

GREATER TORONTO APARTMENT ASSOCIATION
action UPDATE

2008 Rent Control Guideline Announced

July 4, 2007

For Immediate Release

Toronto, Ontario -- Late yesterday afternoon, the Ministry of Municipal Affairs and Housing announced the 2008 rent increase guideline at 1.4% - the lowest in the history of rent regulation since 1975.

The amount reflects the Consumer Price Index averages from May 2006 – June 2007 which is the new standard established by the government replacing the old formula that balanced true costs and included a 2% base due to the unique cost pressures of the rental housing industry.

Minister John Gerretsen was quoted as saying, “our goal is to protect tenants from receiving a rent increase well above the rate of inflation. By linking the rent increase to the Ontario CPI, we’ve ensured that landlords can recover the increase in their costs, while tenants can still pay their rent.”

“This clearly does not help landlords recover their costs for such things as heat, water, hydro and taxes, all of which have risen higher than the general inflation rate,” said Brad Butt, President, Greater Toronto Apartment Association. “This is especially true in the most expensive city in Canada to do business – Toronto.”

The only positive side to the announcement is that the last month’s rent deposit interest rate for 2008 will also be 1.4% under the new *Residential Tenancies Act*.

“After the next election, this needs to be re-addressed. There can be a fair balance for landlords and tenants but this isn’t it,” concluded Mr. Butt.