

TENANTS' EXPERIENCES IN CANADA'S FINANCIALIZED HOUSING SYSTEM: THE ROLE AND RESPONSIBILITY OF THE FEDERAL GOVERNMENT

Submission to the National Housing Council's Review Panel on
the Financialization of Purpose-Built Rental Housing

Federation of Metro Tenants' Associations
Tenant Action Committee

August 2023

Federation of Metro Tenants' Associations
Tenant Action Committee

tac@torontotenants.org
www.torontotenants.org

Contributors

Lily Xia

Sebastien Gibson

Nemoy Lewis

Sharlene Henry

Bruno Dobrusin

and many other TAC members!

The Tenant Action Committee ("TAC") is a space for FMTA membership, potential members, board members, staff and volunteers (collectively, "Members") to engage with and inform the advocacy work of the FMTA. TAC recognizes that we as tenants have the power to change the social, economic and racial inequalities that we experience on stolen land, within a colonial, capitalist property system.

TAC works to promote collective action among tenants – across tenants' associations, neighbourhoods, and organizations – by:

- creating space for tenants to share knowledge and identify common experiences;
- building consciousness among tenants of their own power to change their conditions; and
- strategizing and organizing around systemic issues affecting tenants broadly.

TAC focuses its attention on issues affecting tenants across Toronto and Ontario broadly, rather than individual or building/landlord specific issues.

Table of Contents

Summary.....	2
Recommendations.....	3
Financialization of Housing.....	4
Housing as Commodity vs Right.....	4
What is Financialization?.....	5
Who are Financialized Landlords?.....	6
Financialization Narratives.....	6
Federal Government and Housing.....	7
Housing Policy in Canada.....	7
Impacts of Financialization of Purpose-Built Rental Housing.....	9
Strategies of Financialized Landlords.....	9
Uneven Impacts of Financialization.....	10
Personal Experiences: Centering Tenant Voices.....	11
Rent Strike at 33 King Street and 22 John Street.....	11
Anonymous TAC Member.....	13
1501 Woodbine Tenants Group.....	14
What can the Federal Government do?.....	15
Protect Tenants Rights.....	15
Develop tenure-based analysis.....	15
Establish standards for receiving any federal housing funding.....	15
Enforce data transparency for all property owners.....	16
Recognize collective tenant organizing.....	16
Eradicate Speculation.....	16
End favourable tax treatment for financialized landlords.....	16
Cap the number of units allowed under one management.....	17
Divestment of Financialized Landlords from Housing.....	17
Support Non-Commodified Housing.....	17
Expropriate financialized housing for social ownership.....	17
Invest in non-commodified housing.....	18
Transfer surplus federal lands to social ownership.....	18
Conclusion.....	18
Appendix A.....	19
Appendix B.....	20
Appendix C.....	21
Appendix D.....	23
Appendix E.....	25

Summary

Housing is a central dimension of life, security, and human wellbeing. The human right to housing is enshrined in the International Covenant on Economic, Social and Cultural Rights and referenced in other United Nations treaties, from the International Convention on the Elimination of All Forms of Racial Discrimination to the Convention on the Rights of Persons with Disabilities, all of which Canada has signed and ratified.¹ In 2019, the Government of Canada formally affirmed the human right to housing of Canadians, recognizing that adequate housing is essential to the inherent dignity and well-being of the person and to building sustainable and inclusive communities.²

There remain serious gaps in the realization of this right in practice in Canadian housing policy. The ongoing presence of homelessness across Canadian cities is a jarring reminder that the right to housing only exists in theory, as growing affordability pressures continuously displace people, including tenants, from their housing. It is deeply saddening and unfortunate that a country like Canada, especially one which experiences such cold winters, that thousands of Canadians are forced to sleep on the streets or in emergency shelters every night, while many others live in inadequate or precarious housing. This is not natural, but rather the product of decades of policy choices across all levels of government.

Much has been made about the causes of the current housing crisis in Canada. While some housing policy experts assert that the housing crisis is exclusively driven by a lack of market supply, this doesn't present a complete picture. Financialization is a leading cause of our current housing crisis, which makes defining it, understanding its impacts, and examining potential policy solutions a critical endeavour. Currently Canada's current housing policy not only permits, but actively supports the financialization of housing.³ This financialization has forced tenants to fight against precarious housing conditions,, including through tactics such as rent strikes.

We, the Tenant Action Committee, call on the Government of Canada to protect the rights and dignity of tenants in Canada. The Government of Canada faces an urgent need to pursue active interventions that will materially improve the lives of tenants so that our country can fulfill our obligation to realize the right to adequate housing for all.

¹ van den Berg, R. (2019, June 21). [A primer on housing rights in Canada](#). Library of Parliament.

² National Housing Strategy Act S.C. 2019, c. 29 s. 313

³ Pattillo, M. E. (2013). Housing: Commodity versus Right. *Annual Review of Sociology*, 39(1), 509–531. <https://doi.org/10.1146/annurev-soc-071312-145611>

Recommendations

1

Protect Tenant Rights

1. Develop tenure-based analysis
2. Establish standards for receiving any federal housing funding
3. Enforce data transparency for all property owners
4. Recognize collective tenant organizing

2

Eradicate Speculation

1. End favourable tax treatment for financialized landlords
2. Cap the number of units allowed under one management
3. Prohibit financial actors within influence from housing speculation

3

Support Non Commodified Housing

1. Expropriate financialized housing for social ownership
2. Invest in non-commodified housing
3. Transfer surplus federal lands to social ownership

Financialization of Housing

Housing as Commodity vs. Right

The fact that housing is recognized as an inherent right yet thousands of Canadians remain homeless is a product of the tension between housing as a right and housing as a commodity.⁴ Unlike other important dimensions of social policy such as health and education, people access housing primarily through the free market, rather than as a universal social service. People often speak of a housing “market”, rather than a housing system, which consists of a broader range of actors involved in housing delivery including public, private, non profits, and other third sector models⁵. When housing is allocated by markets, this means that a household's ability to access housing, and the quality of that housing, is dependent on their ability to pay, and the willingness of the market to deliver housing that, not based on their need or inherent right.

