



OPINION

# We must act now to avoid an eviction crisis

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Protestors block the driveway at the courthouse on University Ave. to prevent Sheriffs from executing evictions on Aug. 18, 2020.

YADER GUZMAN/THE GLOBE AND MAIL

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Landlord and tenant boards across the country are starting residential eviction hearings again, now that the eviction moratoriums due to COVID-19 have ended in most provinces. It is inevitable that residential evictions are going to rise, having an impact on thousands of households across Canada. A recent Toronto Foundation survey found that between 8 per cent and 13 per cent of tenants in the city were behind on their rent. For Toronto alone, if 10 per cent of renters are in arrears, it means about 53,000 households and 130,000 people are at risk of evictions.

Tensions are running high. Earlier this month, protesters set up a blockade outside a Toronto courthouse to prevent the city's rental enforcement units from conducting evictions.

There is no silver bullet that will solve all the problems faced by landlords and tenants. Legislation and financial assistance will help, but governments have to be careful to not choose winners and losers resulting from the COVID-19 crisis. Any new legislation needs to balance the needs of tenants, landlords and taxpayers.

Options on the table include extending the residential eviction moratorium, offering rent relief, implementing a freeze on rent increases and bringing in repayment agreement caps, which will reduce the amount a tenant in arrears needs to pay per month.

Most jurisdictions in Canada, the U.S., U.K. and Australia have implemented some type of eviction moratorium for residential tenants. Advocates for renters in Canada and abroad have asked for extensions, with some arguing for permanent bans of evictions relating to rent arrears from COVID-19.

The extension of eviction moratoriums is a problem. Rent arrears are not solved, but merely kicked down the road. Extensions are also unfair to landlords, as they carry the burden of the arrears. Notwithstanding the financial impact on tenants, landlords need rent to cover their own costs, such as mortgages, property taxes and repairs.

If an eviction moratorium is extended, it should be part of a broader strategy to address what happens at the end of the moratorium and how to assist struggling landlords.

In Canada, government rent subsidies to assist tenants have been implemented in B.C., P.E.I., the Northwest Territories and the Yukon. In the U.S., Congress allocated US\$100-billion for a rental assistance fund to help low-income renters for up to two years, but this has not come into law yet.

A targeted rent subsidy program to assist low-income renters who have fallen into arrears due to COVID-19 would be beneficial in Ontario. Such a program would have to balance help for those in need with the burden on taxpayers. Assisting low-income tenants now will likely save taxpayers money in the long run, because as evictions rise, so do other costs to taxpayers, including those for social assistance and health care. Plus, the shelter system was already overwhelmed before COVID-19 hit.

Alberta, B.C. and Manitoba each implemented a freeze on rent increases during the pandemic. Ontario did not. The province's mandated caps on rent increases have generally been in the 2 per cent to 3 per cent range the past few years, so a rent freeze will have a relatively modest impact for most renters compared with the more significant market-driven impact on rent.

The supply of rental properties is expected to rise through more evictions, more voluntary endings of tenancies and fewer short-term rentals (such as Airbnb), which should reduce average rents. In fact, the August 2020 [Rentals.ca report](#) shows the average rent across Canada for properties listed on its site is down by 8.1 per cent from the previous year. So, it seems that rent freeze legislation is not a pressing issue.

Landlords and tenants are forced into negotiating rent repayment agreements to address unpaid rent. Moreover, the recently-enacted Bill 184 in Ontario requires the Landlord and Tenant Board to consider whether the tenant was offered a repayment agreement as part of an evictions hearing.

One concern with repayment agreements is the power imbalance between tenants and landlords. In these circumstances, landlords may force tenants to agree to unfair terms.

B.C. created a repayment framework to be implemented later this summer to help landlords and tenants. It requires landlords to give tenants until July, 2021, to repay any outstanding rent, as long as the tenant is regularly paying monthly instalments of rent and outstanding arrears. Similarly, U.S. Senator Kamala Harris (now Joe Biden's running mate) unveiled a plan that would give tenants up to 18 months to cover missed rent payments.

Providing a framework for repayment agreements would likely assist landlords and tenants in their negotiations. Such guidelines may also help the Landlord and Tenant Board in its adjudications to assess the reasonableness of proposed repayment agreements. The framework should act as a guideline instead of providing rigid criteria that landlords and tenants must follow when entering into repayment agreements.

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