

# **Landlord's Self-Help Centre**

A specialty community legal clinic funded by Legal Aid Ontario

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Standing Committee on Social Policy Room 1405, Whitney Block Queen's Park, Toronto, ON M7A 1A2

Attn: Peter Tabuns, MPP, Chair of the Committee

c/o Valerie Quioc Lim, Clerk of the Committee

Re: Comments on Bill 132

The Landlord Self-Help Centre (LSHC) is a non-profit specialty community legal clinic funded by Legal Aid Ontario and mandated to provide services to Ontario's small-scale landlord community. This community represents the secondary rental market and plays a vital role supplying affordable housing across the province. LSHC assists thousands of small landlords each year navigate the regulatory environment to address disputes and conflicts related to residential tenancies. Through summary legal advice and educational programs these landlords develop a better understanding of their rights, responsibilities and obligations as housing providers. Among other activities, LSHC provides input on potential changes to landlord-tenant legislation.

We would like to take this opportunity to provide our comments on Schedule 6 of Bill 132, Sexual Violence and Harassment Action Plan Act (Supporting Survivors and Challenging Sexual Violence and Harassment), 2015, which amends the Residential Tenancies Act, 2006 (RTA). LSHC commented on the similar Bill 53, Escaping Domestic Violence Act in 2010 and is pleased to see that most of the concerns raised at that time have been addressed by Bill 132.

LSHC is supportive of this bill and its laudable goals. LSHC recognizes that landlords have a role to play in stopping sexual violence, sexual harassment, domestic violence and other forms of abuse.

LSHC does, however, want to ensure that small landlords are not left bearing a disproportionate burden that may even have the perverse effect of making it more difficult for persons in abusive relationships to find rental housing. This letter focuses on two areas of concern: the ability of the tenant to void a termination notice by merely not vacating the unit, and the restriction on the landlord showing the unit until all tenants have vacated the unit.

#### 1. Voidability of Termination Notice

Under Bill 132, s. 47.2(5) of the RTA would provide that:

#### Where notice void

(5) A notice given under subsection (1) becomes void with respect to a tenant who gave the notice, if the tenant does not vacate the rental unit on or before the termination date set out in the notice.

A tenant giving notice of termination due to abuse would therefore be able to "change his or her mind" and remain in the unit simply by not vacating the unit, without even informing the landlord.

This is problematic for landlords since they cannot be certain if their unit will be vacant on the date they expect. Once a landlord receives a termination notice he or she will likely try to find a replacement tenant as soon as possible, or might schedule repairs for soon after the anticipated vacancy date. A lease might even be signed with a replacement tenant. A landlord (and potentially a new tenant) would be seriously inconvenienced if the unit were still being occupied by the first tenant at the expected vacancy date. In these circumstances the landlord may find him or herself liable to the new tenant for breaching the new lease, and the new tenant may be left scrambling to find alternate housing.

Furthermore, the landlord would have already applied the last month's rent (LMR) initially provided by the terminating tenant towards the 28-day termination period. The terminating tenant would not be obligated to pay rent for the last month of their tenancy since the RTA requires the landlord to apply the tenant's LMR deposit to the last month of their tenancy. If the tenant decides not to vacate in accordance with the termination notice, the tenant will now owe two months rent, which, may be difficult to pay. If the tenant does not replenish the LMR and pay unpaid rent, the landlord cold begin the eviction process with a 14-day N4 notice. The eviction process for arrears of rent takes at least three months.

LSHC recognizes that a victim of abuse might deliver a termination notice in haste or in a state of fear but then later change his or her mind about the need to leave the premises. As a compromise, LSHC proposes revising the bill to provide a "cooling off period" (of perhaps three to seven days) during which the tenant could cancel or revoke the termination notice to the landlord. After this cooling off period elapses, the termination notice would become irrevocable and the landlord would be able to rest assured that the unit will be vacated by the anticipated termination date and plan accordingly. This solution would retain a reasonable window for the tenant change his or her mind and stay in the unit while avoiding undue prejudice and uncertainty for the landlord and potential future tenants of the unit.

## 2. Showing the Unit

Under Bill 132, s. 47.1(5) of the RTA would provide that:

#### Entry to show unit to prospective tenants under s. 26 (3)

(5) The landlord to whom a notice is given with respect to a rental unit under subsection (1) may enter the unit in accordance with subsection 26 (3) only after the tenant or all the joint tenants, as applicable, have vacated the unit in accordance with the notice and, for that purpose, clause 26 (3) (c) does not apply.

Section 26(3) of the RTA currently provides:

### Entry to show rental unit to prospective tenants

- (3) A landlord may enter the rental unit without written notice to show the unit to prospective tenants if,
  - (a) the landlord and tenant have agreed that the tenancy will be terminated or one of them has given notice of termination to the other;
  - (b) the landlord enters the unit between the hours of 8 a.m. and 8 p.m.; and
  - (c) before entering, the landlord informs or makes a reasonable effort to inform the tenant of the intention to do so.

The proposed provision would prohibit the landlord from showing a unit to prospective tenants until all tenants have vacated the unit.

Due to termination notice provisions in the RTA, most tenants seek new housing with an occupancy date approximately 60-90 days in the future (so they can provide sufficient notice to their current landlord and avoid paying rent for two units). Under Bill 132, landlords will likely result in affected units remaining vacant for a period of time while the landlord shows the unit to prospective tenants, thereby interrupting the landlord's revenue stream. The prohibition on showing the unit compounds the loss of rental income for small landlords since they cannot even begin searching for a new tenant until the unit is vacant, leading to typically 2-3 months of lost rental income. This presents a significant hardship for small landlords.

LSHC presumes that the policy rationale of this provision is to prevent the alleged abuser from learning that the victim has given a termination notice. However, there are many circumstances under which such secrecy would be unnecessary, such as where the alleged abuser does not reside at the unit, or if the victim is not concerned about the alleged abuser learning of the termination notice.

LSHC suggests revising the provision to allow the landlord to enter the unit to show the unit *if the person giving the termination notice consents to such entry*. While this may seem like an obvious workaround that people will inevitably use, the Landlord and Tenant Board's strict interpretation of the legislation against landlords makes it important that this exemption be explicitly stated in the legislation.

LSHC hopes that your committee will address the issues described above. A notice of termination under the bill will impose a sudden and unexpected loss of rental income which many landlord families use to balance their household budgets. LSHC expects that a certain number of unscrupulous tenants will exploit the termination provisions of Bill 132 to simply escape leases without proper notice, since there is little recourse available to landlords. Such abuse would do a disservice to genuine victims of abuse. Other potential unintended consequences of Bill 132 include a reluctance among landlords to rent to persons who are in potentially abusive relationships, or landlords withdrawing their units from the rental market entirely for fear of abuse, thereby reducing the supply of affordable housing generally.

We hope that by addressing the modest requests made in this submission the impact of Bill 132 on small landlords can be lessened, thereby making the legislation more effective in reducing sexual violence and abuse.

Sincerely, Landlord's Self-Help Centre

Steve Scanlan President

cc: Minister Ted McMeekin
Ministry of the Municipal Affairs and Housing