Housing is not a discretionary expense like a big-screen TV; it is an essential good. Without housing, life is reduced to a daily struggle to find shelter. The fact that housing is an essential good creates an enormous inequality of bargaining power between landlords and tenants. Tenants will pay whatever they can to get housing – they will pay everything they have – because the alternative is so dire. They will agree to any terms, no matter how illegal or how outrageous, because if they do not agree they will be houseless. Landlords can exploit this inequality of bargaining power to profiteer⁶ and impose unconscionable contracts⁷ on tenants. Thus, the free-market tendency for profit maximization is directly at odds with the human right for decent, stable, and affordable housing.

⁴ Pattillo, 2013

⁵ *ibid*

⁶ Profiteering is defined as “the act of making an unreasonable profit on the sale of essential goods especially during times of emergency” - Merriam-Webster Dictionary

⁷ The Supreme Court of Canada recently held that unconscionable contracts have two characteristics: (1) they arise from an inequality of bargaining power, which exists when one party cannot adequately protect their interests in the contracting process, and (2) they result in an improvident bargain, i.e., a bargain that unduly advantages the stronger party or unduly disadvantages the more vulnerable party. The Supreme Court of Canada recognized that “as a matter of common fairness, it [is] not right that the strong should be allowed to push the weak to the wall”. - Uber Technologies Inc. v. Heller, [\[2020 SCC 16\]](#) at para. 62, 66, 69, and 74 <<https://canlii.ca/t/j8dvf>>.

The right to housing is fundamentally contradictory with the continued existence of forced evictions.⁸ Canada must recognize that tenants have the right to remain⁹ and not be excluded¹⁰. The right to remain encompasses material, existential, cultural, and political remaining that convey place-based struggles of survival, defense, and agency. The right to not be excluded unsettles landlords' "legally sanctioned dominant interests and powers" over tenants' shelters, allowing tenants to claim rights to spaces in spite of their lack of private ownership.¹¹ The right to housing collectively address the root of tenants' housing precarity, fighting the dominant narrative that denies tenants the ability to assert rights over the material, existential, cultural, and political spaces that they inhabit.

What is Financialization?

What is financialization? While we often like to present neat and concise definitions, the way that we understand processes and impacts of financialization is deeply political. Some people, including many mainstream Canadian politicians and housing policy commentators, would even dispute that housing financialization exists. But financialization is real, tangible, and deeply embedded in the way Canada's housing system functions today. In this context, it is the perspectives of tenants and those in housing precarity that are most frequently at the margins of how we understand housing problems, which we seek to correct against. When we talk about financialization, we are making a normative argument about the causes and consequences of the housing crisis.

A popular academic definition refers to financialization as "the increasing dominance of financial actors, markets, practices, measurements, and narratives, at various scales, resulting in a structural transformation of economies, firms (including financial institutions), states, and households."¹² In short, financialization is about the increasing power of the financial sector in the housing system that has accelerated and deepened the commodity status of housing, which existed before financialization. Financialization is about a specific set of processes ushered in through structural economic changes, technological change, and policy decisions that have re-shaped the Canadian housing system to entrench the power of private actors.

⁸ Birchall, 2019

⁹ Masuda, J. R., Franks, A., Kobayashi, A., & Wideman, T. (2020). After dispossession: An urban rights praxis of *remaining* in Vancouver's Downtown Eastside. *Environment and Planning D: Society and Space*, 38(2), 229–247. <https://doi.org/10.1177/0263775819860850>

¹⁰ Blomley, N. (2020). Precarious territory: Property law, housing, and the socio-spatial order. *Antipode*, 52(1), 36–57. <https://doi.org/10.1111/anti.12578>

¹¹ *ibid*

¹² Aalbers, M. (2016). *The financialization of housing: A political economy approach*. Routledge Taylor & Francis Group.

Who are Financialized Landlords?

This begs the critical question of - who exactly contributes and is responsible for the financialization of housing? Is a family who rents out their basement a financialized landlord? What if that family goes and buys two, three, or thirteen more properties - what then? Of course, this is a contested issue, without a clear response. Most commonly, financialization is associated with a particular set of large, private market actors - including REITS, institutional investors, private equity, ect., who “acquire rental properties at scale, applying financial logics, metrics, and priorities to generate returns for shareholders and investors”.¹³ To get around definitional issues, we propose treating as a financialized landlord an organized entity which seeks to extract profit from the housing system by engaging in various strategies of accumulation. In other words, a financialized landlord is defined by what they do and how they do it, or their *practices*. We will expand on these strategies and their consequences in the sections below.

Financialization Narratives

Financialization pervades housing politics today. Financialized landlords have propagated a narrative in which tenants are not customers or clients, but rather products that are packaged and sold. Tenants are spoken of as “income streams”; tenants’ homes are referred to as “living situations” or “units” or “investment properties”. This narrative of tenants steals not only their voice, but also their humanity. Tenant exploitation is thus justified, strategized, and implemented in the pursuit of maximising profit.

The response of the landlord community to the recent murder of two tenants shows the dominance of financialized logics. On May 27, 2023, a landlord shot and killed two tenants in Hamilton, Ontario, reportedly because they expressed concerns about mould in their basement unit.¹⁴ Shortly after this incident, a board member of Small Ownership Landlords of Ontario (SOLO), Varun Sriskanda, tweeted that “Landlord taking matters into their own hands is not something I encourage. But this is what happens when we don’t have a functioning tribunal.”¹⁵ SOLO later told a journalist that “many small landlords - not knowing the facts - are already blaming the [Landlord Tenant Board].”¹⁶

¹³ Lewis, N, & Hughes-Panou I. D. (Forthcoming). Financialized violence in Toronto’s Rental Market: Acquisitions, Evictions, and Banishment of Black Renters. *International Journal of Urban and Regional Research*.

