is dismissed at the LTB, would the tenant be directed to return the compensation payment of one month's rent.

*LSHC recommends increasing the notice period the landlord is required to provide from 60 to 90 days, removing the presumption of bad faith provision, and the requirement to pay compensation equal to one month's rent.*

*LSHC also recommends that the requirement for the payment of compensation align with the date the tenant vacates the rented premises instead of "on or before the termination date" according to section 55.1.*

*LSHC further recommends that if the compensation payment becomes due and payable to on the date the tenant vacates the rental unit, any rent arrears, damage or unpaid utilities may be deducted from the payment. In cases where the tenant does not voluntarily and an application to the LTB is required, the amount for compensation should be credited to the tenant and deductions for unpaid rent, utilities, and any damage be reflected in the order issued by the LTB.*

**Section 71.1 - Affidavit or Declaration filed with the Application**

*LSHC supports the proposed section 71.1 amendment.*

This proposed provision requires that landlords seeking termination of the tenancy on the basis that the premises are required for the landlord's use or for a purchaser's use will now file their affidavit or declaration in support of the application at the same time as the application is filed with LTB rather than provide it at the hearing. The proposed amendment will increase transparency respecting the landlord's application and provide a clear indicator of the landlord's good faith.

**Section 73 - Disclosure of previous use of no-fault eviction notice**

*LSHC does not support this proposed amendment.*

The proposed amendment provides that LTB adjudicators would consider specific information to identify patterns and trends and require landlords to disclose previous use of no-fault eviction notices which include N12 and N13.
In LSHC's experience, landlords seeking termination on no-fault grounds such as landlord's own use, repairs, or renovations occasionally have a change in their plans or circumstances and must withdraw their notice.

Landlords routinely contact LSHC seeking direction and advice on how to cancel a notice that has been given because the situation has changed and the premises are no longer needed. Examples of such circumstances include,

- Notice of termination was issued because the rental unit was required for the occupation by the landlord's daughter and her future husband, but the wedding was called off and the unit no longer required;

- The landlord gave notice for own use for the occupation by her mother who was moving from another province and, due to a recent diagnosis of an illness, the possession of the unit is no longer required at this time;

- Possession of the rental unit was requested for the landlord's parents who were immigrating from Turkey and the parents have been unable to obtain the necessary approvals from Immigration Canada;

- The landlord planned to do extensive renovations however, the municipality would not approve the plan nor issue a building permit for the proposed work;

- Landlord requires occupation of the premises for his own as he intends to move closer to his place of employment. After the notice was given the landlord received a layoff notice; and

- The decision to scale back a renovation project because the scope and cost are exceeding expectations.

There is currently no provision under the RTA which addresses the need to withdraw a notice of termination that has been issued. LSHC advises landlords to contact the tenant and advise of the need to withdraw the notice and to confirm the withdrawal in writing.

*LSHC proposes that consideration of the previous use of no-fault eviction notices be discounted where the landlord can demonstrate that notice was given in good faith and was subsequently withdrawn as a result of changing circumstances and the tenant was informed of the withdrawal in writing.*

**Section 57.1(2) - Two years to file an application with LTB**

*LSHC does not support the proposed amendment.*

The proposed amendment would increase the period of time the tenant has to apply with the LTB where the landlord has failed to provide the right of first refusal from one year to two years after repairs or renovations are completed. The need is unclear for increasing the timeframe for filing with the LTB from one year to two years. LSHC recommends the one year period be retained to provide consistency and uniformity for the timeframes for filing a post-tenancy application.

*LSHC recommends that a timeframe be specified for a tenant that wishes to reoccupy the rental unit when exercising the first right of refusal. For example, once the rental unit is ready to be reoccupied, the landlord should not be expected to wait more than two months for the tenant to move back in once the tenant has been informed. In cases where the tenant may have signed another fixed-term lease, the landlord should not be required to wait until that lease has ended, thus risking the loss of revenue by leaving the unit vacant.*

**Section 57(3) - Increased Tenant Compensation for Bad Faith Evictions**

*LSHC does not support this amendment.*

On the LTB finding that a landlord has acted in bad faith or did not provide first refusal right, the proposed amendment would allow the LTB to order the landlord to pay the former tenant compensation up to 12 months' rent**.**

The current provision allows the LTB to order a landlord pay compensation to the former tenant representing the difference between the rent paid to that former landlord and the rent paid for the new unit, which in itself could be a significant amount in light of the current market conditions. The proposed amendment provides the LTB may order the landlord to pay the former tenant up to 12 months' rent, a

potentially inordinate amount for compensation which may also include an LTB order for a fine which could be up to $35,000.

Where there is a finding at the LTB of bad faith against a small landlord, the potential order requiring the landlord to pay compensation to the tenant, if based on the new rent amount, could reasonably result in their financial ruin and require they sell their house to liquidate their assets.

*LSHC recommends that the proposed amendment not be passed and that the current provision be retained.*

**Section 52 and 54 - Payment of Compensation Required for Small Properties**

*LSHC does not support the proposed amendment.*

The proposed amendment removes the exemption for the payment of compensation for small rental properties which contain fewer than five rental units if the termination is required for renovation or repair. The amendment would require the landlord to pay the tenant one month's rent as compensation.

The exemption for rental properties containing 4 and fewer rental units was purposeful when implemented and intended to exclude the small landlords from the compensation obligation.

The amendment has to the potential affect a variety of small properties including, for example, those which are restoring a property to a single-family residence after being carved up into rooming or multiple dwelling units. The compensation obligation represents a financial burden that may discourage owners from undertaking such restoration projects and offers another example of the ever-increasing regulation which governs small landlords and is driving them out of the rental business.

*LSHC recommends that the requirement for the payment of compensation to the tenant coincide with the date the tenant vacates the rented premises rather than "on or before the termination date" according to section 55.1. The payment of compensation should only be required where the tenant is not owing for arrears of rent, damages, unpaid utilities, etc.*

**Section 238 - Increased Fines**

*LSHC does not support this amendment.*

The proposed amendment to update maximum fines from the current fine of $25,000 to $50,000 for individuals; and from $100,000 to $250,000 for corporations is exorbitant.

For small landlords, whether operating as individuals or operating as a corporation, the increase in fine structure, if ordered against them, would create financial hardship if ordered against a small landlord who is renting simply to generate enough income to make ends meet.

Thank you for the opportunity to provide comments on Bill 184.

Please contact the undersigned if you have any questions or require any additional information about these submissions.

Yours truly,

**LANDLORD'S SELF-HELP CENTRE**

Susan Wankiewicz
Clinic Director