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NIAGARA NEWS

Province defending above guideline rent increases even as tenants are pushed out the door

“It’s high time we address the rampant profiteering in the housing sector,” says St. Catharines MPP Jennie Stevens

By **Matthew P. Barker** Standard Reporter

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Tenants of a downtown St. Catharines apartment building say they are in shock after receiving a hefty rent hike notice from their landlord who has instituted an increase above the yearly allowed provincial adjustment — a legal move but one causing affordability issues for seniors and others on a fixed income.

The 156-unit building at 165 Ontario St., owned by CLV Group, made headlines last year when L.D. Blake, a 35-year tenant of the building, published his experiences online highlighting the use of above guideline rent increases (AGI) in the building, which had occurred over 12 years.

Recently, concerned tenants received paperwork, outlining their upcoming yearly rent increase, which is set at 5.5 per cent, and which includes the government-capped regular rent increase at 2.5 per cent for the upcoming year plus a three per cent above-guideline rent increase.

AGIs are capped at three per cent per year, but under the Landlord and Tenant Tribunal, landlords can petition to increase rents up to three per cent for up to three consecutive years, adding upwards of nine per cent to rents above the government’s approved increases.

According to the Ontario government, AGIs are a way for corporate landlords to make capital improvements to their properties, amortizing costs over time and passing the expense on to tenants, who end up paying for them.

Blake said none of these numbers are final, as tenants still have the option to plead their case to the Landlord Tenant Board, but based on past experiences Blake is certain it will go in favour of the landlord.

“I expect many people are going to be badly hurt by this,” he said.

“People look at it and they go, well, 5.5 per cent isn’t a big deal, then they figure out 5.5 is \$110 a month on \$2,000 rent.”

Frustrated, Blake said it is no wonder tenants stop paying their rents. It’s not that they do not want to pay, rather it’s because they just cannot absorb a substantial increase allowed under the current system, and people on fixed incomes have few options for social housing.

“The average tenant, as far as I can gather, is at the edge of their budget,” he said. “That next \$10 increase, they’re going, ‘Oh my God, now I can’t pay the rent.’”

Like tenants such as Susan Galloway, who has lived in the building for about a decade. She said the situation is “extremely stressful.”

“I’m on a fixed income, I’m a senior, on old age pension, Canadian Pension Plan and Guaranteed Income Supplement,” she said.

Galloway pays about \$900 a month rent and as AGIs increase it will leave her with less each month.

“As my rent goes up, I have less money to live off, I’ll have less groceries, and I have pets so less for them,” she said.

Galloway said the stress and anxiety keeps her awake at night.

“My biggest fear is being homeless, I see it everywhere,” she said.

“I worry, what am I going to do? Where am I going to go? Rents have skyrocketed everywhere. The other day I looked at a one-bedroom, \$2,000, so, I’m trapped.”

Frustrated and nearly in tears, Galloway said people in her situation are being left to the wolves, as regulatory bodies meant to protect residents fall short.

“There should be laws protecting tenants rather than having landlords making more money, they’re getting richer and we’re getting poorer.”

The Ontario government needs to do more to protect tenants from increasing rents and price gouging in the housing market, said Jennie Stevens, St. Catharines NDP MPP.

“It’s high time we address the rampant profiteering in the housing sector as Niagara families deserve better than what’s happening on Ontario Street,” she said.

“Immediate action is needed to address these issues, a comprehensive bill to address rental inequities grounded in common sense to make housing more affordable was introduced late last year.”

A thorough review of the AGI application process was proposed by Stevens and the NDP to freeze increases to give everyday people assistance in affording their rents.

“Bottom line, it’s about prioritizing the needs of families over speculators,” said Stevens. “We’re seeing this more and more throughout Ontario, and in Niagara we need to make sure that profiteering in housing stops.”

Stevens said it’s not about taking away the ability for corporate landlords to improve their buildings, but rather a more regulated environment to ensure tenants are not being gouged on rents.

“We know that some maintenance needs to be done, but the current system is being abused by large corporations and that’s not the way to go about it,” she said.

“A balanced approach ensuring property and upkeep without burdening families with very large rent increases needs to be done.”

In an email, Ministry of Municipal Affairs and Housing spokesperson Alexandru Cioban defended the process and said AGIs allow landlords to make capital-intensive improvements and are “a critical process to ensure Ontario’s housing stock remains safe and well-maintained.”

Cioban said before proposed rent increases take effect they must be approved by the LTB, but tenants can apply to address their concerns if they believe a landlord hasn’t followed the rent increase rules.

Blake said tenants must remember despite the lack of decision from the LTB, tenants need to know the amount specified by the landlord in the papers will start to accrue immediately.

“Although, we’ve received these notices for rent increase, No. 1, we don’t owe them any money and we don’t have to pay the extra three per cent until there’s a court order saying to pay it,” he said.

Blake said for many tenants that can cause problems. If the LTB decides to side with the landlord, some people do not have the disposable income to pay that amount upon decision.

“The other way is to pay only the two and the 2.5 per cent that is mandated by the province and put the other three per cent in a bank account and hang onto the money,” he said.

“So, at the end, there’ll be a lump sum pay-up and we’ll have to give them the money, but it avoids the probability of mistakes, errors and flat-out refusal.”



Matthew P. Barker is a St. Catharines-based general assignment reporter for the Standard.

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