



**BRITISH COLUMBIA
RENTAL HOUSING TASK FORCE**

RENTAL HOUSING REVIEW

RECOMMENDATIONS AND FINDINGS

1 EXECUTIVE SUMMARY

Housing is the foundation of healthy families and strong communities. Having a safe place to call home is a basic and critical need for every person and every family.

Unfortunately, many people in British Columbia are struggling to find a safe and secure home they can afford. Longstanding issues with the laws and regulations that govern rental housing in B.C. have made the search for, and the provision of, secure, quality, affordable housing even more difficult. Weak protections, inconsistent enforcement, and other loopholes are leaving people vulnerable to abuse and exploitation.

The residential tenancy laws, policies and services are not meeting the needs of renters and rental housing providers in British Columbia today as the Residential Tenancy Act has not undergone a comprehensive review in 16 years.

The existing residential tenancy system can be difficult to navigate, is outdated and fails to serve those who need it. For instance, the fact that the Act does not allow landlords and tenants to serve each other documents over email is a small example of antiquated regulations that make solving disputes more time consuming, expensive and difficult.

For these reasons, Premier John Horgan appointed a Rental Housing Task Force in April 2018, to advise on how to improve security and fairness for renters and landlords throughout the province.

The Task Force is composed of three members. It is led by the Premier's Advisor on Residential Tenancy, MLA Spencer Chandra Herbert. MLA Adam Olsen, and MLA Ronna-Rae Leonard complete the team.

During the spring and summer of 2018, the Rental Housing Task Force conducted a provincewide engagement with landlords, renters and others concerned citizens. This engagement provided an opportunity for people concerned about our rental laws and policies to be heard. The results of this engagement were summarized in a 'What We Heard Report' that can be found in Appendix A. The recommendations developed in response can be found below.

- RECOMMENDATION 1:** STOP RENOVITIONS
- RECOMMENDATION 2:** WORK WITH LOCAL GOVERNMENTS TO DEVELOP TENANT COMPENSATION AND RELOCATION GUIDELINES IN THE CASE OF DEMOLITION OF PURPOSE-BUILT RENTAL TO REDUCE DISLOCATION, AND HOMELESSNESS OF AFFECTED TENANTS.
- RECOMMENDATION 3:** SET A CLEAR TIMELINE FOR A TENANT'S DECISION ON THE USE OF A RIGHT OF FIRST REFUSAL.
- RECOMMENDATION 4:** IMPLEMENT A B.C.-WIDE RENT BANK SYSTEM FOR LOW-INCOME PEOPLE.
- RECOMMENDATION 5:** STRENGTHEN ENFORCEMENT OF THE LAW, INCLUDING IMPLEMENTING A CLEAR PROCESS FOR MAKING, INVESTIGATING AND REPORTING ADMINISTRATIVE PENALTY COMPLAINTS.
- RECOMMENDATION 6:** STRENGTHEN PENALTIES FOR BREAKING THE LAW, INCLUDING REFUSAL OF SERVICE FOR OUTSTANDING ADMINISTRATIVE PENALTIES.
- RECOMMENDATION 7:** INVESTIGATE WAYS TO PROVIDE AFFORDABLE ACCESS TO BAILIFF SERVICES IN SMALLER AND MORE REMOTE COMMUNITIES.
- RECOMMENDATION 8:** INVESTIGATE OTHER OPTIONS TO INCREASE THE REPAYMENT RATE FOR DAMAGES, NON-PAYMENT OF RENT AND OTHER STORAGE COSTS IF ORDERED BY THE RESIDENTIAL TENANCY BRANCH.
- RECOMMENDATION 9:** INCREASE THE AVAILABILITY OF CURRENTLY EMPTY STRATA HOUSING BY ELIMINATING A STRATA CORPORATION'S ABILITY TO BAN OWNERS FROM RENTING THEIR OWN STRATA UNITS.
- RECOMMENDATION 10:** MAINTAIN RENT TIED TO THE RENTER, NOT THE UNIT.
- RECOMMENDATION 11:** WORK WITH LOCAL GOVERNMENTS TO DEVELOP, IMPLEMENT AND ENFORCE SHORT-TERM RENTAL RULES TO BETTER PROTECT LONG-TERM RENTAL STOCK.
- RECOMMENDATION 12:** MAKE THE RESIDENTIAL TENANCY BRANCH MORE RESPONSIVE, ACCESSIBLE AND PROACTIVE WITH MORE OPPORTUNITIES TO LEARN FROM AND EDUCATE LANDLORDS AND RENTERS ON THEIR RIGHTS AND RESPONSIBILITIES.
- RECOMMENDATION 13:** IMPROVE FAIRNESS AND CONSISTENCY OF THE RESIDENTIAL TENANCY BRANCH DISPUTE RESOLUTION HEARINGS PROCESS BY RECORDING ALL HEARINGS.
- RECOMMENDATION 14:** IMPROVE PROCEDURAL FAIRNESS BY EXPANDING REVIEW CONSIDERATIONS TO INCLUDE MORE GROUNDS FOR REVIEW.
- RECOMMENDATION 15:** REQUIRE LANDLORDS WHO ARE FILING FOR EVICTION FOR CAUSE, OR FOR RENOVATION, TO PROVIDE ALL EVIDENCE WITH ANY EVICTION NOTICE TO THE AFFECTED TENANTS
- RECOMMENDATION 16:** IF REPAIRS ARE NEEDED TO MAINTAIN A RENTAL HOME AND THE LANDLORD IS REFUSING TO MAKE THEM IN A TIMELY WAY, HAVE THE RESIDENTIAL TENANCY BRANCH PROACTIVELY REDUCE THE RENT OF AFFECTED TENANTS UNTIL THE REPAIRS ARE COMPLETED.
- RECOMMENDATION 17:** ALLOW EMAIL AS A FORM OF NOTICE OF SERVICE BETWEEN LANDLORD AND TENANTS.
- RECOMMENDATION 18:** SPEED UP THE RETURN OF DAMAGE DEPOSITS TO TENANTS BY ALLOWING TENANTS TO MAKE A DIRECT REQUEST TO THE RESIDENTIAL TENANCY BRANCH FOR THE DAMAGE DEPOSIT WHERE NO DAMAGE HAS BEEN FOUND AND REPORTED BY THE LANDLORD.
- RECOMMENDATION 19:** WORK WITH THE INSURANCE INDUSTRY TO SEE IF RENT GUARANTEE INSURANCE, AND OTHER IMPROVEMENTS TO INSURANCE COVERAGE, MIGHT BE PROVIDED FOR LANDLORDS IN B.C.
- RECOMMENDATION 20:** UNDERTAKE A REVIEW TO SIMPLIFY THE REGULATIONS RELATING TO A LANDLORD'S OBLIGATION TO STORE ABANDONED PERSONAL PROPERTY.
- RECOMMENDATION 21:** ENSURE IT IS CLEAR FOR ALL LANDLORDS AND RENTERS WHERE TO GO TO GET HELP FOR ALL FORMS OF RESIDENTIAL TENANCY
- RECOMMENDATION 22:** ADDRESS THE SPECIFIC NEEDS OF NON-PROFIT HOUSING AND SUPPORTIVE HOUSING PROVIDERS IN THE RESIDENTIAL TENANCY ACT.
- RECOMMENDATION 23:** ENSURE MANUFACTURED HOME PARK RULES ARE CLEAR AND UNDERSTANDABLE. CLARIFY WHAT OCCURS WHEN PARK RULES CONFLICT WITH LEASE OR CONTRACT RULES.

