



Fast

# FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

June 4, 2013

## Renovating Rental Regulations

**T**he Honourable Jim Rondeau, Minister of Healthy Living, Seniors and Consumer Affairs recently introduced legislation to modify the Residential Tenancies Act. CCPA-MB was invited, along with representatives from several other community organizations, to meet with the Minister, as he was seeking to inform and hear from the community on these changes as well as some proposed changes to rent regulations.

The Act addresses the management of residential rental properties in Manitoba. Rent regulations are intended to provide tenants with predictability and stability in rents while still ensuring that the rate of return on rental investments is sufficient. Many of the proposed changes relate to renovations, and expand the protection and benefits provided to tenants through rent regulation.

Currently, landlords can begin to renovate their buildings before applying to the Residential Tenancies Branch (RTB) for rent increases. The proposed changes would require landlords to have the plan laid out and approved before the renovations begin. Landlords would only be able to apply for rent increases above the guideline as a result of renovations once every ten years. The investment a landlord makes in their rental units would also be amortized over a longer term, especially for cosmetic changes, resulting in smaller rent increases for tenants.

The regulations will also be changed to encourage landlords to renovate unit by unit, rather than through full building

renovations. Criteria for these kinds of renovations will be tightened to ensure that tenants have left voluntarily, and minimum work requirements will be applied to make sure that the rent increase is appropriate. This benefits both tenants, who are not displaced, and landlords, who will not lose revenue while renovating the whole building.

If a landlord does not follow the appropriate processes during the renovations, or creates an unliveable space for tenants remaining in the building to the point where the tenant moves out, the landlord would be responsible for paying for the tenant's moving costs.

Other proposed changes include allowing landlords to charge an extra deposit for pets, in the hope that this will make landlords more likely to allow pets. The ceiling for rents covered by rent regulations—currently set at \$1,140—will rise significantly, to ensure that a larger proportion of units are covered by the regulations, and average rent increases will be used to set the exempted rent amount in the future.

These proposed changes will likely benefit tenants. However, community organizations and advocates are raising questions about two other proposed changes in the Act and regulations.

The first is the addition to the Act that states that a tenant can be evicted for unlawful activity that damages the unit

there is an alternative.

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or that poses a danger to others in the complex, without being first convicted for the offence. There is concern that this could be used to evict tenants without sufficient cause. For example, racialized people and people with mental illness frequently face discrimination in accessing and maintaining housing. This could be used to further restrict their access to housing.

Further, section 96(3) of the current Act already states that a landlord may give a notice of termination if a tenant is acting in a way that interferes with the safety of others. This new addition will expand this to include unlawful activities. Currently these issues are dealt with through the law enforcement and justice systems. However, this is time consuming. The proposed section would implement an RTB process for unlawful activities and circumvent these systems.

The second concern relates to the proposal that if a tenant facing eviction does not attend a hearing, they will not be allowed to appeal without special permission. Although there are tenants who take advantage of the appeals process to continue to live in their unit without paying rent, for many tenants the processes involved in addressing an eviction are difficult to navigate. The regulations are complex, and especially for those who do not speak or read English easily, or those who have complicated lives, understanding the processes involved in dealing with rent regulations can be a challenge. These tenants require additional supports and advocacy, and should not be unfairly penalized; the regulations must make allowances for these tenants.

These two concerns raise the issue of education, advocacy and supports for tenants. Renting is a business for landlords, and landlords are more likely to have the resources to inform themselves about their rights and responsibilities. Tenants, on the other hand, may not be aware of their rights and responsibilities until a crisis

situation, such as a major repair need or an eviction, arises. A proactive approach to supporting tenants will make it easier for both tenants and landlords to navigate the day-to-day negotiations of renting.

Clear, plain language educational resources are needed, along with a more active strategy to ensure tenants are aware of the RTB and the role it can play in mediating disputes (e.g. requiring landlords to distribute relevant brochures from the RTB when delivering an eviction notice). Neighbourhood associations and resource centres are well-placed to provide supports. The RTB can partner with these organizations to distribute information and ensure that tenants are aware of their options and rights.

Ensuring that landlords do not take unfair advantage of loopholes as they renovate units, allowing damage deposits for pets and increasing the rent ceiling for units covered by the Residential Tenancies Act would make it easier for tenants to maintain their units. However, tenants have the right to due process, and enabling landlords to evict tenants without such process would be problematic. Supports and education for tenants, particularly those who are new to renting or who face language, literacy or other barriers, are essential. There is potential in these proposed changes to improve the rental system in Manitoba for the better, but care must be taken to ensure that tenants' rights are not negatively affected.

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