¹⁴ Mitchell, D. (2023, June 1). [Couple in dispute with landlord over basement mould before killing](#). Global News.

¹⁵ Nabert, M. (2023, June 2). [Murderous landlords](#). *Medium*.

¹⁶ *ibid*

In fact, no tribunal was involved in this dispute. Mr. Sriskanda and other landlords simply assumed that the tribunal was involved. They further assumed that the murdered tenants were at fault in the tenancy dispute - and that because of this, their landlord was somehow justified in murdering them. These landlords weighed the landlord's desire to maximize profit against the tenants' lives, and found that the landlord's desire to maximize profit was more important. Otherwise a shocking comparison, the equivalizing of landlord profit and tenants' lives appears balanced and reasonable under a financialized narrative. Under this narrative, landlords' property rights - including the right to exploit tenants for financial gain - take precedence over the human rights of the tenants.

Even as financialized landlords argue for their "right" to profit off of housing, they reveal how inadequate they are as a source of housing. Richard Lyall, president of the Residential Construction Council of Ontario, recently stated, "If you're a builder and you have a building permit, that doesn't say you have to build... We have builders that have land, they could build, but they are not going to cut prices to hit their market. They can sit back on the land and wait until things settle down and become a little more predictable."¹⁷ Financialized entities do not exist to provide housing - they exist to make as much profit as possible. If they will maximize profit by actively hoarding land and undermining policies designed to promote adequate housing for all, then that is what they will do.

Federal Government and Housing

Housing Policy in Canada

While financialization may appear new, its basic logics are not fundamentally different from the longstanding tendencies in Canada's housing system. Canadian housing policy, since its emergence, has been subject to the outsized influence of private market actors, including business and real estate interests, at the expense of tenants. The basic structure of Canadian housing policy as seen in the 1935 Dominion Housing Act and built on by successive post-war CMHC programs established our market-based housing system as primarily oriented around providing homeownership for the middle class, thus prioritizing this form of tenure.¹⁸

¹⁷ Dingman, S. (2023, August 23). [Toronto-area home building shifts into low gear as developers pause or cancel projects](#). *The Globe and Mail*.

¹⁸ Hulchanski, J. D. (1986). The 1935 dominion housing act: Setting the stage for a permanent federal presence in canada's housing sector. *Urban History Review*, 15(1), 19-39. <https://doi.org/10.7202/1018891ar>

For a short period between the 1960s and 1980s, public housing development led by the federal government provided stable housing for some tenants. Housing built during this period continues to provide secure and affordable homes to roughly 300,000 households.¹⁹ However, Canada's public housing programs would become subject to cross-partisan austerity first by the Mulroney Conservatives and then the Chretien Liberals, who eliminated social and public housing expenditure, while downloading housing jurisdiction onto provinces, some of whom - such as Ontario under Mike Harris - further downloaded responsibility for housing onto cash-strapped municipalities like Toronto.²⁰ In the void left by the government's absence, an industry of home-grown, Canadian private housing actors emerged (including but not limited to REITS), enabled by tax and legislative changes, to finance Canada's housing supply.²¹

The austerity measures and federal withdrawal from housing provision created an artificial housing gap that allow for the acceleration and expansion of financialization of housing. From 1995 - 2022, 65% of all multi-family units purchased in Toronto were purchased by financialized landlords (see Appendix A).²² 40% of these landlords were asset managers such as Starlight Investments, Hazelview Investments, and Dream Unlimited (see Appendix B).²³ Researchers believe these figures are more than likely an undercount because financialized landlords often use subsidiaries with ambiguous names and number companies to conceal their true identity. The use of subsidiaries also explains why the harm resulting from the financialization of rental housing is rarely, if ever, recognized as harm because they often "...lack an identifiable perpetrator and/or relations of cause and effect".

One of the most concerning practices is federal housing programs providing low-interest loans to financialized landlords. For example, Dream Unlimited ("Dream"), a large financialized landlord currently struggling with a rent strike where tenants claim poor maintenance and exploitation, received a \$153 million insured mortgage through CMHC's MLI Select program for the very properties currently under rent strike.²⁴ They also closed roughly \$1 billion in financing under CMHC's Rental Construction Financing Initiative, and received funding from Canada Infrastructure Bank.²⁵ These loans are key to Dream's operating strategies that extract profit in service of their fiduciary duty, and create environments where tenants must rent strike in order to fight for their right to adequate housing.

¹⁹ Chisholm, S. & Hulchanski, D. (2019). [*Shaping Futures: Changing the Housing Story*](#). University of Glasgow.

²⁰ Suttor, 2016

²¹ August 2020; 2021

²² Lewis & Hughes-Panou, Forthcoming

²³ *ibid*

²⁴ Sugar, T. (2023, January 23). [*Dream impact trust: High yield + reasonable risk*](#). Wealth Playbook.

²⁵ *ibid*

Impacts of Financialization of Purpose-Built Rental Housing

Strategies of Financialized Landlords

It is necessary to delve deeper into the strategies of financialized landlords, as this has profound impacts on the everyday experiences of tenants.

Financialized landlords demand perpetually higher returns, which requires three elements : high occupancy, unaffordable rents, and residential tenancy laws that allow the removal of tenants that disrupt profit forecasting.²⁶ Their demands for perpetually higher returns translate into demands for a hospitable policy environment: primarily, through the deregulation of tenant protections. In Ontario, vacancy decontrol, above guideline rent increases, and rent decontrol are some of the many deregulatory measures enacted over the past two decades that have eroded tenants' right to adequate housing and have been ushered in alongside financialization.²⁷

In Toronto, financialized landlords have been documented to use two central strategies to maximize profit from housing: 1) of “squeezing” and 2) “gentrification-by-upgrading”, which are interrelated, and largely dependent on the location of a particular building.²⁸ With squeezing, affordable buildings in lower-income neighbourhoods, financialized landlords use AGIs, rent increases, increased ancillary costs, and building-wide efficiencies to extract as much revenue as possible (August and Walks, 2018). If a tenant cannot pay they will often be evicted. The second strategy of gentrification through upgrading involves the repositioning of buildings from affordable to higher end or luxury, usually in high demand areas. Landlords will then invest in cosmetic and aesthetic repairs such as landscaping to justify increases through AGI's and to pass on the “costs” to new tenants.