2 HOW WE GOT HERE

RENTAL HOUSING IN B.C. TODAY

There are approximately 1.5 million renters in British Columbia today. Vacancy rates in British Columbia are some of the lowest in the country, averaging 1.3% across the province. In some communities, such as Vancouver and Kelowna, the vacancy rate has fallen below 0.9%.

With rental vacancy so low, the B.C. government is committed to making sure renters have secure housing and rental-housing providers have the confidence to make their properties available for rent. This will help to increase housing availability and affordability.

The Residential Tenancy Act (Act) has not undergone a comprehensive review in 16 years. The Act is integral to the landlord-renter relationship, as it governs how renters and landlords work together. The Residential Tenancy Branch is the department that is in charge of these residential tenancy laws and provides invaluable dispute resolution hearings to renters and landlords. The realities of the rental housing market have changed in recent years and the outdated Act leaves both renters and rental housing providers vulnerable. Updating our tenancy regulations and laws to reflect the current realities of our housing market and other advancements is necessary to ensure the sustainability of our rental market for decades to come.

In the fall of 2017 and spring of 2018, several changes were introduced to modernize and balance provincial tenancy laws. These included increased fines for people who wrongfully evict their tenants and the elimination of geographic rent increases, which allowed rental housing providers to increase rents to correspond to match other rentals in the same area.

These legislative changes were the beginning of a larger undertaking to ensure B.C. tenancy laws reflect fair process, and ensure safe, secure and affordable housing for both renters and landlords.

Canada recognizes housing as a human right. As such, safe and secure housing is critical to personal well-being. However, much of our housing is provided by businesses, non-profits, and individuals. If we want to safeguard people's right to a good home, we also need to consider the financial decisions needed to maintain and improve that housing, to help ensure we have enough and that it is in good repair.

RENTAL HOUSING TASK FORCE

In April 2018, Premier John Horgan appointed a Rental Housing Task Force (Task Force) to advise on how to improve security and fairness for renters and rental housing providers throughout the province. The Task Force was appointed to look specifically at the Residential Tenancy Act, the Manufactured Home Park Tenancy Act and the processes of the Residential Tenancy Branch. These acts are the foundation upon which all tenancy rules are based. The Residential Tenancy Branch is the arbiter of whether these rules are being followed.

The Task Force was led by Vancouver-West End MLA Spencer Chandra Herbert, who serves as the Premier's Advisor on Residential Tenancy. The Task Force also included MLAs Adam Olsen and Ronna-Rae Leonard.

The Task Force's work included:

- Talking to renters, landlords, non-profit housing providers and advocates concerning their views and experiences with current tenancy laws and processes;
- Speaking with manufactured home park tenants and owners about improvements to manufactured home park legislation;
- Identifying options to improve security and fairness for both renters and rental housing providers, while addressing the challenges of affordability;
- A review of the existing laws and how they apply to different housing situations; and
- A review of innovative approaches in other jurisdictions.

Through this work, the Task Force developed recommendations on how best to modernize and balance the provincial tenancy laws and processes to provide a fair process for safe, secure and affordable housing. The recommendations are designed to build a greater understanding of everyone's rights and responsibilities, helping to avoid conflicts in the renter-landlord relationship.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

A provincewide engagement process was conducted between May and July 2018. The process was designed to identify challenges facing landlords and tenants, and to invite solutions to improve laws and regulations for everyone. The engagement connected with renters, rental housing providers, and other housing-related stakeholders from around the province. The process involved many opportunities to participate, including:

- Provincial organizations were invited to meet with the Task Force and followed up with written submissions.
- Organizations and stakeholders were invited to make formal submissions to the Task Force.
- 11 community meetings were held around the province in Burnaby, Kelowna, Maple Ridge, Nanaimo, Nelson, Prince George, Salt Spring Island, Surrey, Terrace, Vancouver and Victoria; and
- B.C. citizens were invited to provide their input through an online discussion and/or email.

These opportunities to participate resulted in:

- 24 stakeholder meetings
- 6,848 comments by 788 participants at 11 community meetings
- 368 email submissions
- 65 written submissions
- 1,431 comments received through the online forum

This feedback was summarized in a comprehensive 'What We Heard' report in July 2018 and can be found in Appendix A to this report. The report was used to guide the Task Force's recommendations to the Premier and the Minister of Municipal Affairs and Housing on how to improve residential tenancy laws and processes in British Columbia.

