

Quarterly News

June 2024

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Landlord's Self Help Centre
15th Floor- 55 University Ave.
Toronto, Ontario, M5J 2H7
Tel: 416-504-5190
Toll free: 1-800-730-3218
info@landlordselfhelp.com

Disclaimer

The material contained in this publication is intended for information purposes only, it is not legal advice.



Legal Aid Ontario provides core funding to Landlord's Self-Help Centre.

The views expressed here are those of the clinic and do not necessarily reflect those of Legal Aid Ontario.

Tax Credits: GST/HST Rebate for Landlords

As a result of the current housing affordability crisis in the country, the federal government is working on different ways to mitigate the struggles of Canadians to find suitable long-term housing options. One of the ways to achieve this is by encouraging residential landlords to add supply to the housing stock market and get a 100% rebate on the Good and Services Tax (GST), or the federal portion of the Harmonized Sales Tax (HST). The tax rebate applies to new Purpose-Built Rental Housing (PBRH) such as apartment buildings, student housing and seniors' residences.

Starting May 13, 2024, landlords can file an application online for the PBRH rebate for the qualifying unit if they meet one of the following criteria:

- Purchased a newly built or substantially renovated rental property
- Rental property was built by the landlord
- Rental property with multiple units and an addition was made

To review the complete eligibility list, visit <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/gst-hst-businesses/gst-hst-rebates/new-residential-rental-property-rebate.html#eligibility2>

Additionally, residential properties must have at least:

- ✓ 4 self-contained units or 10 private rooms or suites, and
- ✓ 90% of the units are long-term rentals

To be considered a newly built, substantially renovated or new addition rental unit, the construction should have started after September 13, 2023 but before 2031, and it has to be substantially completed by 2036. **As this is a federal initiative, the Ontario government has announced that landlords will receive 100% rebate of the provincial portion of HST.**

The following properties do not qualify for the GST/HST rebate:

- × Condominium and single-unit housing
- × Duplexes and triplexes
- × Substantial renovation of an already-owned residential complex

For more information on how to apply, visit *GST/HST rebate for purpose-built rental housing (PBRH)* at <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/gst-hst-businesses/gst-hst-rebates/purpose-built-rental-housing.html>

Supporting affordable housing: apply now for the GST/HST rebate for purpose-built rentals at <https://www.canada.ca/en/revenue-agency/news/newsroom/tax-tips/tax-tips-2024/supporting-affordable-housing-apply-gst-hst-rebate-purpose-built-rentals.html>

Proposed Canadian Renters' Bill of Rights

On March 29, 2024, the Federal government proposed to implement a Canadian Renters' Bill of Rights with the roll out of the 2024 Federal Budget. At first glance, the Bill of Rights was claimed to enforce the following:

- Provide \$15 million in funding to legal aid and tenants' rights advocacy organization,
- Require landlords to disclose a clear history of apartment pricing,
- Create a nationwide standard lease agreement,
- Amend the Canadian Mortgage Charter to make sure that rental history is taken into account for credit scores, and
- Implement laws and policies to "crack down" on renovations.

As a part of LSHC's law reform initiatives, LSHC prepared a response outlining the concerns for small landlords in Ontario. Our response can be seen here: <https://landlordselfhelp.com/media/Budget-2024-Canadian-Renters-Bill-of-Rights.pdf>

When does the Renters' Bill of Rights go into effect?

As it stands right now, there has been no official confirmation that these changes will take place or that a Canadian Renters' Bill of Rights will in fact become enforced. On April 16, 2024 the Federal government published the formal 2024 Budget Plan, which included the following notable proposals:

- \$5 billion will be offered over 10 years to the provinces that agree to commit to key actions to increase housing supply, such as implementing measures from the forthcoming Home Buyers' Bill of Rights and Renters' Bill of Rights.
- \$409.6 million will become available over four years, starting in 2025-26, to launch a new Canada Secondary Suite Loan Program, enabling homeowners to access up to \$40,000 in low-interest loans.
- Create incentives for banks, financial technology companies, and credit bureaus to prioritize launching tools to allow renters to opt-in to reporting their rent payment history to credit bureaus, to strengthen their credit scores.
- Launch a \$50 million short-term rental enforcement fund, to remove the profit incentive for short-term rental operators.
- Create a new Canadian Renters' Bill of Rights, to be developed and implemented in partnership with provinces and territories, to protect renters from unfair practices, make leases simpler, and increase rent price transparency. The government intends to crack down on renovations, introduce a nationwide standard lease agreement, and require landlords to disclose historical rent prices of apartments.