²⁶ August, M. (2020). The financialization of Canadian multi-family rental housing: From trailer to tower. *Journal of Urban Affairs*, 42(7), 975–997. <https://doi.org/10.1080/07352166.2019.1705846>

²⁷ *ibid*

²⁸ August, M., & Walks, A. (2018). Gentrification, suburban decline, and the financialization of multi-family rental housing: The case of Toronto. *Geoforum*, 89, 124–136. <https://doi.org/10.1016/j.geoforum.2017.04.011>

Underlying both of these strategies are the ability of landlords to utilize AGI's, or Above Guideline Increases, which are permitted under *Ontario's Residential Tenancies Act*. In Toronto, financialized landlords file for a disproportionately large percentage of Above Guideline Increases (AGIs) (see Appendix C).²⁹ AGIs allow landlords to increase rent above the rent control guideline in certain situations, and are explicitly designed to transfer risks of needed maintenance onto tenants. AGIs also have the additional side effect where financialized landlords often refuse to invest in maintenance costs that they cannot transfer to their tenants if AGI's are not improved. AGIs are also a direct cause of evictions: as high rent increases cause more tenants fall into rental arrears and face eviction.

Uneven Impacts of Financialization

Financialized landlords target racialized and economically disenfranchised neighbourhoods to consolidate purpose-built rental housing stock. As a result, racialized communities are disproportionately exploited by financialized landlords. In Toronto, financialized landlords accumulate more purpose-built rental housing in areas where Black people comprise 50-80% of the population and where the median household income is below \$76,500. These neighbourhoods also experience a disproportionately high number of eviction applications (see Appendix D).³⁰ A comparison of heat maps showing evictions in Toronto and evictions by financialized landlords in Toronto shows that financialized landlords are the drivers of evictions in Toronto, and as such, evictions and displacement are disproportionately felt in neighbourhoods where racialized communities are the majority (see Appendix E).³¹

²⁹ Lewis & Hughes-Panou, Forthcoming

³⁰ *ibid*

³¹ *ibid*

Personal Experiences: Centering Tenant Voices

As an organisation representing tenants across Toronto, we believe that it is our primary responsibility in our submission to centre the voices and lived experience of tenants. Too often, the perspectives of tenants are not incorporated within mainstream housing policy, planning, or academic research. For our contribution to this review panel, we draw on the experiences of tenants living in financialized housing, and highlight the multiple dimensions of housing precarity that are produced as a result of financialization.

Rent Strike at 33 King Street and 22 John Street

My name is Sharlene Henry and I am a tenant in the neighbourhood of York South-Weston, in North-West Toronto. I have lived in this community for over 10 years, and have seen first hand the impact of financial landlords on our community. Toronto's north-western wards, including York South-Weston, are historically racialized and affordable areas that have long been home to Toronto's Black neighbourhoods. The displacement of people of colour resulting from the actions taken by financialized corporate landlords like Dream, Starlight, Capreit and others disproportionately affect poor communities, contributing to further inequality and social strife.

We have seen the effects of our buildings being bought and managed by large corporate landlords. The playbook is always the same: buy the building, undertake cosmetic renovations of the exterior and other common areas of the property to attract an affluent tenant class, apply for Above Guideline Rent Increases (AGIs) for the existing tenants to pay for those renovations, and ignore the demands for repairs and other deficiencies inside the units. This process leads to a spiral of higher rents for long standing tenants earning low-and fixed-incomes, while residing in uninhabitable conditions. Working-class tenants are paying a significant share of their after-tax income on rent, for less services. Meanwhile, rising rents, AGI applications and the constant intimidation from financialized landlords lead to the displacement of existing tenants, either to other areas of the city, or increasingly more often, to live together in an overcrowded unit.

The situation I just described is very clear in the case of my own building, 33 King Street, and our neighbours at 22 John Street, currently owned by Dream. Using an ESG playbook, Dream attracts federal financing and greenwashes their exploitation of tenants, while stating that "the expected benefits to result from investing in net zero initiatives, includ[es]...increase in rents...and attraction of certain tenants".³² We tenants understand what that means because we

³² Dream Group of Companies. (2022). [Building Better Communities: 2022 Sustainability Report](#).

Anonymous TAC Member

We lived in a medium sized purpose-built rental building. When we moved in, we were the first new tenants in more than 10 years. Most other tenants had been living there for a very long time. A new landlord bought the building, and almost immediately, receiving necessary repairs became more difficult for all tenants. The landlord brought in new live-in superintendents who were not professional or respectful, scaring many of the seniors and single women. The superintendents would either neglect to make repairs or do the job so poorly so that they did not last. Every time someone moved out, the landlord would be able to get at least 20% more rent from new tenants. When tenants would ask for repairs or complain to the superintendents or landlord, we were told that “we should move if we didn't like it”.

In this building where tenants had rarely moved out, about 20% of tenants left less than 4 years after the new landlord and staff started. The unit we lived in had serious recurring water damage and heating problems, and because of our situation, we had to learn how to fight. We took them to court and won, we formed a tenant's association, we documented everything, and called inspectors frequently. The landlord and superintendents were angry, especially because the inspector was brought in. Things erupted and the superintendent assaulted my husband (2 weeks after he had back injury, he was in a walker). The courts issued a restraining order and the superintendent had to leave the building. Not long after that, the landlord sold the building. It was a happy ending but the cost was high. We suffered harassment, difficult living conditions, the costs of going to court, etc., for about 4 years.

