

From: Paul Weidemann <M.F.I.P.P.A. Sec. 14(1)>
Sent: Thursday, May 18, 2023 11:22 AM
To: clerks <clerks@oshawa.ca>
Subject: Residential Rental Housing Licensing (RRHL) Program Feedback

Good morning,

I am writing to support the RRHL and would ask that this email be included as additional correspondence for today's meeting please.

I read through the attached correspondence from 2022 and many of the arguments against the RRHL highlight cost, red tape, driving investment away, and exacerbating a housing crisis.

To say it will drive investment away is a red herring. Property will be bought either way. With sufficient equity a rental property will cash flow. Mortgages are the largest cost component of a purchase. If the increase in interest rates over the past year - a significant and material cost - hasn't deterred investment, it is doubtful a small licensing fee will. If an investor is deterred from buying in Oshawa due to the RRHL fee, then a future resident will buy the home. Either way, a realtor will also still get their commission.

Clearly, the city is an attractive destination for development, especially after the recently passed provincial legislation mandating new builds. I would observe that the new developments in Oshawa are or almost completely sold out. Interestingly, other than Atria's new tower at 80 Bond, the new housing stock is comprised of single family homes and town homes. Developers are not building multi-unit rental stock anyways. One may point to the UC towers at Simcoe North, but those are condo's, not purpose built rental towers.

Furthermore, why shouldn't landlords be required to ensure minimum health, safety and maintenance standards and evidence compliance? Theirs is a business, it isn't "passive income". They are providing a service. They can choose the amount of equity they put down, with more equity reducing the mortgage and thus increasing cash flow. It just so happens many try to invest as little as possible. No one is forcing a landlord to buy an unprofitable property or hold it. What is often ignored by investors is that if they can no longer afford their purchase, they can choose to sell.

As for concerns over this fee exacerbating a housing crisis, it is telling that now over 20% of Ontario's properties are owned by investors, and over 40% of condos, per StatsCan data for 2020. Unless a landlord is a real estate developer, the properties they buy are already in existence and they haven't provided any new housing, except if they split an existing home. Even then, that isn't all rentals, and in that case, they should be required to ensure the new multi-unit is to code and also address parking to handle the increased density they created.

Much of the attached correspondence in today's Agenda states that landlords already have to comply with Fire Code, Electrical Code, Building Code, and zoning standards. Those codes tend to relate to construction and renovation. In practice, it is only to the extent a landlord is caught not complying that these are enforced. The onus is then on the tenant then to be aware, complain and enforce rights, when the power dynamics are already

against them given the housing crisis. If the landlord's properties all satisfy the standards as the correspondence from investors / real estate agents / property managers claim, what's the issue then with a small fee for an inspection to obtain a rental license for the privilege of owning a property and renting it out?

I stress that I know there are many good landlords that care in our city, and have well maintained properties. I acknowledge it must be frustrating for an existing landlord that does comply to have an extra cost, but if we do this across the city then it levels the playing field from herein out. And if a nominal cost renders an investment unprofitable, one wonders about a business operating so precariously.

With that said, I emphasize that I think the fees do need to be reasonable, and provided this is the case, I think the RRHL is a good way ensure landlords provide good quality and safe rentals in Oshawa while also giving tenants an avenue of enforcement outside of building codes and the beleaguered LTB.

Thank you,

Paul