

The Residential Tenancies Act, 2006 takes effect January 31, 2007.

For more information on the Residential Tenancies Act, 2006 please call toll free 1-866-342-6153 or 416-585-6511 in the Toronto area, or visit www.mah.gov.on.ca and click on Residential Tenancies.

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What's **changed** for landlords and tenants in Ontario? Highlights of what's **new** in the Residential Tenancies Act, 2006.





Landlord and Tenant Board

The Ontario Rental Housing Tribunal becomes the **Landlord and Tenant Board** on January 31, 2007.

Additional assistance is available to clients who need help completing forms and understanding the dispute resolution process. Pre-hearing assistance is also provided upon request.

Service fees are reduced for photocopying, copies of audio recording of hearings, applications for above guideline rent increases and reviews of orders.

The Board will send information notices about the eviction hearing process to tenants who have had eviction applications filed against them. Landlords are still responsible for giving the formal "Notice of Hearing" to their tenants.

The Residential Tenancies Act, 2006 takes effect January 31, 2007.

The Residential Tenancies Act, 2006 (RTA) takes effect **January 31, 2007**, replacing the Tenant Protection Act, 1997 (TPA).

The RTA provides balanced protection for both tenants and landlords. The new law allows fairer rent increases for tenants and fairer processes for resolving disputes through the new Landlord and Tenant Board. It also promotes a healthy rental housing market.

This brochure gives information on key provisions in the RTA that are different from the TPA. More detailed information is available by calling toll free 1-866-342-6153 or 416-585-6511 in the Toronto area, or visiting www.mah.gov.on.ca and clicking on Residential Tenancies.





Annual Rent Increase Guideline

The annual rent increase guideline is based on the Ontario Consumer Price Index (rate of inflation).

Above Guideline Rent Increases – Utilities

When landlords receive above guideline rent increases for higher utility costs, they must reduce these rents, if utility costs go down. Landlords must inform these tenants of the buildings' utility costs each year.

If a landlord fails to provide this information, the tenant can contact the Investigation and Enforcement Unit of the Ministry of Municipal Affairs and Housing toll free at 1-888-772-9277 for assistance.

Above Guideline Rent Increases – Capital Costs

Landlords can still apply to the Board for above guideline rent increases for capital work on rental buildings.

Before a landlord is allowed to pass costs onto tenants through an above guideline rent increase, there is a stricter test to decide if the expenses are really necessary.

Above guideline rent increases are limited to 3% per year for a maximum of 3 years.

When a landlord finishes paying for a capital expense, (e.g. a new roof), tenants who received an above guideline rent increase for this expense will have their rent reduced automatically. This only applies to tenants who have been living in the building since the time of the rent increase.

Landlords are required to make copies of applications for above guideline rent increases based on capital expenditures and supporting documents available to affected tenants.

Starting Rents

Landlords and new tenants can still negotiate starting rents. Once the rent is set, it is controlled by provisions of the RTA.

Exemptions from Rent Controls

Buildings constructed after 1991 remain exempt from most rent controls (e.g., annual rent increase guideline.)

Distributing an Information Pamphlet

Landlords must give new tenants a pamphlet with information on the responsibilities of landlords and tenants, the role of the Board and contact details.

Interest Paid on Last Month's Rent Deposits

The rate of interest that a landlord must pay a tenant on a last month's rent deposit every year is the same as the annual rent increase guideline (based on the Ontario Consumer Price Index).

Rent Discounts

Landlords can give a discount to their tenants of up to three months of rent per year.

Maintenance

At a hearing for an above guideline rent increase application, the Board can decide to deny or delay the rent increase, if there are serious outstanding maintenance issues or work orders.

If tenants have applied to the Board because of serious outstanding maintenance issues or work orders, the Board can decide at the hearing to stop all rent

increases until the problems are resolved. This is in addition to existing remedies the Board can order (e.g. requiring the landlord to do the necessary repairs.)

In special circumstances, the Board can allow tenants to pay some or all the rent to the Board instead of to the landlord, until the application is resolved.

24-Hour Notice to Enter a Rental Unit

Landlords can inspect rental units for maintenance problems. They must give tenants 24-hour notice to do so.

Changes to the Hearing Process

The “default eviction” process is eliminated. Every tenant facing eviction has access to mediation or a hearing.

The Landlord and Tenant Board will consider a tenant’s circumstances before allowing an eviction.

For eviction applications due to non-payment of rent, tenants can raise other relevant issues (e.g. maintenance problems), at the hearing.



Landlords and tenants can work out their own repayment schedule for unpaid rent. They can do this without a Board mediator, and have the details of their agreement made official by the Board. If the agreement is broken, a hearing will be scheduled.

Payment to Avoid Eviction

Tenants, who have received an eviction order and reached the date that the order is enforceable by the Sheriff, can pay outstanding rent and related landlord costs to the Board, up until the Sheriff enforces the eviction.

This provision stops the eviction, and can only be used once during a tenancy.

Excessive or Wilful Damage to a Rental Unit or Building, or Causing a Disturbance in a Landlord’s Home

There is a shorter eviction process for tenants who cause wilful or excessive damage to a rental unit or building, or for tenants who rent an apartment in a landlord’s home and are causing a disturbance.

The notice period to the tenant is shortened to 10 days from 20 days. Landlords can apply to the Board for an eviction order immediately after serving the notice.

The eviction order will ask the Sheriff to speed up the enforcement of the eviction.

Personal Use to Accommodate a Caregiver

A landlord can evict a tenant for personal use to accommodate a caregiver for the landlord or a family member.

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