Property inspectors were our only support at the time. We were very fortunate to have one that responded in a timely manner and was professional. Had it not been for his support, things would have been very different. Trained professional inspectors who can be impartial voices are critical to ensuring that rental properties are maintained properly when so often units and buildings are neglected on purpose for profit and ‘renovictions’ are planned.

1501 Woodbine Tenants Group

Our landlord, Arsandco Investment Ltd. (“Arsandco”), and property manager, Metcap Living (“Metcap”), has made life in our apartment building hell. For over 10+ years we have had deteriorating plumbing shut-off valves and we go without water once a week, almost every week. Our building foundation is sinking, heat waves melt wires, walls bulk outwards, walkway and structural cracks are everywhere, poor ventilation, plumbing leaks, and water penetration continues in our underground parking, pooling large amounts of water with mould and mosquitoes. A tenant has had a huge hole above their bathtub since May.

Metcap is on the Board of the Federation of Rental-housing Providers of Ontario (FRPO), a not-for-profit organization that claims to be the “Voice of Rental Housing in Ontario”.³⁴ Yet, their staff are sorely undertrained, leaving tenants without proper maintenance and support. Just yesterday, August 30th, 2023, our elevator flooded and property management staff could not find an elevator repair tech. On-sight staff put themselves in dangerous situations trying to mop up as water poured from the elevator cab ceiling - through electrical conduits and overhead lighting. These elevators were “modernized” last year. Recently, the ongoing elevator door malfunction caught and injured a tenant’s arm; blood was everywhere.

Metcap has neglected their responsibility for establishing emergency preparedness and evacuation procedures in the building, and any emergency - such as the elevator flood - bring about a stampede of confusion and danger. According to the private fire safety inspection company, upwards of 1/3rd of the apartments in the building have not had working heat detectors since last year. These issues are reoccurring and well-established, but the solutions are “not in the budget”.

Metcap has been ordered to replace the roof in response to an urgent situation where loose metal is flashing on the top floor, but it is going on 2+ weeks with no indication that this will happen. Arsandco has received prohibition orders from the Ontario courts for failing to comply with maintenance orders involving the Underground Garage and the Exterior. Yet, RentSafeTO refuses to enforce these orders and protect the living standards of tenants living here. At the same time, we know we will face another AGI by the end of September for the hazardous elevator, water pumping station, and outside grounds. Our building has been abandoned by all levels of government, and we are forced to fight for our homes, dignity, and safety daily. The federal government must step in to intervene and ensure that all provinces & municipalities adhere to international and national standards of rights and freedoms

³⁴ [The Voice of Rental Housing in Ontario](#). (n.d.). Federation of Rental-Housing Providers of Ontario. Retrieved 31 August 2023

What can the Federal Government do?

The federal government must urgently prioritize the protection of tenants in its policy responses to the housing crisis. To do so, the federal government must affirm the right to housing, stop subsidising and financing financialized landlords, prohibit those within its sphere of influence from doing the same, implement stronger regulations where possible to protect renters, and step in to support the development of more non-market housing directly.

Protect Tenants Rights

While the government of Canada continues to pour billions of dollars into programs like the First Time Homebuyers Tax credit, that are oriented towards getting Canadians into homeownership, the needs and concerns of tenants are under-represented in federal housing policy. While many dimensions that regulate residential tenancies fall under provincial jurisdiction, there is still much the federal government can do to protect tenants.

Develop tenure-based analysis

For Canada to protect tenants, future legislations must involve a “tenure-based” analysis³⁵ that considers and prioritizes the well-being of tenants when enacting policies, programs, and initiatives, and move to constrain the ability of landlords to dehumanize and exploit their tenants in the pursuit of profit .

Establish standards for receiving any federal housing funding

Tenants at Dream’s federally financed and publically funded 22 John Street development face high rent increases yearly. The federal government must establish additional conditional standards for private actors to meet in order to access financing funding through federal housing programs. Very few “affordable” units created through federal funding are actually affordable for low-income tenants, leaving many tenants behind.³⁶ Conditions ensuring deeply affordable housing in perpetuity, preventing AGIs, prohibiting tenant displacement, etc., are typically written into grants or loans, making them easily adaptable more broadly. These standards must also be monitored to ensure recipients of the funds, such as private actors, are fulfilling the terms of the agreement, not only according to the letter of the standards, but also the spirit of the right to adequate housing.

³⁵ Similar to the federal government’s current Gender Based Analysis Plus (GBA+) - [What is gender-based analysis plus](#). (2021, March 31). Government of Canada.

³⁶ [Analysis of Affordable Housing Supply Created by Unilateral National Housing Strategy Programs](#). (2022). National Housing Council.

Enforce data transparency for all property owners

In order to be able to monitor and enforce standards for federal housing funding, there must be greater transparency in property ownership. Current practices of numbered companies and subsidiaries with ambiguous names conceals the identity of property owners. A landlord registry, federal or otherwise, identifies the parties responsible for adhering to tenant protection standards, and allows them to be held accountable.

Recognize collective tenant organizing

The right to adequate housing must address the difference in power inherent in the current housing system between landlords and tenants that allows landlords to enforce unconscionable contracts and purposefully refuse to maintain the habitability, accessibility, and availability of services in their buildings. Recognizing tenants' right to bargain collectively - not just within their buildings, but also across neighbourhoods - would move to equalize this difference in power, and allow tenants to fight for their right to adequate housing against financialized landlords' demands for perpetually higher profit on more equal footing.

Eradicate Speculation

The federal government's austerity measures, withdrawal from housing provision, and legislative changes are directly responsible for the current financialized state of housing. Canada must correct this mistake by revising easily exploitable tax structures, constraining financialized landlords' ability to expand, and prohibiting federal institutions from being financialized landlords themselves.

