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Ottawa has proposed a renters' bill of rights. Will it help?

Such measures would include a national standard lease agreement



Mark Gollom || March 29, 2024



A sign advertises rental apartments in a newly built apartment building in Fredericton on July 5, 2023. (Stephen MacGillivray/The Canadian Press)

The federal government's proposed measures to protect renters from low vacancy rates, high prices and other significant challenges might not be enough, according to some housing experts.

The proposed renters' bill of rights is "an attempt to appear to be doing something," said Steve Pomeroy, a housing policy research consultant.

"I don't think, in practical terms, it can really be implemented in any way that's going to have a meaningful impact on rental affordability."

But others see it as, at least, a start that could evolve into something more substantial and helpful.

"There are some hints in this announcement," that the government could be headed toward a more comprehensive bill of rights, said Dale Whitmore, director of policy and law reform at the Canadian Centre for Housing Rights.

"It's just important that they take the process seriously and really develop something that functions as a proper bill of rights."

Earlier this week, Prime Minister Justin Trudeau said the upcoming federal budget would introduce protections specifically geared toward younger renters.

The renters' bill of rights would include a national standard lease agreement and require landlords to disclose a unit's pricing history to allow tenants to negotiate their rent.

The government would also create a \$15-million fund for provincial legal aid organizations to help tenants fight landlord abuse and "renovictions" — when a landlord evicts a tenant by saying they need to do significant renovations.

The Liberals are also proposing to change federal rules so that making rental payments on time will count toward someone's credit scores.

Statistics Canada says younger Canadians tend to face greater challenges than older age groups when it comes to shelter costs. Nearly two-thirds of Canadians aged 15 to 29 rented their home, and spent more of their income on shelter costs than those in the older demographics in 2021, according to that year's census.

Record-low vacancies

Meanwhile, the Canadian Mortgage and Housing Corporation found that renters across the country faced record-low vacancy rates (1.5 per cent) and record-high average rent growth (up eight per cent) in 2023.

"The question then becomes, is this an area that the federal government should be getting into, to the extent that consumer protection, property rights, rent regulation are all areas of exclusive provincial jurisdiction," Pomeroy said.

One of the proposals — forcing landlords to disclose an apartment's pricing history — will likely have little impact on lowering rental prices, Pomeroy says.

He suggests that knowing, for example, that a place being rented out for \$2,000 previously went for \$1,200 won't necessarily increase one's bargaining power with a landlord.

"I say, 'Well, that's not fair, I'm not going to pay \$2,000.' They say 'Well, fine, go somewhere else, I'll find someone else.'"

"I mean, that's kind of how the market works," Pomeroy said. "That's how the process will work."

Whitmore says things look different in those provinces — Manitoba, Quebec, P.E.I. — that have protections against "unreasonable" rent hikes when one tenant leaves and another moves in.

Then such transparency "can be hugely helpful," he said, "so that renters know what rent increases they're looking at."

But most provinces don't have limits on hikes between tenancies, and Ottawa doesn't have the jurisdiction to add them.

So "what the federal government is proposing here by itself wouldn't help," he said.

'Other side of the coin'

Tony Irwin, president and CEO of the Federation of Rental-housing Providers of Ontario (FRPO), says his industry supports stronger protections for residents, but regulations should be equally balanced.

Irwin says it's important to know "the other side of the coin," such as the costs of running and maintaining those rental properties.

"Maintenance, property taxes, utilities, insurance, all these things are real costs for rental housing providers," he said. "That has to be considered as part of a broader conversation."



A no vacancy sign is posted outside of an apartment building in Vancouver in November 2022. (Ben Nelms/CBC)

Irwin says recognizing the need for more supply of all housing types, including purpose-built rental, is critical to the conversation.

Whitmore says if he had to choose one measure to include in a renters' bill of rights, it would be robust regulations to prevent excessive rent increases and gouging.

Currently, there's a real patchwork of legal protections for renters that vary dramatically between provinces and territories, he says.

And one big one is whether eviction is treated as a last resort. In some provinces, he says, eviction is the default outcome when a landlord has a complaint if, for example, someone is late paying their rent.

"To us, it seems pretty obvious that it should be a last resort. Some provinces do have some protections along those lines, but others don't," he said.

"National standards are really important here, because what rights you have as a renter shouldn't depend on where you live."

Whitmore also says the government's proposed \$15 million legal fund to help tenants would be just "a drop in the bucket."

"There really is a lack of legal services for renters across Canada," he said. "And the ones that do, it's often underfunded. So \$15 million is not going to go very far toward meeting that need."

Alejandra Ruiz Vargas, of the housing advocacy group ACORN, says her organization welcomed the proposed changes and that the idea of a renters' bill of rights, in principle, is good. But she says more details are needed, including how such proposals would be enforced.

However, the government first needs to address the root problems, which would include imposing full rent controls, vacancy controls and banning fixed term leases, she says.

"No matter the amount of money — [if] the root of the problem has not been changed — it's like money wasted."