

# New rent cap will hurt low-income tenants, critics say

By PAUL MORDEN, The Observer

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An Ontario government plan to stabilize Ontario's rent increase guidelines isn't good news for the low income renters, advocates say.

The province announced this month it was introducing legislation to cap the annual rent increase guideline at 2.5%, and also ensure it never falls below 1%.

"Capping rent increases would provide greater certainty and reduce year-to-year volatility in housing costs so that Ontario Families continue to have access to affordable housing," Municipal Affairs and Housing Minister Kathleen Wynne said in a press release.

The government says the rent increase guideline for 2012 is 3.1%. It was 0.7% this year.

If the legislation passes, the new guideline formula would take effect in 2013.

The Advocacy Centre for Tenants Ontario, a specialty legal clinic funded by Legal Aid Ontario, says the plan falls short.

"In the real world," Kenn Hale of the centre said, "tenants are losing their jobs, facing demands for wage freezes and rollbacks or living with a 1% increase in their social assistance cheques."

He added there's no limit on rent increases landlords can charge new tenants, plus some 300,000 households in the province live in buildings exempt from rent regulations.

The increases in the proposed guidelines are significant for people with the lowest incomes, said Andrew Bolter, executive director of Community Legal Assistance Sarnia.

"Even a 1% increase is significant for someone on assistance," he said. "It doesn't sound like a lot, but it is."

Social assistance rates aren't keeping up with inflation at the same time low rent apartments are being lost, Bolter said.

"Landlords are trying to, obviously, get more money so the units that are more affordable are disappearing, especially to those on social assistance."

Bolter said landlords can apply to raise rents above the guidelines if they can prove they've made capital improvements.

"What I'm seeing are a lot of apartment buildings are being gentrified," he said. "Lobbies are being made more attractive. They're painting them, they're fixing them up."

Tenants can then face rent hikes of 6% or 7%, he said.

"That's getting rid of low-income rental stock," Bolter said, adding he has clients locally struggling to pay higher rents awarded in those situations.

And, with governments talking about fighting deficits, there are less likely to spend money building new public housing.

"We don't see that on the horizon," Bolter said.

It's all happening at a time when people are losing jobs and the welfare caseload is rising, Bolter said.

Governments in Canada need to develop a strategy to ensure everyone has safe, affordable housing, Bolter said.

"If you don't have a safe home, an affordable home where you can close the door and live, then you can't do the other things in your life very effectively," he said.

"You can't take care of looking for work, looking after a family and all those other things you need to do."

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