

## **New Residential Tenancy Rules Take Effect**

*February 2, 2007* -- New rules regulating residential tenancies took effect on January 31, 2007. The new rules are a result of a provincial government initiative that began almost two years ago with consultations that included input from TREB.

### **TREB Input Achieved Results**

When the provincial government began consultations on making changes to residential tenancy rules, one of the most significant changes proposed was with regard to rent control. The proposal considered eliminating the current system of vacancy de-control, which allows landlords to negotiate rent freely with a prospective tenant when dealing with a vacant unit. Once the tenant has agreed to a rent, they are then protected by the annual rent increase guideline, set by the provincial government, which stipulates how much the rent can be increased each year.

Given the high vacancy rates in recent years, TREB, and other groups, told the provincial government that the system of vacancy de-control was working, as intended, to improve availability and standards of rental accommodation. As a result of this input, the provincial government decided to maintain vacancy de-control.

### **New Rules**

The new Residential Tenancies Act, which is now in effect, makes various changes to rules governing rents and landlord-tenant relationships. Some of the key changes include:

- The annual rent increase guideline will be based on the Ontario Consumer Price Index, which will be the rate of inflation for the year running from June to May.
- Landlords will be able to inspect rental units for maintenance problems, with 24 hours notice.
- Landlords will have more remedies to deal with a tenant if he/she is causing willful and/or excessive damage in a rental unit or building. The new remedies will cut the eviction process approximately in half.
- Improvements to processes under the Landlord and Tenant Board (formerly known as the Ontario Rental Housing Tribunal)
- Interest paid to tenants on last month's rent deposit will be the same as the Consumer Price Index

## More Information

Complete background information, including [highlights of the new Residential Tenancies Act](#), is available at a [special web site](#) established by the provincial government.

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