End favourable tax treatment for financialized landlords

Dream's CEO, Michael Cooper, stated in 2023's Annual Meeting of Shareholders that he spends roughly 40% of his time on taxes³⁷. Favourable tax treatment, such as REITs' ability to avoid high taxes by passing on most of their profit in shareholder dividends that can be classified in tax-efficient categories,³⁸ must end in order to prevent financialized landlords' continued expansion, consolidation of housing, and exploitation of tenants

³⁷ Cooper, M. J. (2023, June 6). [Dream Unlimited Corp. Annual Meeting of Shareholders](#).

³⁸ August, Martine. 2022. *The financialization of multi-family rental housing in Canada: A Report for the Office of the Federal Housing Advocate*. The Office of the Federal Housing Advocate.

Cap the number of units allowed under one management

Financialized landlords are looking to consolidate ownership of purpose-built rental housing because they recognize the possibility for perpetually higher profits. To discourage their continued consolidation, the federal government must support and explore implementing policies at all levels of government that curb profiteering including a cap on units under one management.³⁹

Prohibit financial actors within influence from housing speculation

Canada must prohibit financial actors within its influence from fueling speculation in the market and influencing the rental experience and neighbourhood choices of renters, such as Canadian Public pension funds, crown corporations, and banks. A crown corporation, PSP Investments, is directly contributing to the financialization of rental housing through its partnership with Starlight Investments, an asset manager corporation that has been accused of exploitation by their tenants, who are currently on rent strike.⁴⁰ Canada cannot proclaim to further the right to adequate housing for all Canadians while federal crown corporations partner with financialized landlords who undermine the progressive realization of the right to adequate housing.

Support Non-Commodified Housing

The federal government must support non-commodified housing (i.e. public housing, non-profit housing organizations, limited-equity cooperative housing, and community land trusts). Non-commodified housing removes speculation and profit while providing security for tenants.⁴¹

Expropriate financialized housing for social ownership

Expropriation can and have been used to expand the supply of non-commodified housing and move toward the right to adequate housing for all.⁴² The expropriation of financialized landlords' properties would be "fair, sound, and reasonably necessary"⁴³, as this would protect tenants against the dehumanization and exploitation inherent in financialization.

³⁹O'Kane, J. (2021, September 20). [Berlin's bold proposal for surging rents: Evict the landlords](#). *The Globe and Mail*.

⁴⁰ Shea, C. (2023, June 19). [Why this Toronto tenant is staging a rent strike](#). Macleans.ca.

⁴¹ Pattillo, 2013

⁴² Alabiso-Cahill, G. (2020). [Taking Back Our Housing](#). Federation of Metro Tenants Association.

⁴³ *ibid*

Invest in non-commodified housing

CMHC needs to return to its historical role as a direct funder of non-commodified housing. In the 1960s and 70s, the federal government directly funded effective municipal and non-profit/cooperative housing programs.⁴⁴ Although the current Affordable Rental Housing Financing Initiative is meant to provide funding for the construction of new affordable units, this program is not exclusively for non-market housing, and is not nearly the level of funding needed for a substantial move towards the right to adequate housing for all.⁴⁵ Federal funding in housing provision need to increase drastically in order to meet the needs of all tenants.

Transfer surplus federal lands to social ownership

In addition to CMHC directly funding non-market housing, surplus federal lands can also be transferred to social ownership through rights of first purchase, preventing the continued expansion of financialized landlords and narratives and allowing for the expansion of the non-market housing sector instead.

Conclusion

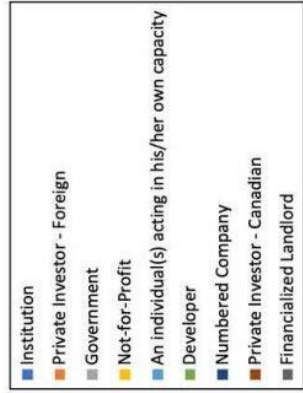
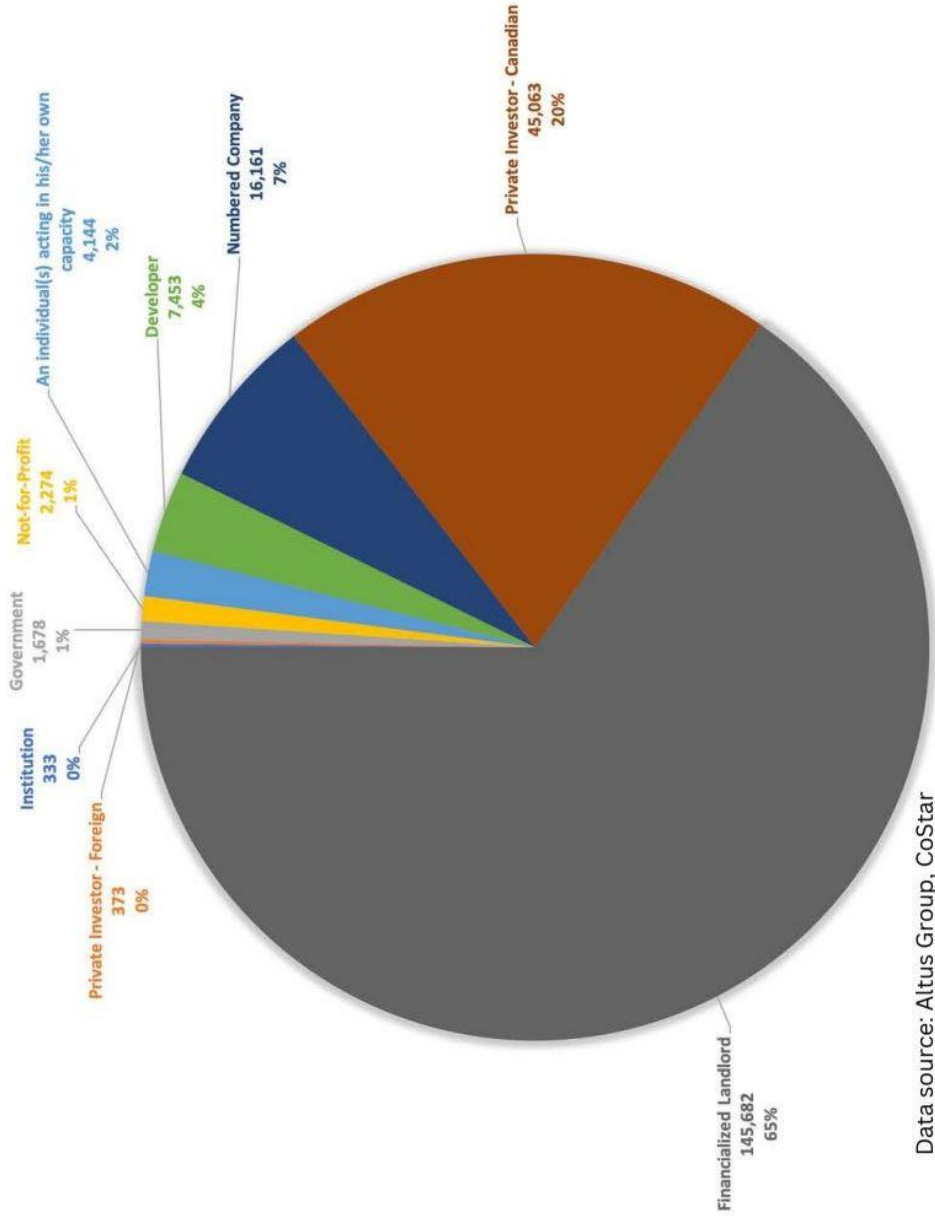
Canada's housing system is dominated by financialized actors, strategies, and narratives that dehumanize and exploit tenants for profit. Tenants face housing precarity and strategic disrepair, and marginalized communities, such as low-income, racialized, and newcomer tenants, are especially targeted. Canada must turn away from this path that violates our obligation to the progressive realization of the right to adequate housing by protecting tenants' rights, eradicating speculation, and supporting non-commodified housing. It is our hope at FMTA TAC that this submission will help the Review Panel find a path forward that will lead to the right to adequate housing for all.

