

Manitoba News Release

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PROVINCE INTRODUCES TENANT PROTECTION PACKAGE

Greater Affordability, Controlled Condo Conversion, More Apartments Would be Created Under Let's Make a Better Deal for Renters: Ministers

The province is proposing strong measures to better protect tenants from excessive rent increases and uncontrolled condo conversions, Family Services and Consumer Affairs Minister Gord Mackintosh and Housing and Community Development Minister Kerri Irvin-Ross announced today.

"Your home is your castle, even if it's rented so, especially in times of low vacancy rates, tenants need to be protected against excessive rent increases and unfair eviction. This package balances the need to encourage more construction and upgrade the existing housing stock with the need for reasonable tenant protections," said Mackintosh.

"We have seen historic private and public construction of more than 800 apartments in Winnipeg and the strongest year for construction in recent history, outpacing other major centres in Canada," said Irvin-Ross. "We have triggered the biggest public investment in affordable housing through HomeWorks! including 1,500 new units over five years. A stakeholder working group has also been launched to find other solutions to rental challenges."

While recognizing these achievements and continuing to encourage the development of new apartments and upgrading existing stock, better protections will be put in place for existing renters, the ministers said in outlining the following changes.

Before landlords could get a rent exemption under the whole-building rehabilitation program, they would have to upgrade not just one major component but two, for example, heating and plumbing, and they would have to spend 50 per cent more on a per-unit basis. Also, when landlords apply for a rent increase above the guideline, they would recover the cost of some major repairs over eight years instead of six.

For example, on a \$100,000 roof and foundation upgrade to a 12-unit apartment building, which would allow an owner to increase rent above the yearly guideline, each tenant would pay almost \$350 less in increased rent each year under the new rules than under the old ones. On a \$50,000 upgrade to a 12-unit building, each tenant would pay \$172 less in increased rent each year under the new rules.

New tenant rights, such as tenure rights, would be introduced to protect tenants who are evicted for renovations in cases where units are re-rented after conversion to condominiums. The province is also working with students and universities to develop more rights for students living in residences.

Condominium ownership has become the choice for many Manitobans, but the unmanaged conversion of apartments to condos can hurt renters, said the ministers, adding the province will propose new protections to better manage conversions including enabling municipalities to control condo conversions when vacancies are low. Notice to tenants about condo

conversions would be doubled to six months from three months. No condo conversions would be allowed when people were evicted without cause in the previous year and no conversions would be allowed for four years after a rehabilitation exemption is approved.

Along with these measures, the province is increasing, as of Dec. 1, 2011, direct cash help to low-income earners paying the rent under RentAid (formerly the Manitoba Shelter Benefit). The benefit will increase to \$720 from \$600 a year for those on EIA. For low-income Manitobans, there will also be an increase to RentAid. For example a low-income senior getting \$1,320 a year will now get \$1,452 a year and a working family of four getting \$1,464 a year will now get \$1,632 a year. Under Budget 2011, the Education Property Tax Credit will increase by \$50 per year and up to \$150 for seniors.

The province will improve tenant-landlord relations this year by scheduling eviction hearings for troublemakers faster, speeding-up appeals by the Residential Tenancies Commission and encouraging landlords to allow pets. An independent advisor service will be expanded to help landlords of smaller properties. Late payment and NSF cheques fees would be increased, increased costs will be awarded on claims for compensation and landlord fees for above-guideline rent-increase applications would be reduced for smaller buildings, said the ministers.

Manitoba's rent regulation regime has ensured some of Canada's most affordable rents, said Mackintosh. The average annual rent for a one-bedroom apartment in Winnipeg is now almost \$1,400 cheaper than in Saskatoon where there is no regulation, he said.

The minister noted a recent study of rent regulation in Manitoba by Dr. Hugh Grant of the University of Winnipeg has concluded that it has prevented "unwarranted increases, or gouging that might be expected in a period of excess demand."

A copy of Grant's report is available at www.manitoba.ca/fs/cca/pubs/rental_report.pdf.

TENANT PROTECTION PACKAGE

Greater Affordability

- Increased cash to help low-income people pay rent under RentAid. This benefit will increase to \$720 from \$600 a year for those on employment and income assistance, to \$1,452 from \$1,320 a year for a low-income senior and to \$1,632 from \$1,464 a year for a working family of four. Under Budget 2011, the Education Property Tax Credit will increase by \$50 per year and up to \$150 for seniors.
- Lower rent increases in certain cases because landlords would recover the cost of some capital expenditures over eight years instead of six. For example, on a \$100,000 roof and foundation upgrade to a 12-unit apartment building, which would allow an owner to increase rent above the yearly guideline, each tenant would pay almost \$350 less in increased rent each year under the new rules than under the old ones. On a \$50,000 upgrade to a 12-unit building, each tenant would pay \$172 less in increased rent each year under the new rules.
- For whole-building rehabilitation approval, landlords would have to improve two major building items, plumbing and heating, for example, instead of just one, and would have to spend more on a per-unit basis.

New Rights

- Renters who are evicted for renovations would have tenure rights in cases where units are re-rented after conversion to condominiums.
- A working group will develop new protections for those in student housing.
- Tenants with tenant services such as meals would receive new rights such as:
 - 48 hours to cancel a new agreement,
 - advance notice of fee increases or cuts in service,
 - a limit of one increase each year,
 - the right to terminate tenancy if a necessary service is cut, and
 - input on services.

Controlling Condo Conversions

- Municipalities would be able to limit condo conversions when vacancies are low.
- Condo conversion notice to tenants would double to six months from three.
- No condo conversions would be allowed when people were evicted without cause in the previous year.
- No condo conversions would be allowed for four years after a whole-building rehabilitation exemption is approved.

Enhanced Landlord-Tenant Relations

- If there is an imminent risk, landlords could schedule eviction hearings for troublemakers faster.
- There would be faster eviction hearings at the Residential Tenancies Branch and Commission.
- Information would be provided to encourage landlords to allow pets.

More Apartments

- There was historic private and public construction of more than 800 apartments in Winnipeg in 2010.
- Winnipeg outpaced other major centres in Canada on a population basis over the past five years.
- The biggest public investment through HomeWorks! in affordable housing in the province's history is taking place with the provision of 1,500 new units over five years.
- A seniors housing initiative will leverage 150 new units.
- A housing minister's stakeholder working group has been established.