The implementation of these proposals is currently being debated before the House of Commons with **Bill C-69: An Act to implement certain provisions of the budget tabled in Parliament on April 16, 2024. The second reading of Bill C-69 is in progress and scheduled to be submitted to the Senate by June 17, 2024.** Once the Bill C-69 receives approval from the Senate, action to the proposals can commence.

What are the implications for small landlords in Ontario?

It is important to note that rental laws fall under provincial jurisdiction, as such, implementation of a Canadian Renters' Bill of Rights, would rely on provincial approval. Doug Ford has publically rejected the bill, calling it "jurisdictional creep". In Ontario, the *Residential Tenancies Act, 2006* already provides tenants with protection against "unfair practices" such as illegal rent increases and bad-faith renovations, and requires most residential landlords to use the Standard Form of Lease. This leaves small landlords in Ontario with two potential concerns:

- 1) If a tenant opts into reporting history of rent payments, will this be an added responsibility for the landlord?
- 2) Will the province agree to the federal government's proposal of requiring landlords to disclose a clear history of apartment pricing? If so, will this be enough to stop the willingness to pay the current market value?

LSHC will continue to monitor the potential implementation of the Canadian Renters' Bill of Rights, and provide updates as necessary, so please look out for more information in future newsletters.

The City of Ottawa to Allow Fourplexes

Due to the \$176 million Federal Housing Accelerator Fund agreement, Ottawa is committed to reviewing the Zoning Bylaws, allowing fourplexes to be built in existing neighbourhoods, primarily concentrated in and around the downtown core as part of the Comprehensive Zoning Bylaw. This new bylaw is meant to address the climate change crisis as well as housing affordability while pushing to increase housing supply by allowing four or more dwelling units to be built on single residential lots across Ottawa as a “fits-in” approach to existing neighbourhoods. **This bylaw will be beneficial as Ottawa currently pledges to build 12,583 houses in 2024, 15,100 in 2025, and 17,617 in 2026.**

Parking

Under this proposal, residents will also have more control over their parking needs. **The new zoning bylaw will eliminate minimum parking requirements and allow for some front yard parking.** This proposal aims to provide Ottawa residents the ability to choose how much parking one needs to provide based on their needs.

Housing Crisis

The Greater Ottawa Home Builders’ Association (GOHBA) has praised the Comprehensive Zoning Bylaw proposal. Jason Burggraaf, Executive Director, explains that *“the City of Ottawa is taking a proactive approach with these zoning proposals to address our crucial housing needs.”* **The new zoning bylaw presents an opportunity to reform existing rules and restrictions, increase the city’s housing supply, and improve housing affordability for residents now and in the future.**

As-of-Right

GOHBA is asking the city to expand as-of-right-zoning to **allow four units that are up to four storeys high per lot and to remove parking spot minimums for housing.** Ottawa’s current

zoning bylaws make building additional units on one lot difficult due to height and property line limitations. The current rezoning process is also quite complicated and expensive. Due to this, the as-of-right zoning would allow builders to build housing more easily without seeking regulatory approval. GOHBA believes that Ottawa should, at most, require one parking spot per primary unit, and if more than one parking spot is required, then two could be tandem parking spaces. This approach will increase population density and limit parking spots. This will entice individuals to rely more heavily on public transit instead of private cars, further improving our climate crisis.

Recap

The two primary goals of the Comprehensive Zoning Bylaw are to address housing affordability and the climate change crisis. As of today, the **City of Ottawa believes the council will approve the new Zoning Bylaw by the end of 2025 if the second draft is ready by late 2024.**

Heat is a Vital Service!

Under the *Residential Tenancies Act*, O. Reg. 516/06: General, heat is considered a vital service that landlords have to provide in every room used by tenants such as recreation and laundry rooms but excluding locker rooms and garages. **Heat must be provided from September 1 to June 15 at a minimum temperature of 20 degrees Celsius unless the municipal bylaw prescribes a different temperature or time period.** Contact your municipality to find out if there is a heat bylaw in place so you can ensure compliance with it.