⁴⁴Kading, T., & Walmsley, C. (2018). Homelessness in Small Cities: The Abdication of Federal Responsibility. In *Small Cities, Big Issues: Reconceiving Community in a Neoliberal Era*. Athabasca University.

⁴⁵ *ibid*

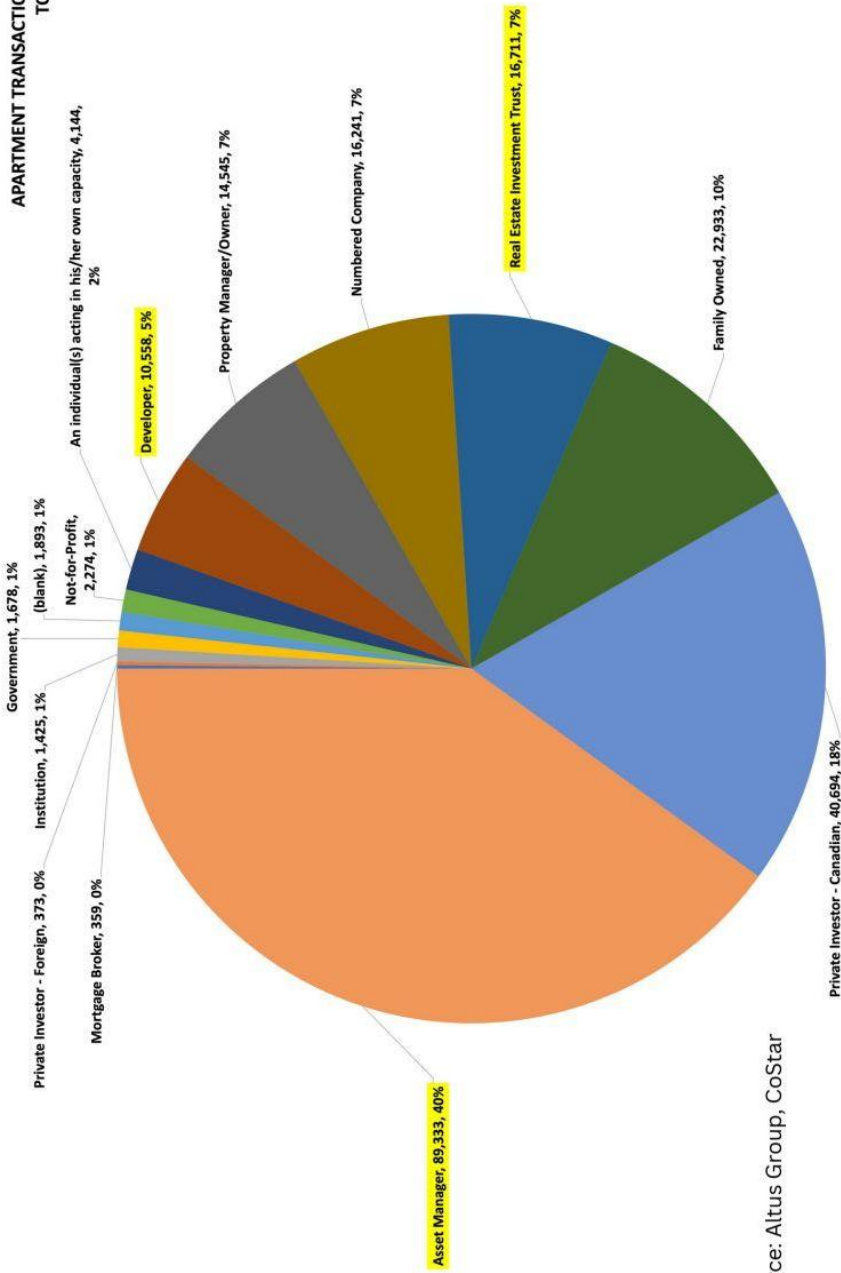
Appendix A

APARTMENT PURCHASES BY LANDLORD TYPE, TORONTO 1995-2022
TOTAL UNITS TRANSACTED = 223,161



Appendix B

APARTMENT TRANSACTIONS BY UNITS - CITY OF TORONTO - 1995-2022
TOTAL UNITS = 223,161 *



- Private Investor - Foreign
- Institution
- Government
- (blank)
- Not-for-Profit
- An individual(s) acting in his/her own capacity
- Developer
- Property Manager/Owner
- Numbered Company
- Real Estate Investment Trust
- Family Owned
- Private Investor - Canadian
- Asset Manager

