

1064 Vista Tara Private
Greely, Ontario
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June 25, 2020

Standing Committee on Social Policy
Legislative Assembly of Ontario
Toronto, Ontario

Re: Bill 184 - An Act to amend, *inter alia*, the Residential Tenancies Act, 2006

This submission is being submitted by the Albion Sun Vista Tenants Association officially representing all the Land Lease Tenants in the Albion Sun Vista Community.

Purpose: This submission is made in respect of Schedule 4 of the proposed Bill 184, and, specifically, the proposed changes to Above Guideline Increases (AGIs) provisions in relation to the repeal and substitution of Subsection 167(1) of the *Residential Tenancies Act (RTA or Act)*. Our objective is to present the concerns of Albion Sun Vista regarding the proposed changes.

Background: Our community is a Family Lifestyle community consisting of a mix of mobile home units and modular homes. Many of the residents are relatively low or fixed income retired couples or singles or young families in their first home. Our Community is located in the village of Greely just south of Ottawa.

Land Lease communities are generally attractive to first time home buyers and retirees, i.e., those with relatively low or fixed incomes. The basic attraction is that the amount of capital needed to buy a home is lower. Landlord-tenant relations are governed by the provisions of the *RTA* and the Landlord Tenant Board (LTB). This combination of the need for relatively low up-front capital and the protection afforded by the *RTA* makes land lease communities attractive to young and old alike.

Concerns About Proposed Changes to the *RTA*: The key element that makes the purchase of land lease units attractive, in addition to lower up-front capital costs, is the relative stability of associated monthly carrying costs (rent and fees). The proposed changes to Subsection 167(1) of the Residential Tenancies Act appear to negate this stability in that they appear to allow Landlords to recoup capital outlays faster than currently allowed under the existing provisions of the *RTA*.

We do not oppose the landlord's right to recover eligible capital expenses as defined by the *Act* and *Regulations* and we appreciate the clarification being introduced in

defining the capital expenses that are, in fact, eligible for recovery. However, we believe that the financial framework governing the existing ability of the landlord to recover eligible expenses is more than sufficient. The Schedule to the *Regulations* sets out the estimated life expectancy of eligible capital works and determines the time period over which the landlord can recover those expenses. The *Act* and *Regulations* also set a maximum annual percentage amount that the landlord can seek in order to recover the expenses.

As an example, right now, the Schedule to the *Regulations* indicates that the useful life of asphalt/pavement is 15 years, so any eligible capital expenditure is recovered over 15 years. Is the intent to change that? Or is the intent to leave the estimated useful life the same but introduce a new or amended Schedule that accelerates the recovery period? It is vague. If the recovery period is accelerated, it would not change the total amount recovered but it would mean that tenants would pay more over a shorter period of time. That would introduce instability and present financial hardship for some/many tenants through increased monthly payments (rent and fees).

Alternatively, is the intent to leave the Schedule alone but increase the maximum amount recoverable through an AGI? That would have the same effect in terms of increased monthly payments and instability. Right now, the maximum amount recoverable is 3% per year in addition to the Guideline Increase to which the landlord is automatically entitled. If the maximum amount recoverable through an AGI is increased, then once again the landlord would be recovering more money over a shorter period of time and once again that would create financial hardship for tenants.

The proposed changes could increase financial hardship for many tenants. Our concerns are very real and worrisome to tenants. Please take them into consideration in your deliberations.

On behalf of the Albion Sun Vista tenants, thank you for the opportunity to share our concerns with you.

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