This obligation does not apply to rental units where tenants can regulate the temperature and a minimum of 20 degrees Celsius can be maintained by the primary source of heat.

Self-Help TIPS

The majority of applications filed at the Landlord and Tenant Board are eviction applications filed by landlords, but tenants are also able to file their own applications and small landlords may not be familiar with these applications. In this newsletter, we want to discuss tenant applications so that landlords can be informed about what they are and why tenants file them.

Landlords should familiarize themselves with Section 29 of the *Residential Tenancies Act*, as this section lists many of the reasons why a tenant may be able to file an application.

Common Tenant Applications

The following are some of the most common tenant applications:

T1: Tenant Application for a Rebate of Money the Landlord Owes-The T1 is the application a tenant may file when they are alleging that their landlord owes them a specific sum of money. Usually, but not always, this application is related to rent disputes (i.e a tenant alleges that the landlord has overcharged them with an illegal rent increase or has not paid interest on a rent deposit).

T2: Application about Tenant's Rights-The T2 is one of the most common applications tenants file because it can be used for a multitude of reasons. A tenant can file this application if they are alleging that the landlord has: interfered with their reasonable enjoyment of the rental unit, changed the locks to the unit, interfered with vital services like water or electricity, entered the unit illegally, or coerced, harassed/threatened the tenant.

T5: Tenant Application – Landlord Gave a Notice of Termination in Bad Faith-The T5 is an application a former tenant may file if they believe that their landlord gave them an N12 or an N13 in “Bad Faith” (the landlord did not follow the notice and either re-rented or sold the unit). For a T5 application, a tenant has to show that the landlord did not follow through with the eviction notice (example: if the landlord gave an N12 saying the landlord would move in, the tenant must show that the landlord did not occupy the rental unit or in the case of giving an N13, the landlord renovated the unit but did not allow the tenants to move back in).

T6: Tenant Application about Maintenance-The T6 is one of the other most common applications. A tenant files this if they allege that the landlord has not been doing necessary maintenance in the unit or if the tenant had to do the maintenance themselves. A tenant has to show that they have informed the landlord about the maintenance issues and have given the landlord reasonable time to fix them.

TIPS

1) Limitation Period: Generally tenants have a strict deadline for filing tenant applications. The *Residential Tenancies Act* states that tenant applications must be filed within one year of the issues occurring. The exception to the one year limitation period is Bad Faith applications where a landlord has denied the tenant right of first refusal once repairs had been completed. A tenant has two years from the date vacated to file for this reason.

2) Remedies: Tenant applications generally ask for two types of remedies: monetary amounts and specific actions. An adjudicator may order a landlord to pay the tenant a lump sum of money or a rent abatement (a percentage of the tenant's rent each month for a specific period of time). In other circumstances, an adjudicator may order a landlord to do specific things, such as refrain from entering a unit illegally or to repair certain broken items in the rental unit.

3) Understanding Your Obligations: Having a full understanding of your obligations as a landlord under the RTA such as collecting a deposit, what constitutes “bad faith” or your requirement to keep the rental unit in good state of repair, will ensure you can lower the chances of a tenant bringing an application against you.

Did You Know? Special Edition: Tribunals Ontario Portal

Q: What do I need to do in order to file an application using the Landlord and Tenant Board Portal?

To file an application, you will have to login to the Portal and create a My Ontario Login. To create this, an email address is required.

This email address will be used to: sign in, recover your password, and receive notifications about your My Ontario Login. You can find up-to-date information about your file/application by logging into the Portal.

Q: Once I have access to the Portal, what type of things can I expect to do there?

You can do a number of things on the Tribunals Ontario Portal including:

- Submitting applications and paying for application fees;
- Checking the status of files;
- Uploading evidence upon signing the Consent to Disclosure form;
- Viewing and exchanging messages and documents with other parties;
- Self-scheduling preferred hearing dates in certain circumstances; and,
- Using the dispute resolution tool to try and reach an agreement.

Q: What type of applications can be filed through the Portal?