3 TASK FORCE RECOMMENDATIONS

RECOMMENDATION OVERVIEW

The following section outlines 23 recommendations by the Task Force that are designed to ensure tenancy laws and processes reflect fair process, as well as safe, secure and affordable housing for both renters and rental housing providers. The recommendations are based on careful consideration of the input received during the engagement process and a review of successful and innovative approaches used in other jurisdictions.

The recommendations seek to balance the needs of both rental housing providers and renters, while also responding to the realities of today's housing market. Rental housing is a critical component of meeting the needs of a diverse population and is vital to a healthy economy.

EDUCATION

While significant changes are needed to modernize the Residential Tenancy Act, it became clear through the engagement process that many of the issues experienced by renters and rental housing providers could be solved through a better understanding of one's rights and responsibilities under the Act. As such, ongoing education for both parties is essential to maintaining and building a good relationship. Many rental housing providers and renters throughout the province described their relationships as positive and mutually beneficial. Nevertheless, the Task Force heard numerous stories of adverse relationships between renters and rental housing providers.

The Task Force believes that a breakdown in the landlord/renter relationship is often the result of a lack of understanding or a lack of commitment to respecting the rights and responsibilities of each party. In some cases, this is deliberate. However, in most cases, this is due to misinformation or lack of knowledge. It is important to note that laws can only serve to protect people if there is a basic understanding of their legal rights. Renters and landlords are accountable for knowing their roles and responsibilities, in order to ensure functional relationships.

EARLY RECOMMENDATIONS

On September 24, 2018, the Task Force made two early recommendations to the provincial government to ease pressure on renters in terms of affordability, while allowing needed maintenance

The 23 recommendations by the Task Force were designed to ensure tenancy laws and processes reflect fair process, as well as safe, secure and affordable housing for both renters and rental

to continue. The recommendations include:

- Changing the maximum rent-increase formula. The previous formula allowed for increases for inflation, plus an additional 2%. The new formula allows increases according to inflation only, removing the automatic 2% yearly increase.
- Allowing for additional modest rent increases above inflation through application to the Residential Tenancy Branch in cases where renovations and repairs to rental units have been completed.

These recommendations follow the approach of Ontario and Manitoba, which was a solution identified by numerous stakeholder groups and individuals during the engagement process. These recommendations strike a balance between keeping rent more affordable, while ensuring needed repairs are completed to maintain and improve rental housing.

It is recommended the Ministry of Municipal Affairs and Housing consult further with landlord and tenant groups to determine the criteria for reviewing landlord applications for increases above the inflation rate.

On September 26th, the provincial government accepted the Task Force's early recommendation, announcing a cut to the 2019 rental increase cap from 4.5% to 2.5%, reflecting the Consumer Price Index (CPI) only. The Ministry of Municipal Affairs and Housing is committed to working with landlords on the criteria for modest increases that will be allowed once major renovations and repairs have been completed.

SAFE AND SECURE HOUSING

Safe and secure housing depends on rental housing providers having the confidence to make their properties available as rentals. Equally, safe and secure housing depends on the ability for renters to know that if they respect their tenancy agreement, they can stay in their home in the long-term, without threat of unfair eviction.

In order to do more to protect the right to safe and secure housing, the following recommendations focus on the rights of rental housing providers and tenants during renovations and eviction processes.

It should be noted that many of the recommendations below will require education for renters and rental housing providers to ensure both parties understand their roles and responsibilities.

Recommendation 1: Stop renovations

During the public engagement process, the Task Force heard many accounts of renters being evicted due to renovations when they were willing to accommodate the renovations, and have their tenancy continue. Many renters felt that they had no recourse to vacating their unit once they received an eviction notice, or felt that they needed to provide evidence, or even hire a contractor, to prove that they could accommodate even minor renovations.

One of the most frequently mentioned challenges from renters was unfair evictions, including renovations and other evictions, based on false claims. They told the Task Force about how stressful it was to live with the constant threat of being forced from their home with too little time to find alternative housing in a challenging rental market.

Renters expressed concerns and fears around displacement, including one renter in Vancouver who said that *'safe housing'* meant living *"without the constant threat of renovations"*.

Under the Residential Tenancy Act, there is a need to provide clear guidance on what accommodations and actions by rental housing providers and tenants are acceptable during renovations. The lack of clear guidance has left rental housing providers and renters vulnerable to misinterpretation or abuse of the Act. Improvements should be made to the Act to allow for:

- Maintaining tenancy during renovations, as long as the tenant is willing to accommodate construction. Eviction should only be approved if there is evidence that no reasonable accommodations can be made to maintain the tenancy.
- Evictions for renovations should be reserved for the rare instance of serious, major and long-term renovations, such as seismic upgrades, which extend the life of a building considerably where it is impossible to keep tenants in the building due to health and safety risks, or unreasonable to expect a tenancy to continue, due to the extensive length of time a building will be uninhabitable.

These improvements to the Act, to better accommodate tenants during renovations, are intended to stop evictions for cosmetic changes to a unit, or even bigger renovations like windows, plumbing or electrical work.

During the engagement process, many renters called for improvements to the right of first refusal, specifically asking for tenants to be able to return to their units at the same or a similar rent after renovations have been completed.

It is recommended that government monitor changes to the Residential Tenancy Act that have recently been made, and the changes recommended in this report, to determine whether they are successful at reducing renovations before taking further action on the right of first refusal.

If the changes to accommodate tenants during renovations are not implemented, or if they are not successful at reducing renovations, it is recommended that regulations on the right of first refusal are revisited. Regulations on the right of first refusal could be strengthened to include further regulation, such as addressing rent increases following a tenant exercising their right to return to a rental after renovations.

