## Rent hikes limited to 5.4 %

## Rent moratorium causes little stir

By JANET BAINE
Few people in Halton Hills have been questioning their MPP or rent review office about the new rent

increase moratorium.

Last month, Ontario Minister of Housing Dave Cooke introduced legislation which calls for a moratorium on rent increases. It is designed to protect tenants from high rent hikes. Increases, instead, will be limited to 4.6 per cent in 1990 and 5.4 per cent in 1991. The moratorium went into effect Oct. 1, 1990, the day the New Democrats came to power.

Since the announcement Nov. 28, North Halton MPP Noel Duignan has only heard from one of his constituents about it—a landlord whom he will meet on the weekend.

"I've had little or no feedback. That surprised me. I thought there'd be more reaction," Duignan said. "It indicates to me that the legislation isn't controversial."

He explained that during the two year moratorium, the Ministry of Housing will be holding public consultations to develop a permanent system of rent controls. While the government hopes this legislation can be "fast-tracked" so the moratorium doesn't have to be in effect the full two years, Duignan said the opposition parties are slowing the process down.

A positive direction

Jeff Steinberg, executive director of the Halton Hills Community Legal Clinic hopes the changes will help tenants. "We think it should have a positive effect upon the lives of tenants, in that it's going to put an end to the hardships that current legislation has had," he said.

The legal clinic helps tenants fight large rent increases landlords frequently want to impose on their tenants. "... because some (landlords) are acting in bad faith or because the current legislation is complex and confusing, the landfords don't know what they should be charging," Steinberg said.

Current legislation allows tenants to fight large rent increases, but there is a backlog of applications and it takes about a year for an application to be settled. If the increase is accepted, the tenant has to pay the higher rent, retroactive to the time when the increase was requested. If the tenants can't pay the increase, they face eviction.

"Since we represent tenants who face hardship — sometimes dire hardship due to inequities under the present regime — we welcome the moratorium," Steinberg said.

Under the proposed regulation: \* tenants will no longer be required to pay for higher financing when apartments are "flipped," sold quickly at a profit;

\* luxury renovations will no longer be on the list of reasons for rent increases either. Maintenance and improvement of buildings will be considered an obligation of the landlord, not a reason for charging higher rent.

But landlords would still be able to seek moderate increases above the guidelines to help cover operating costs which are beyond their control. These would be increases in municipal taxes, heating, hydro, water, cable, insurance and higher interest rates due to mortgage

renewal. Some landlords abuse rent increases by putting marble floors in the lobby, while there may not be enough security, or the heating and plumbing aren't up to standards.

Steinberg said this happens in Halton Hills and the moratorium will put a temporary stop to it.

"Landlords look upon this as a business. Tenants don't look at their apartment as a commodity, it is their home," he said.

Since the new legislation was introduced, not much has changed

"We haven't had a flurry of those calls, although I'm expecting it," he said.

People fear ghettos Some people fear the negative

effects of the proposed legislation. Landlords may let their buildings fall into disrepair, and rental housing could become like ghettos because the cost can't be recovered.

Investors could stop putting money into rental units, because it will be less profitable. Already in Halton only 30 per cent of accommodation is rented, compared to an average of 45 per cent in the province. This makes if very difficult for people to find good rental units in Halton Hills.

More rental housing

MPP Duignan said his government has announced that 20,500 units of non-profit housing will be committed during 1991, creating 40,000 jobs. This will be done under the Homes Now program, introduced by the Liberal government. Funding for Cobblehill Co-op came a year ago through this program.

Few calls to rent review Douglas Hunt, director of the Hamilton Rent Review office which

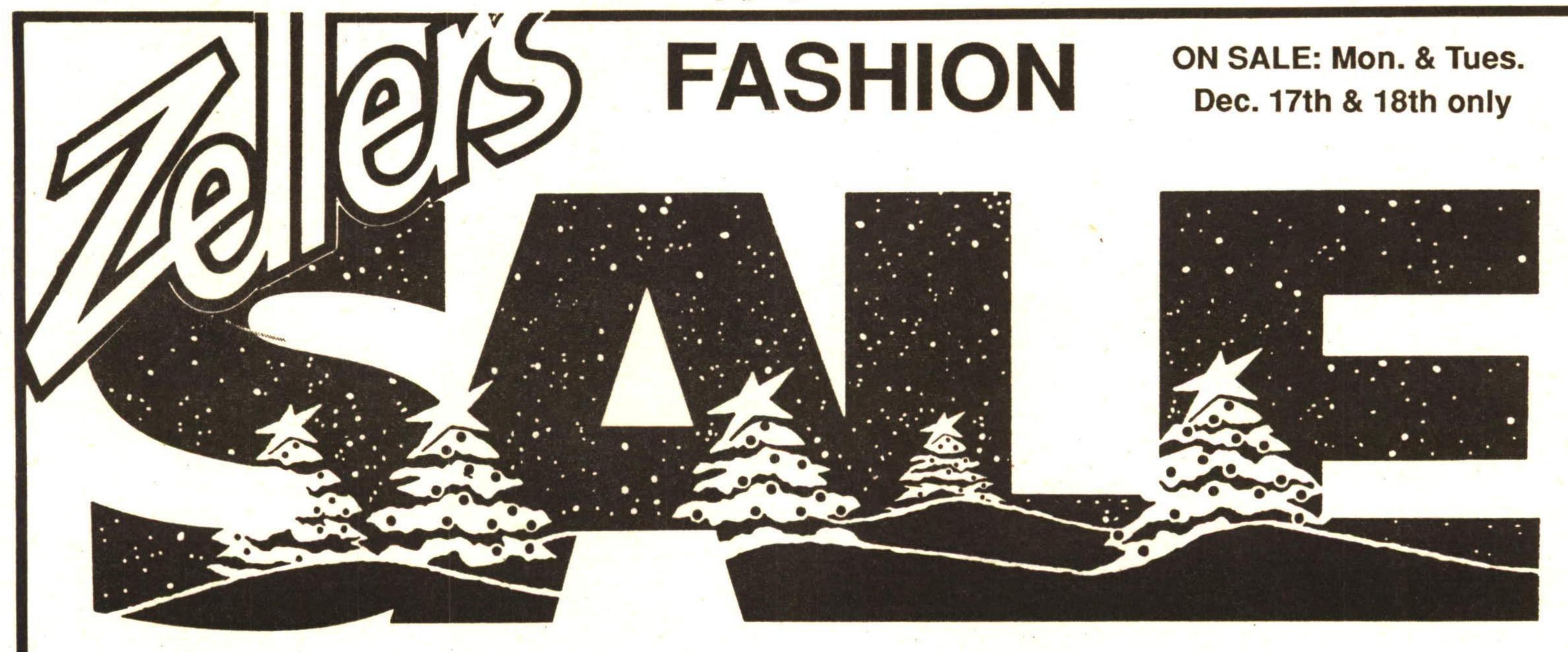
covers Halton Hills, said he expects fewer applications for rent increases will be coming into his office as a result of the moratorium.

Letters on the moratorium and proposed legislation were mailed out to tenants last week, and no additional phone calls have been coming into the office yet. It's still too early, he said.

He advises tenants who have received notice of rent increases above the guidelines after Oct. 1 that while they are not required to pay more than the guideline amount, if the application is processed and the higher increase is allowed, tenants will have to pay

Hunt hopes that his staff will be able to make a shift in priorities, and direct more attention toward developing a rent registry. All buildings with more than seven units should be listed in the registry so new tenants can find out what former tenants were paying,





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