Landlords can file the following LTB Applications on the Tribunals Ontario Portal:

- L1: Application to Evict a Tenant for non-payment of rent and to collect rent the tenant owes
- L2: Application to End a Tenancy and Evict a Tenant or Collect Money
- L3: Application to End a Tenancy – Tenant Gave Notice or Agreed to Terminate the Tenancy
- L4: Application to End a Tenancy and Evict

a Tenant –Tenant Failed to Meet Conditions of a Settlement or Order

- L9: Application to Collect Rent the Tenant Owes
- L10: Application to Collect Rent a Former Tenant Owes

Q: My tenant filed an application against me and said I can view it on the Portal, but I do not see anything. What do I have to do in order to see what my tenant has filed?

In order to view your tenant's application, you need to put in the file number and your unique one time PIN. The LTB should have emailed or mailed you this information.

Q: I understand that I have to pay a fee in order to file an application with the LTB. What is the cost of the application?

The cost of filing an application is \$186.00 through the Portal, or \$201.00 if the application is filed by regular mail.

Q: How do I link my account to a file on the Portal?

Log in to your account and then click on “Link my Account to a File at LTB”, type in the file number and then enter your unique one-time PIN.

Q: I am filing my application on the Portal, but I'm getting stuck. Is there any technical support available?

Yes, visit <https://tribunalsontario.ca/en/tribunals-ontario-portal/help/> where you can find useful information on technical support. If you are unable to find the answers, you can contact the Tribunals Ontario at <https://tribunalsontario.ca/en/tribunals-ontario-portal/contact/>

LTB Updates

L2 Application: When landlords submit the L2 application using the Tribunals Ontario Portal, the L2 will be validated and landlords will be alerted if there is a serious error on it. These serious errors include: being filed too early or too late, if there is a problem with the termination date or the method of service. This will help landlords to identify mistakes in advance that can lead to an application being dismissed on the day of the hearing.

More improvements to the Tribunals Ontario Portal: Active offer of French Language Service for online filing is now prominently displayed, asterisks have been added on mandatory fields for party contact information, a greater emphasis is placed on the importance of submitting mandatory documents within 5 days of filing an application, and a new alert has been added to remind parties not to include credit card information when uploading documents as this can be viewed by other parties.

Notice of Hearing Package: The hearing package will no longer include a copy of the Notice of Termination, Certificate of Service, or any evidence or submissions. Landlords and tenants have to log into the Portal to access these documents. If a party is not able to log in, the LTB can be contacted for hard copies of the file.

For additional technical support with the Portal, visit
<https://tribunalsontario.ca/en/tribunals-ontario-portal/help/>

LSHC Upcoming Holiday Closures!

Please be advised that our office will be closed on the following dates:
July 1st for Canada Day - Our regular business hours will resume on Tuesday, July 2nd at 9:00 a.m.

August 5th for the Civic Holiday - Our regular business hours will resume on Tuesday, August 6th at 9:00 am.

September 2nd for Labour Day - Our regular business hours will resume on Tuesday, September 3rd at 9:00 am.

RentSafe Report

The report from [RentSafe](#) summarizes the known and suspected health risks associated with various unfit conditions in housing, such as mould, pests, pesticides, poor air quality, lead, asbestos and other indoor environmental hazards.

To learn more, visit <https://rentsafe.ca/rentsafe-background-paper-on-housing-related-health-risks/>

2024 LSHC Landlord Lunch & Learn Series!

We are resuming the Landlord Lunch & Learn Series on the following dates:

July 17th Overview of Tenant Applications

September 18th Self-Representation at the LTB Hearing

November 13th Filing with the Sheriff – What to expect

What's New on the Landlord's Self-Help Centre website?

Remember that you should begin your research on the LSHC website where you can find numerous resources and learning tools. **We have updated our RTA Fact Sheets and created a brand new fact sheet on Tenant Applications. We also added new Sound Advice podcast episodes.** Visit us at <https://landlordselfhelp.com/>

2024 LSHC Quarterly Newsletter Survey

The Landlord's Self-Help Centre produces four issues of the Quarterly Newsletter throughout the year in March, June, September and December. We kindly invite you to fill out our Quarterly Newsletter survey to help us improve the newsletter. Visit

<https://www.surveymonkey.com/r/5QJPGCS>
or scan the QR code to complete the survey.



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