Recommendation 2: Work with local governments to develop tenant compensation and relocation guidelines in the case of demolition of purpose-built rental to reduce dislocation and homelessness of affected tenants.

Currently, some local governments have tenant compensation and relocation policies in place that may include guidance for compensation for moving expenses, provision of housing options at a similar rent, or extended timelines to provide notice of demolition. Other local governments do not have policies to guide tenant compensation or relocation when purpose-built rentals are demolished. Many local governments are challenged by a lack of clarity around their ability to develop such policies.

It is recommended that the Province and the Residential Tenancy Branch work to develop guidelines and standards to align procedures around tenant compensation and relocation with local governments and other partners, including rental housing providers, developers and renters.

By developing clear tenant compensation and relocation guidelines for local governments, the Residential Tenancy Branch and rental housing providers can aim to reduce dislocation and homelessness of affected tenants in the case of demolition of purpose-built rentals.

It should be noted that this recommendation may require amendments to other legislation, such as to the Local Government Act, to support the ability of local governments to create the recommended policies.

Recommendation 3: Set a clear timeline for a tenant’s decision on the use of a right of first refusal.

The Task Force is recommending that a clear timeline be established for the use of the right of first refusal, to complement other changes to the Residential Tenancy Act for its use.

Should the existing tenant decide not to return to the unit following renovations, it is important that landlords have enough notice to find suitable tenants for the unit in time for its availability.

This recommendation responds to requests from landlords so they can plan ahead and get their rental homes occupied as soon as possible following renovations.

Recommendation 4: Implement a B.C.-wide rent bank system for low-income people.

Affordability was a common issue raised throughout the engagement process. Task Force members heard British Columbians voice their concerns about this issue from before the engagement process started.

“I do think the rent can be outrageous in comparison to the wages we earn. However, it is wrong to put all the burden to the landlord, who takes substantial risks just to rent out their own property,” wrote a landlord participating in the online forum. The participant goes on to suggest the Province, *“establish rent assist programs to help low-income renters to afford a place, without interfering with the market.”*

A rent bank is a service that provides interest-free loans to low-income households who have regular income but face eviction as a

“I do think the rent can be outrageous in comparison to the wages we earn. However, it is wrong to put all the burden to the landlord, who takes substantial risks just to rent out their own property.”

result of short-term financial difficulties through no fault of their own.

The program allows tenants facing eviction (for non-payment of rent) to apply to a local rent bank to receive financial assistance through a loan. If a tenant's application is approved, the outstanding rent is paid directly to the landlord on behalf of the renter.

While small rent banks operate in some B.C. communities, the Task Force is recommending a B.C.-wide system be implemented to further support tenants through short-term financial crisis. A provincewide system would reduce unnecessary evictions and homelessness, while ensuring rental housing providers receive the rental income they are entitled to under their tenancy agreement.

A new provincewide rent bank would build on other improvements government has made to housing supports, including increasing eligibility and benefits under the Rental Assistance Program (RAP) and Shelter Aid for Elderly Renters (SAFER).

STRENGTHENED ENFORCEMENT AND PENALTIES

Everyone deserves to be treated fairly by government. That's why it is essential that the Residential Tenancy Act and Manufactured Home Park Tenancy Act are enforced and the rights of renters and landlords as they access residential tenancy processes and services.

Fair treatment includes consistent enforcement of the law. The Act becomes meaningless without consequences, leaving housing providers and renters vulnerable to abuse.

The government is establishing a Compliance and Enforcement division within the Residential Tenancy Branch to investigate complaints and take enforcement action where warranted. However, there is a need for more and better enforcement.

During the engagement process, a lack of enforcement was a common issue raised by both rental housing providers and tenants. The following recommendations focus on empowering the Residential Tenancy Branch to consistently enforce rules around renting, strengthening protections for both landlords and renters.

Recommendation 5: Strengthen enforcement of the law, including implementing a clear process for making, investigating and reporting administrative penalty complaints.

The Residential Tenancy Act allows the Residential Tenancy Branch to issue administrative penalties, in the form of a monetary fine, when a renter or landlord repeatedly defies or ignores their obligations under the Act, or fails to comply with a decision or order of the Residential Tenancy Branch.

This power was given to the Residential Tenancy Branch in 2006. However, over the past 12 years, there have only been two instances in which an administrative penalty has been issued.

The Task Force heard much support for stronger enforcement of the law. We recommend the Residential Tenancy Branch take steps to strengthen enforcement by implementing a clear process for investigating reports and applying administrative penalties. By exercising these powers under the Act more consistently

and frequently, the Residential Tenancy Branch will send a clear message that behaviour that blatantly disregards the Act is not acceptable and will have consequences.

The process should consider the resources needed to enforce administrative penalties and should examine whether it would be beneficial to create and maintain a database to track repeat offenders.

Recommendation 6: Strengthen penalties for breaking the law, including refusal of service for outstanding administrative penalties.

Administrative penalties are used to enforce compliance with regulations and laws. They are cash penalties assessed and imposed by a regulator without recourse to a court or independent administrative tribunal. The Residential Tenancy Branch only considers imposing administrative penalties in the most serious, repeated cases of non-compliance. The Residential Tenancy Branch maintains the policies and procedures to ensure fairness, impartiality and opportunities to respond to evidence, including the [Residential Tenancy Policy Guideline 41. Administrative Penalties and the Administrative Penalties Overview.](#)

This recommendation proposes that the Residential Tenancy Branch should implement policies and procedural measures to refuse service to individuals who have outstanding administrative penalties.

The Task Force heard that both renters and housing providers would like to see improvements to efficiency and wait times in the Residential Tenancy Branch. Refusing service to non-compliant individuals who have outstanding administrative penalties will provide more opportunities for the Residential Tenancy Branch to hear other important cases.

Recommendation 7: Investigate ways to provide affordable access to bailiff services in smaller and more remote communities.

