

# The Tenant



December 2002

*Federation of Metro Tenants' Associations  
- Fighting for Tenants' Rights since 1974 -*

## Tenants Take Note: Screaming Works

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By Francesca Scalzo

The colossal mess made by the Harris/Eves Tories in “deregulating” the electricity market should come as no surprise to those of us who served as guinea pigs in their earlier experiment with deregulating an essential commodity.

The so-called Tenant Protection Act “deregulated” the rental housing market in 1998. And, just as with the electricity debacle, the

result was not — as confidently predicted by the government — increased supply and lower prices. The result was shriveling supply and skyrocketing prices.

No public sector housing has been built in Ontario since 1995. And from 1996 to 2001, Ontario lost over 44,000 rental units, according to StatsCan, with over 17,500 lost in the GTA alone. And virtually no private sector rental housing has been built. Builders were making

buckets on condominiums.

ResREIT, which owns 7,771 rental units in Ontario, describes the rental situation in Toronto in its most recent annual report — rising rents and very low vacancy. It then goes on to say: “This attractive imbalance of fundamentals makes our market niche a very exciting place.” ResREIT boasts that landlording

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By Howard Tessler

## Property Tax Time Again

As the old saying goes, the only sure thing in life is death and taxes. Some might add a third thing to this list, namely rent increases.

Thousands of tenants will soon be receiving notices from the City of Toronto’s Finance Department concerning the property tax that they pay through their monthly rent.

Roughly 20% of our rent is property tax.

Landlords have already started to receive their tax notices. If their taxes go up, then they are allowed to raise the rent of their tenants but they have to apply to the Ontario Rental Housing Tribunal and list the increase as an Extraordinary

Operating Cost. The landlord must inform the tenants 30 days in advance of the hearing.

However, if the property tax goes down by more than 2.49% the City of Toronto has to send notices to all tenants in buildings with 3 or more rental units that their rent can be automatically reduced by a specific amount.

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## Hotline Question of the Month

By Howard Tessler

**Q.** We moved into this apartment on January 1, 2002. Recently we received a form from the landlord asking whether we would renew our lease along with the new rent. I thought we could stay on without renewing a lease. In our last apartment we didn't have to renew our lease each year. Is this something new?

**A.** Actually this annual "renewing" of the lease is technically a matter of informing the tenant of the new rent to be paid, thus the name of the form N1-Notice of Rent Increase. Under the Tenant Protection Act, a landlord can only raise the rent once every 12 calendar months, and must give you notice of the increase 90 days in advance of your anniversary date. The renewing of your tenancy lies in the second part of the Form under Important Legal Information in which it says that after the completion of a fixed term tenancy the tenant does not have to renew or sign the Form and remain as a "month to month" tenant.

So what your present landlord is doing is perfectly legal and your previous status was also perfectly legal. The benefit of being a month-to-month tenant is that you

have more flexibility in moving out (terminating your tenancy). The terms of your previous fixed term lease or tenancy agreement, however, remain in affect.

On the other hand having a fixed term lease gives you the protection that the landlord cannot easily terminate your tenancy until the end of term—the term being say 12 months, rather than in a month-to-month tenancy only 60 days.

Do you have to "renew" your lease? No. Are you still a tenant? Yes. If you don't renew do you still have a lease? For all intents and purposes, yes you do, but only on a month to month basis.

What should you do? It depends on your plans. If you are thinking of moving to another apartment in the near future, being a month-to-month tenant has definite advantages. If you have any reason to believe your landlord may be "up" to something, sign on for a fixed term.

What the landlord is really interested in when renewing your lease is right up front and center: the new amount of rent you will be paying regardless of whether you are a fixed term or a month to month tenant.

*If you have any questions about renewing your lease or any other questions about your legal rights as a tenant, please feel free to call the Tenant Hotline at 416-921-9494 Mon.-Fri. 8:30am – 6:00pm or email us at [hotline@torontotenants.org](mailto:hotline@torontotenants.org)*



## Many Hands Make Light Work

By Michelle Mulgrave

Tenant Associations would not exist without the dedication and time of their volunteers.

I met Shirley Morgan during the early part of 2002 on a cold winter evening. There were about 80 tenants squeezed into a party room. Everyone was upset about the upcoming rent increase. I remember Shirley because she had her hand in the air for most of the evening, and had the most questions for me. Shirley's passion towards improving conditions in the building was evident. Before the meeting ended,

I asked Shirley to stay behind along with a few other tenants to form a committee. After a number of meetings an association was formed.

From the word "go", Shirley was off making calls, speaking up for tenants, and reminding management that tenants have rights. Today, Shirley is the Association's President, and her building is on its way to the Ontario Rental Housing Tribunal. Without leadership and support it is very difficult to move forward. Shirley has gathered up support in her building and this will improve conditions for all tenants.

Every step towards change counts.

It was a much warmer evening during the spring when I met Jennifer Fretz. I was meeting with tenants to discuss repairs/maintenance issues. Jennifer, along with other tenants, was not happy with the conditions in her building. With some calls to their local inspector, there have been a few changes, but overall there is still a lot of work to be done.

Jennifer has created a logo for her Tenants' Association. Through taking a number of photographs and keeping a written record of events, Jennifer has

compiled enough evidence to eventually file an application at the Ontario Rental Housing Tribunal. The problems that need to be fixed in Jennifer's building are equivalent to a full time job. A lot of Jennifer's personal time is taken up dealing with the issues in her building.

