



Federation of Rental-housing
Providers of Ontario

March 16, 2017

Post 1991 Rent Control Exemption

Key Messages

- The '1991 Exemption' is good for tenants, good for jobs and good for the economy; it should continue. It is NOT a loophole in the legislation—it is stated government policy confirmed by the current government as a sound public policy to assist in creating much needed purpose-built rental buildings.
- The construction of more and better quality housing to add to the rental market delivers a critical boost to our economy and is very much needed by Ontario's many renters.
- Most of Ontario's rental housing was built before strict rentals controls were introduced in 1975, meaning that today the average tenant residence is 40 years old, with increased costs of maintenance and repair.
- As the Minister of Housing, Hon. Chris Ballard, pointed out (Hansard March 8, 2017), 82% of rental units in the province are pre-1991 buildings and are therefore protected by rent control. The government has restricted rent increases under the rent control guideline to 2.5% or less. For 2017 the guideline is 1.5%.
- The implementation of the '1991 Exemption' has been a strong incentive in boosting new construction and has enabled a revival of Ontario's rental market; developers need continued confidence that rents will not be controlled.
 - Economic impact: in 2016 the rental housing sector contributed \$23.4 billion in Ontario GDP annually, over 162,000 Ontario jobs, and \$8.3 billion in tax revenue to governments.
 - The industry continues to invest approximately \$7.4 billion in capital expenditures annually in Ontario - \$4.6 billion of that in new construction and \$2.8 billion in renovation and repair.
- According to a recent Urbanation report, the number of purpose built rental units proposed is triple what it was a year ago, with 27,000 units planned.
- Changes to the 1991 exemption policy could put these significant investments at risk.
- The 1991 exemption must be maintained to encourage new rental housing development; new rental housing supply is needed to ensure that there is sufficient quality affordable purpose built rental housing available to Ontarians.

For More Information:

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