The process of evicting a tenant, including hiring a court bailiff, is at the expense of the landlord. This can be an onerous expense, especially since only an authorized court bailiff can legally remove the tenant and their belongings. In many cases in rural B.C., hiring an authorized court bailiff may require paying for travel expenses from another location. In theory, rental housing providers may seek compensation from the tenant to recover the costs associated to hiring a bailiff. However, it can be difficult to recover these costs if there is no way to contact the tenant or the tenant does not have the funds to repay the costs.

During the community meetings, the Task Force heard many rental housing providers express that the burden of requiring a bailiff to evict a tenant was onerous where no bailiffs are available in their area. Landlords generally felt that increased *“access [to] a reliable and efficient procedure for evicting problematic tenants”* is needed, and that *“bailiff availability is low and cost [is] way too high”*.

Providing affordable access to bailiff services will ensure fair access to the judicial process for rental housing providers in rural communities, as well as incentivizing widespread availability of rental housing in communities in every part of the province.

Recommendation 8: Investigate other options to increase the repayment rate for damages, non-payment of rent and other storage costs if ordered by the Residential Tenancy Branch.

Penalties and fines are only an effective deterrent to breaking rules and laws if people pay them. Rental housing providers need to have confidence that they will get paid what they are owed if tenants are ordered to pay for damages or rent. Renters need to have confidence that they will get compensation in cases where they have been wronged.

The Task Force heard from stakeholders on all sides of the issue that it needs to be easier to have monetary orders issued in cases where people are not paying what they owe in a timely way. Currently, the Residential Tenancy Branch may hear monetary claims up to \$35,000.

After a hearing with the Residential Tenancy Branch, an arbitrator may issue a decision document and, in some cases, an Order. An Order must be served to the appropriate parties within a specific time frame. Under the current Residential Tenancy Act, the Residential Tenancy Branch does not have the authority to enforce orders. As such, the B.C. Supreme Court or provincial court is required to enforce an Order.

It is recommended these procedures be reviewed to determine how they may be changed to improve the issuance and collection of monetary orders.

SUPPLY

There is a lack of rental housing supply to meet British Columbia's rental housing demand. The provincial vacancy rate is one of the lowest in Canada (1.3%) and in some communities, the vacancy is under 0.9%.

The lack of available housing in B.C. is a barrier to enabling positive landlord-tenant relationships. For example, if a conflict arises between a renter and a rental housing provider, there may be little opportunity for renters to end a tenancy and find another unit for fear of homelessness.

In order to address this problem, the Province has taken a number of steps to ensure that long-term rental housing is protected, including the Speculation and Vacancy Tax, and increasing powers to enable strata corporations to fine owners who rent short-term in violation of the strata agreement.

During the engagement process, the lack of available housing emerged as a barrier to leaving undesirable tenancy situations.

Recommendation 9: Increase the availability of currently empty strata housing by eliminating a strata corporation’s ability to ban owners from renting their own strata units.

With low vacancy rates throughout the province, it is clear that more needs to be done to increase the rental housing supply. [Supply](#) was one of the top topics discussed on the online forum. Renters were especially concerned that there is not enough housing in urban areas.

Several solutions to address the vacancy rates were put forward by those who participated in the engagement process. Based on the input, and acknowledging that the quickest way to increase supply is to make existing housing units that are currently empty available, the Task Force is recommending the Province eliminate the ability of strata corporations to restrict owners from renting their own strata units.

As one online participant wrote in support of removing rental bans in strata properties, *“Allowing stratas to ban rentals assumes that renters are hazardous, and supports vacant condos owned by speculators. Condos have become fundamental to the supply of rental housing and should not be allowed to be prohibited.”*

Most Canadian provinces allow owners of strata units to rent them out and do not allow discrimination against renters.

While the Task Force believes this change will help to increase the rental housing supply, it is also important to give strata corporations the ability to evict tenants in exceptional cases where negligence, abuse or law breaking is disrupting the quiet enjoyment of other residents, putting people in danger, or harming the building.

“Allowing stratas to ban rentals assumes that renters are hazardous, and supports vacant condos owned by speculators. Condos have become fundamental to the supply of rental housing and [renting them] should not be allowed to be prohibited.”

Recommendation 10: Maintain rent tied to the renter, not the unit.

During the engagement process, the Task Force heard a strong desire from some renters and renter advocates to improve affordability by tying rent increases to the unit, not the tenant. They felt that this would help end wrongful evictions intended to raise rents beyond the allowable maximum.

Members also heard concerns from rental housing providers that a change of this kind would make it challenging for them to cover their costs, with some considering selling and, therefore, removing their property from the rental stock. Rental housing developers said that they would cease developing needed rental units if this change was brought in, as it would make their developments unaffordable to build. Concerns were also raised about the large amount of paperwork and bureaucracy that would need to be created to implement such a system.

Due to the above concerns, and the large number of changes that have already been made, including a reduction in the annual allowable rent increase, increased fines for bad-faith evictions, increased enforcement of the law and changes that are being recommended, the Task Force is not recommending a change at this time.

While the Task Force was not given the mandate to develop solutions to the supply shortage of rental housing, the Task Force did hear from many who pointed out that the supply of rental housing was a big part of the problem facing renters.

The Task Force is encouraged to hear the minister of Municipal Affairs and Housing has committed to working with municipalities and rental housing developers, to find ways to reduce the amount of time it takes to get through municipal permitting processes and encourages the minister to continue to look for other means to address this challenge.

The Rental Housing Task Force is optimistic that the work being done through initiatives like the Building BC: Community Housing Fund and the B.C. Student Housing Loan Program for public post-secondary institutions will also help address the pressing need for greater supply of affordable rental homes. The Task Force also encourages the government to monitor the implementation of these recommendations to see if they are successful at reducing bad-faith evictions, with the goal of improving people's security in their rental homes and to make adjustments, if necessary.

Recommendation 11: Work with local governments to develop, implement and enforce short-term rental rules to better protect long-term rental stock.