There are numerous volunteers out there putting in countless volunteer hours to improve conditions in their buildings. Support your tenant association – more hands make light work.

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# Ernie, What About Tenants?

By Dan McIntyre

Now that the Premier has seen the light about his disastrous deregulation policy on hydro, tenants would like him to see the same light about his disastrous anti-rent control policy.

Tenants have seen rents escalate in leaps and bounds since the Tories brought in their ill-titled Tenant Protection Act. Over 60,000

tenants a year have lost their homes because they could not pay the rent. And the market has failed to respond with new units.

Many tenants are on fixed incomes or low incomes. The situation gets worse every year.

Follow the Hydro blueprint, Mr. Eves. Freeze rents until 2006 and rebate tenants who have paid the ridiculous increases that your

Government has permitted. For a prime example, over 100,000 rental households in Toronto have been forced to pay a permanent extra increase based on a temporary spike in fuel costs.

You could also direct your Tribunal to disallow all further claims based on utility cost increases. And by the way, make sure that tenants get your hydro rebates. We pay hydro in our rents.

...Volunteers  
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Forming a tenants' association no doubt will improve conditions in your building. Other than challenging rent increases, associations have been known to host barbecues, hold bake sales and other social events. Since the Tenant Protection Act was enacted, more tenants have held meetings to challenge rent increases and improve conditions in their building. Without leadership and support, many associations go dormant after fighting their rent increase.

More than ever, working together can bring a change. Support your tenant association. If your building would like to form a tenant association, contact the Outreach and Organizing team at 416-413-9442.

...Property Taxes and Rent  
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These notices will start being mailed to those tenants in mid-November and will state that as a result of lower property taxes you will be able to automatically reduce your rent by a certain percentage as of December 31, 2002.

Your landlord has also been informed of this tax and rent reduction and tenants do not have to inform him that they will be taking it. It's **automatic**. The notice does suggest that you speak to your landlord but he does not have the right or power to disallow this rent reduction.

So if the notice says your rent can be reduced by 2.4% then you simply multiply your rent by the percentage amount and get the dollar amount by which your rent goes down.

If the property taxes on your building go down by less than 2.49%, you can still get a rent reduction but you would have to apply to the Ontario Rental Housing



Tribunal in order to be granted it. Although it costs \$45.00 to apply for a T-3 (Tenant Application for a Rent Reduction) and the amount of the rent reduction may be very small just imagine how that amount adds up. Talk to other tenants in your building and get them to join your application (\$5.00 each unit up to a maximum of \$450.00).

The City will not be notifying tenants of tax reductions below 2.49%. If you want to know if your building has been given a property tax credit, call the Tenant Hotline (416- 921-9494) starting November 25<sup>th</sup>. We will be able to check if your building has been given a property tax decrease and the percentage.

It should be noted however that these tax and rent decreases do not apply to commercial buildings, or to public housing, non-profit housing, non-profit co-ops, shared accommodations, and educational residences.

**Federation of Metro  
Tenant's Associations**

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Screaming  
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is "virtually immune to business cycles".

ResREIT buys up older buildings, makes "enhancements", then applies for Above Guideline Increases that not only cover the costs, but also provide enhanced profits forever because the rent increases are permanent. For example, the company "repositioned" a building at 100 Wellesley Street in Toronto by adding new suites and a health spa. In 1999, there were 413 suites with an average rent of \$839. By 2001, there were 424 suites at an average rent of \$1,021 — an attractive increase of

21.7%. At 2515 Bathurst Street, the same trick jacked average rents from \$660 to \$902— an increase of 35.6%.

Why would investors make huge outlays to build new facilities when they can make much smaller investments in existing scarce resources and jack up the prices?

Some pundits have said that the government did not give the market enough time to work its "magic" on electricity. We've had four years of deregulation in the rental housing market and the situation is just getting worse.

In making his backtracking

announcement, Premier Eves said that there are some things people can do without, but electricity is not one of them. Neither is housing. Supply and demand economics does not work on essential commodities.

Deregulating essential commodities like electricity and housing turns citizens into captive cash cows and enriches the government's pals. But consumers and business rose up and screamed bloody murder and Eves back-pedaled.

Tenants take note: Screaming works.



**Yes, I want to be part of the Tenants' Movement!**

Please send me my membership card and information about the services that I receive a member.

<p><b>I will pay my membership dues by:</b></p> <p><input type="checkbox"/> Cheque or money order (made out to FMTA)</p> <p><input type="checkbox"/> Cash</p> <p><b>Please Print:</b>                  Name: _____                  Address: _____ Apt. #: _____                  City: _____ Postal Code: _____                  Telephone #: (h) _____ (w) _____                  Fax: _____ e-mail: _____</p>	<p><b>I am joining as the following type of member:</b></p> <p><input type="checkbox"/> New Member <input type="checkbox"/> Renewal</p> <hr/> <p><input type="checkbox"/> Individual: \$15/year  <input type="checkbox"/> Senior, student or unemployed: \$5/year  <input type="checkbox"/> Sustaining Member: \$50/year  <input type="checkbox"/> Homeowner (non-voting): \$25/year  <input type="checkbox"/> Organization (non-voting): \$25/year  <input type="checkbox"/> Tenants' Association: ____ units,                  \$10 per year per unit (minimum 3 units)</p>
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Send to: Federation of Metro Tenants' Associations, 27 Carlton St., Suite 500, Toronto ON, M5B 1L2