

# Landlord's Self-Help Centre

*A community legal clinic funded by Legal Aid Ontario*

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Toronto, Ontario M5J 2H7

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## BY EMAIL

December 4, 2017

Toronto City Council  
c/o City Clerk's Office, Secretariat  
City Hall - 10<sup>th</sup> Floor, West Tower  
100 Queen Street West,  
Toronto, Ontario  
M5H 2N2

**Re: Proposed Short-Term Rental Regulation  
Toronto City Council Agenda Item PG24.8**

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Landlord's Self-Help Centre (LSHC) is writing to express our support for the proposed Regulation of Short-Term Rentals in the City of Toronto. However, LSHC strongly disagrees with the exclusion of secondary units from the list of approved short-term rental accommodation as amended by the Planning and Growth Management Committee on November 15, 2017.

LSHC is a specialty community legal clinic funded by Legal Aid Ontario to provide support services exclusively to the small landlord community. We assist approximately 16,000 clients per year through the delivery of summary legal advice, public legal education, community development and law reform activities.

LSHC has worked with the City of Toronto to promote the creation of safe, affordable secondary rental units since 1999. Over the last two years we have worked in partnership with both the City of Toronto and the Province on a project which promotes the creation of secondary rental units province-wide. A secondary rental unit is a self-contained residential unit which includes a private kitchen, bathroom facilities, sleeping areas and a separate entrance. They are generally permitted in single detached, semi-detached and row houses. Whether extra income is needed to qualify for a mortgage or supplement housing costs such as property taxes, utilities, maintenance or major repairs, homeowners often leverage their house investment to create a secondary rental unit which is used to generate additional income.

The Planning and Growth Management Committee voted to exclude secondary units for the reason that these rental units are essential to the long-term supply of rental housing in Toronto. It is difficult to believe, and shameful if true, that the City of Toronto is relying on the entrepreneurial spirit of homeowners who have created a rental unit in their home for the purpose of supplementing their cost of home ownership to be saddled with the responsibility of filling the gap in affordable rental housing stock caused by the lack of purpose built rental housing.

Based on the position of the Planning and Growth Management Committee, any homeowner who has decided to create and rent a secondary unit will be required to continue to do so to

prop up the long-term affordable rental housing supply. However, this decision of whether to operate a long or short term rental accommodation should only be that of the individual homeowner. We believe it is imperative that homeowners have the option to decide whether a short-term or long-term rental unit works best for their individual needs. Since rental units offered in the secondary rental market are regarded as unreliable with respect to supply and stability, as they tend to move in and out of the market depending on the needs of the owner, giving owners the option to rent on a long or short-term basis could discourage the loss of privately owned rental units in the secondary rental market generally.

The recent legislative changes claim to be fair for all parties involved (i.e. Ontario's Fair Housing Plan 2017<sup>1</sup>), however, nowhere in the 16-point plan does it indicate the actions that will be taken to protect landlords in Ontario. This continued lack of protection for small landlords in Ontario will result in an even greater housing shortage. As a result of the legislative changes, we are finding that more and more landlords inquiring about selling their homes to rid themselves of problem tenants. Over time, this will result in a significant decrease in available long-term rental units on the market.

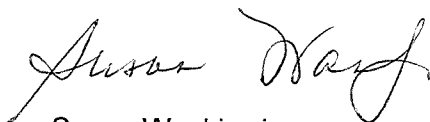
In addition, the regulatory environment which governs residential tenancies has become increasingly onerous for small landlords. Recent amendments to the Residential Tenancies Act pursuant to Bill 124 have further eroded their rights, these changes include:

- elimination of the post-1991 exemption (as well as two other date-based exemptions from rent controls) so that all private rental units are subject to the annual rent increase guideline;
- removal of above-guideline rent increases for extraordinary increases in utility costs;
- require the landlord to compensate the tenant one month's rent or offer the tenant another acceptable rental unit when giving notice for landlord's own use; and
- the further tightening of the rules for above-guideline rent increases for capital expenditures by creating a regulation-making authority to specify circumstances where otherwise eligible capital expenditures are not eligible.

Permitting homeowners to have the option of renting out their units short-term or long-term may end up having the intended effect. These landlords may become tired of the constant turnover of tenants and extra work this creates them, and we may see these rental units being put back into the long-term rental pool.

The exclusion of secondary units from the short-term rental pool will have a negative impact on the supply rental housing stock provided by small landlords. LSHC strongly recommends that secondary rental units be included in the pool of approved units which may be rented short-term basis ensuring small landlords have the option to rent either on a long-term or short-term basis.

Sincerely,  
**Landlord's Self-Help Centre**



Susan Wankiewicz  
Clinic Director

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<sup>1</sup> <https://news.ontario.ca/mof/en/2017/04/ontarios-fair-housing-plan.html>