Short-term rentals have had a serious impact on the price of rental housing in communities throughout British Columbia, increasing the cost of homes and displacing long-term renters.

Throughout the Rental Housing Task Force's engagement, one of the most mentioned solutions given by renters was to, *"increase the rental supply and protect the existing rental stock."* The Task Force heard from many people that short-term rentals had flooded the market and there was a call to action to, *"severely restrict short-term rentals (Airbnb) provincewide."*

Increasingly, local governments are regulating short-term rentals through various mechanisms, such as enforcing business licenses, zoning restrictions and hefty fines for non-compliance. It is recommended that the Province work with local and regional governments to develop, implement and enforce short-term rental rules to better protect long-term rental stock.

An example of a provincial tool that has recently been introduced to protect long-term housing supply includes regulations that allow strata corporations to fine strata owners up to \$1,000 per day if they are breaking strata bylaws by providing short-term rentals in their units.

FAIR PROCESS

Recommendations under Fair Process focus on improvements to the Residential Tenancy Branch. The Task Force heard from many renters, rental housing providers and advocates who feel the current policies and processes are outdated and ineffective in responding to the needs of those requiring support and resources.

Recommendation 12: Make the Residential Tenancy Branch more responsive, accessible and proactive with more opportunities to learn from and educate landlords and renters on their rights and responsibilities.

Throughout the engagement process, the Task Force heard that both renters and rental housing providers face barriers in accessing resources through the Residential Tenancy Branch.

People told the Task Force that they faced long wait times, limited local resources, inconvenient hours of operation and were given inconsistent information when they tried to access services through the Residential Tenancy Branch.

The ‘What We Heard’ report identified, *“unsupportive or difficult-to-use Residential Tenancy Branch processes”* as one of the top five challenges faced by rental housing providers. On the other side, *“improve the Residential Tenancy Branch”* was one of the top five solutions heard from renters and rental housing providers during the community meetings.

The Residential Tenancy Branch was also discussed frequently on the online forum. One participant commented that, *“The Residential Tenancy Branch is badly underfunded and is not able to serve its purpose.”*

In September 2017, the provincial government announced a \$3.2-million annual funding increase for the Residential Tenancy Branch. This additional funding has made a significant difference with more resources, higher staffing levels and better and quicker service. While these additional resources have started to reduce wait times, more can be done to improve the efficiency of the Residential Tenancy Branch, and better support both renters and rental housing providers. This includes:

- Continuing to bring down wait times
- Expanding hours of operation to accommodate needs outside of a traditional work day
- Establishing regional information sessions to increase access to resources
- Increasing capacity for public education to ensure renters and rental housing providers understand their roles and responsibilities

Recommendation 13: Improve fairness and consistency of the Residential Tenancy Branch Dispute Resolution Hearings process by recording all hearings.

Rental housing providers, renters and stakeholders all share a desire to increase the fairness and transparency of the dispute resolution process for everyone.

Ensuring there is a record of all dispute resolution hearings was one of the solutions suggested to increase fairness and transparency by those who participated in the engagement process, including one participant who suggested that the Residential Tenancy Branch should, *“Allow all hearings to be recorded [...] to ensure that evaluations are fair and respectful and that everyone involved feels the process is accountable,”* underscoring that, *“if [recording] can be done to ensure calls about our phone bills are up to par, surely it can be done to ensure decisions about people’s homes are.”*

Under the current Residential Tenancy Act, any form of recording a dispute resolution hearing is prohibited. A written request can be made within seven days of a hearing for an official transcript by an accredited court reporter, at the expense of the requesting party.

Recording all dispute resolution hearings will promote a more accountable decision-making process and serve as a check and balance for arbitrator error. With almost all dispute resolution hearings conducted over the phone, an automated system to record the hearing is recommended by the Task Force.

Recommendation 14: Improve procedural fairness by expanding review considerations to include more grounds for review.

[Review considerations](#) provide an opportunity for a landlord or tenant to request an arbitrator take a second look at the decision or order made following a dispute resolution hearing. Under the current residential tenancy act, there are limited circumstances in which a review can be requested by the Residential Tenancy Branch. This forces renters and landlords to go through a Supreme Court judicial review when a decision contains an error of fact or law, or when a decision is made that is procedurally unfair. The judicial review process is often complicated and overwhelming for the people involved.

During the engagement process, the Task Force heard a desire to expand the Residential Tenancy Branch’s grounds for review. In a written submission by the Community Legal Assistance Society, the organization recommended the Task Force incorporate a wider range of grounds for review, including errors in jurisdiction, procedure, fact or law, as well as issues of procedural fairness. This would allow renters and tenants to request review considerations directly with the Residential Tenancy Branch.

Recommendation 15: Require landlords who are filing for eviction for cause, or for renovation, to provide all evidence with any eviction notice to the affected tenants.

Through the engagement process, the Task Force heard calls to stop unfair and illegal evictions.

Countless stories were provided through the online forum, including a tenant on Vancouver Island who wrote, *“My main concern is renovation [...] I live in an 18-unit building where renovations are underway, one or two units at a time. The landlord is proposing to make cosmetic changes, in order to clear out the tenants and literally double the rents.”*

Many renters voiced that they felt they had no recourse to vacating their units when served a notice of eviction. Currently, the burden of disputing an eviction falls to the renter and the eviction process has no requirements for the landlord to provide any supportive evidence or to notify the Residential Tenancy Branch of the eviction.

Should the renter disagree with the notice to end a tenancy, the renter must apply for a dispute resolution, submitting a tenant’s application for dispute resolution along with a copy of the notice to end tenancy.

Two of the solutions identified during the engagement to deter unfair and illegal evictions were ensuring rental housing providers give their evidence for eviction first, as well as improving the monitoring and reporting of evictions.

In cases of major renovation, it is recommended that rental housing providers be required to give evidence that proves that no reasonable accommodation of the tenant can be made and that an eviction is necessary to complete required work. Additionally, it is recommended that rental housing providers should be required to file all eviction notices and evidence with the Residential Tenancy Branch at the same time they file with the tenant.

This recommendation will help tenants understand the case being made against them before they decide to dispute the eviction, allowing them the time to develop their own evidence package in response, as well as providing greater information to the Residential Tenancy Branch about what is happening in rental housing.

Recommendation 16: If repairs are needed to maintain a rental home and the landlord is refusing to make them in a timely way, have the Residential Tenancy Branch proactively reduce the rent of affected tenants until the repairs are completed.

The Task Force heard accounts of renters living in unsafe and uninhabitable conditions due to a lack of maintenance. In fact, *“inadequate maintenance and building conditions”* was the top challenge faced by renters throughout the province. When a unit or a building is in disrepair, the tenant’s health, safety and quality of life is at risk. Through the online forum, a tenant in the Lower Mainland shared that his landlord,

“stopped fixing very dangerous problems in the building that can make people sick or are just physically dangerous, because he knows he can soon sell...”

When needed repairs haven’t been made by a landlord despite repeated requests from the tenant, an arbitrator can issue a repair order for a problem in a unit or a building. In some cases, the order is ignored and the tenant may end up living with the problem for months even if they go back to the Residential Tenancy Branch to try to get help.

The Residential Tenancy Branch has the legislative power to reduce the rent of affected tenants until repairs are done. It is recommended that the Residential Tenancy Branch change their procedures to allow an arbitrator to issue a rent reduction at the same time as issuing the repair order in cases where important repairs have been left undone, despite attempts to get the matter addressed by the landlord. The Task Force believes that doing so will encourage landlords to proactively repair rental homes and make it easier for tenants to get some relief in the case of a landlord who is failing to upkeep their property.

This, in addition to the compliance and enforcement unit, is intended to facilitate faster repairs to renters’ homes. The Residential Tenancy Branch can better support tenants living in unsafe conditions and send a clear message by issuing rent reductions along with repair orders that this type of inaction will not be tolerated.

Recommendation 17: Allow email as a form of notice of service between landlord and tenants.

Under the current law, when rental housing providers and renters communicate about matters like rent increases or a forwarding address, they can’t use email or text messaging. Both are considered unacceptable methods of notification under the current residential tenancy legislation. Notices are only considered received if they are given directly to the other party, sent via regular mail or faxed.

The Task Force heard from both renters and rental housing providers that there is a desire to use modern forms of communication, such as email, as an acceptable form of notification. During a community meeting, a participant commented that, *“The serving notices process needs to be updated to include technological advances, like text [messages] and emails.”* The ability to use email as an approved form of notification will make it easier for tenants and rental housing providers to communicate and remove barriers experienced by those

“The serving notices process needs to be updated to include technological advances like text [messages] and emails,”

without access to a printer.

The Task Force recommends the provision be amended to allow for communications via email in appropriate circumstances and where there is evidence that the communication was received. To that effect, the Residential Tenancy Branch should further explore how to ensure email notifications are received within the specific legal requirements and appropriate deadlines for the different types of notices, such as notices of rent increases.

Recommendation 18: Speed up the return of damage deposits to tenants by allowing tenants to make a direct request to the Residential Tenancy Branch for the damage deposit where no damage has been found and reported by the landlord.

A direct request is an accelerated process where the Residential Tenancy Branch issues an order or decision without going through a full dispute resolution hearing. Currently, the Residential Tenancy Act gives rental housing providers the ability to submit a direct request in certain circumstances, such as when a tenant has not paid their rent.

The Task Force recommends expanding this process to allow tenants the ability to make a direct request in the event their damage deposit is not returned within the timeframe specified in the Act. Under the current process, tenants are required to go through the conventional dispute resolution process to recover damage deposits that are being withheld without cause.

During the engagement process, the Task Force heard from renters that delays in the return of damage deposits pose a serious financial challenge, in particular when needing to provide a damage deposit to a new landlord. In a written submission in support of allowing direct requests for tenants, the City of Vancouver suggested that, *“It takes approximately 7 months from the dates of an application to have a hearing for an order that a landlord return a security deposit where they are improperly withholding it.”*

Expanding the direct request process to include damage deposits would fast track the return of damage deposits not returned in accordance with the Act. This amendment would go further to increase efficiency within the dispute resolution process by allowing arbitrators the ability to focus on matters of greater complexity that require a complete hearing.

Recommendation 19: Work with the insurance industry to see if rent guarantee insurance, and other improvements to insurance coverage, might be provided for landlords in B.C.

Rental housing providers made a strong case for improved private-sector insurance services for landlords in British Columbia. Some pointed to the challenges they have collecting rent if a tenant refuses to pay, and asked if the Province could support efforts to bring in rent guarantee insurance as exists in the UK and Ontario.

Through the online forum, a landlord from Vancouver Island wrote, *“We suggest that there should be a tenant’s insurance that would kick in to cover costs not covered by the deposit. Like ICBC it could reward good tenants with lower premiums and also provide ‘tenant’s abstracts,’ like a reference for landlords.”* This landlord went on to share how their last tenant disappeared without notice, leaving the landlord with unpaid rent and clean-up costs.

Recommendation 20: Undertake a review to simplify the regulations relating to a landlord’s obligation to store abandoned personal property.

During the engagement process, the Task Force heard many concerns from rental housing providers that the requirements to store abandoned property are problematic. As such, the Task Force is recommending a review of the regulations relating to a landlord’s obligation to store abandoned personal property.

The Task Force heard that, *“The requirement to keep and store abandoned contents and possessions, to bear that cost and then the cost of disposal [is too much for landlords].”* Rental housing providers also suggested that the value amount that requires landlords to store abandoned property (\$500) is too low and the time to allow tenants to claim it (60 days) is too long.

Current legislation requires the landlord to provide proper notice before disposing of a tenant’s personal items if the value of the items is worth \$500 or more. The landlord can consider items to be abandoned if they are left behind after a tenancy has ended for 30 days. Depending on the total value of the abandoned property, the landlord may need to store the items in a safe place for 60 days to allow the tenant a chance to claim them. If a tenant doesn’t claim their items within 60 days, the landlord must follow a specific process for getting rid of the abandoned items. This process needs to be revisited to address fairness for housing providers.

The Residential Tenancy Act needs to “cover all forms of housing, especially non-profit and supportive housing”.

Recommendation 21: Ensure it is clear for all landlords and renters where to go to get help for all forms of residential tenancy.

The Residential Tenancy Act provides regulations to support and protect the rights of both rental housing providers and tenants, with the goal of ensuring that all tenancy business is conducted properly and fairly.

Many participants voiced concerns that the Residential Tenancy Act needs to, “*cover all forms of housing, especially non-profit and supportive housing*”. Another participant noted that, “*Roommate living is not covered by the law, it is very complex, and it is not covered in dispute resolution – [roommate disputes] go to small claims [court].*”

Currently, there are some areas of housing, including roommate, or co-tenant situations that may not fall under the Act. It is important that people know where they can go for help if their rights are not being respected. The Residential Tenancy Branch and the Civil Resolution Tribunal need to clarify which body has jurisdiction to help people in these situations have access to justice.

Student housing is not currently under the Residential Tenancy Act. It is recommended that the Ministry of Advanced Education, Skills and Training work with the students, student-housing providers and the Ministry of Municipal Affairs and Housing, to establish common standards and policies to better protect students’ rights.

Additionally, it is recommended that the Province examine the role of the Residential Tenancy Act, the Residential Tenancy Branch and the Ministry of Health with respect to unregulated seniors’ independent-living housing, to ensure their specific circumstances are able to be met under the laws, regulations and policies of the Residential Tenancy Branch.

Recommendation 22: Address the specific needs of non-profit housing and supportive housing providers in the Residential Tenancy Act.

During the engagement process, non-profit housing providers and advocates raised concerns about the lack of clarity in the Residential Tenancy Act for non-profit housing. Many cited a need to modernize the Act and ensure it recognizes the complexities of non-profit housing to provide better protection to both providers and tenants.

As operating agreements change or expire, there were concerns raised that non-profits might be unable to ensure those receiving subsidized housing are appropriate for the housing based on income, family size and other factors. The Task Force recommends the Residential Tenancy Branch work with non-profit housing providers to ensure the Residential Tenancy Act addresses these concerns.

Supportive housing providers also asked for the Act to be modernized to reflect the growing complexity of providing supportive housing: for example, the need to do wellness checks in housing for people dealing with substance-use challenges.

MANUFACTURED HOME PARK TENANCY ACT (MHPTA) RECOMMENDATIONS

The duty of the Rental Housing Task Force was to identify challenges and potential solutions related to tenancy-related legislation from the perspective of British Columbians, including manufactured-home park owners and renters.

The government recently brought in changes to the MHPTA that provide stronger protections for people affected by manufactured home park closures by:

- ensuring the effective date of a 12-month notice to end tenancy is the same for all tenancy agreements under the Act;
- increasing the amount of compensation landlords pay tenants who have been given a notice to end tenancy, in order to convert a park;
- increasing the amount of compensation that a landlord owes a former tenant if the landlord gave notice, but did not do the conversion;
- providing additional compensation if a manufactured home cannot be relocated; and
- clarifying that a tenant who is unable to relocate their manufactured home is not responsible for disposal costs of the home.

Recommendation 23: Ensure Manufactured Home Park rules are clear and understandable. Clarify what occurs when park rules conflict with lease or contract rules.

The Task Force recommends reviewing the existing legislation and regulations on manufactured home park rules to include guidelines about what park rules may and may not do, the amount of notice needed for rule changes and provide guidance on what occurs if park rules conflict with lease or contract rules.

OTHER CONSIDERATIONS

Pets

While Task Force members heard the desires of pet owners to require rental housing providers to allow pets as a way to increase the supply of pet-friendly housing, members also heard from many renters and rental housing providers who did not support this legal change.

Concerns were raised about allergies, damage and disturbances to other renters. Some housing providers indicated that they would rather remove homes from the rental market than be forced to allow people with pets to rent their properties.

The Task Force believes renters with pets deserve to find homes that fit their families and hopes more rental housing providers, including BC Housing and non-profits working with the government, choose to allow pets in their rental accommodations. However, at this time, the Task Force was not persuaded that requiring all rental housing providers to allow pets would be fair for landlords or for renters who want or need to live in pet-free buildings.

CONCLUSION

Throughout its work, the Rental Housing Task Force sought to balance the interests of renters and landlords, and make recommendations to help ensure our rental laws are fairer for all. The Task Force firmly believe that the system works best when everyone follows the rules and works together, not just for their own benefit, but for the benefit of everyone involved.

The vast majority of renters are conscientious and respectful of their landlords and the homes they have made their own. The vast majority of landlords are hard-working business owners providing an important service fairly and compassionately.

Our regulations and laws are meant to protect everyone. They are there to guide acceptable standards for behaviour and apply consequences for those who fail to meet those standards. Weak and ineffective laws, or laws that are not enforced, create a climate of rule-breaking and give people a false sense of entitlement to act in ways that are anti-social or damaging to others.

The Rental Housing Task Force believes strengthening our rental tenancy laws and regulations and making sure that disputes are settled quickly and fairly will bring a greater sense of security to everyone involved in the rental housing market.

That security is needed to give rental housing providers the confidence to put their homes up for rent. And it's needed for tenants, so they can feel comfortable making themselves at home and settling in with their families for the long-term.

It is the Task Force's hope that the recommendations in this report will make rental housing and the residential tenancy system better, more secure and fairer for all.