Data source: Altus Group, CoStar

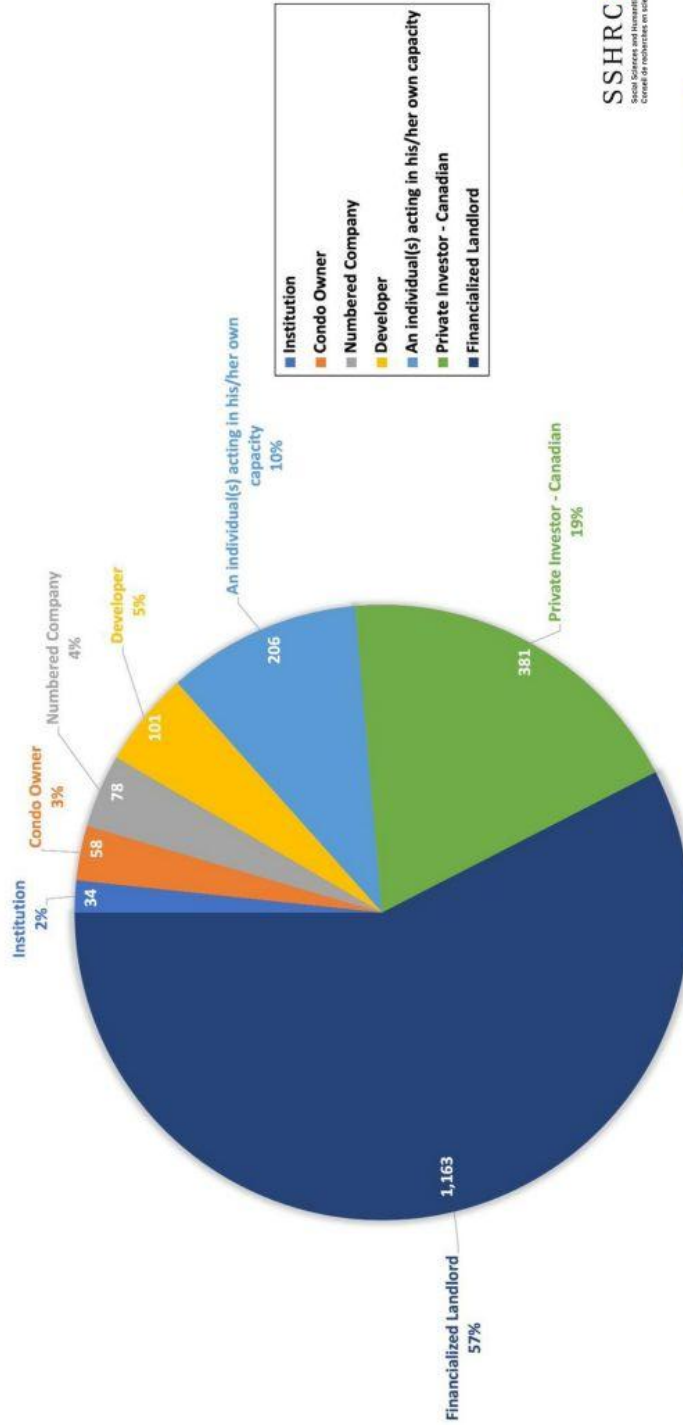
*unit count not available for all properties



Appendix C

AGI Applications Landlord Type Breakdown – Toronto

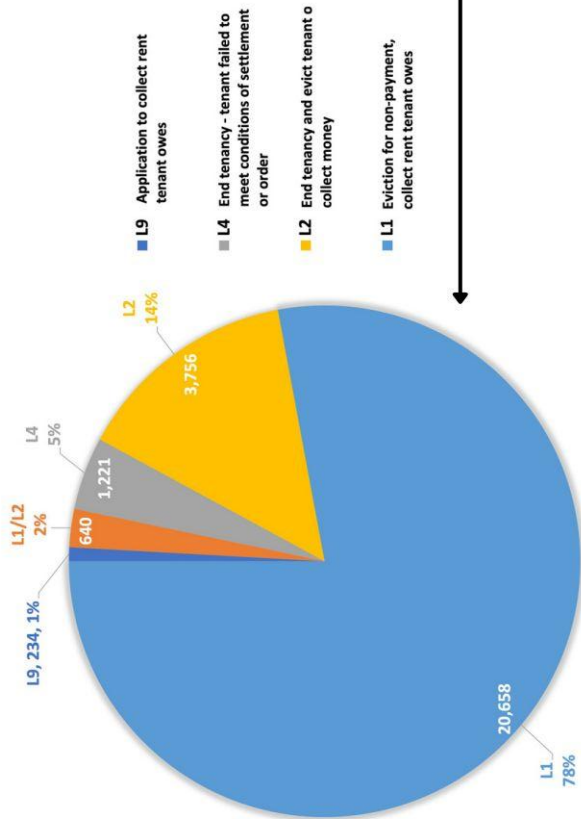
PERCENTAGE BREAKDOWN OF AGI APPLICATIONS BY LANDLORD TYPE
 TORONTO - JAN 2010-AUG 2022
 TOTAL AGI APPLICATIONS = 2,023



Data Source of Evictions, Landlord and Tenant Board of Ontario
 Multifamily Ownership Data Source: Altus Group
 Graph author: Dimitri Panou, Research Assistant for Dr. Nemoj Lewis

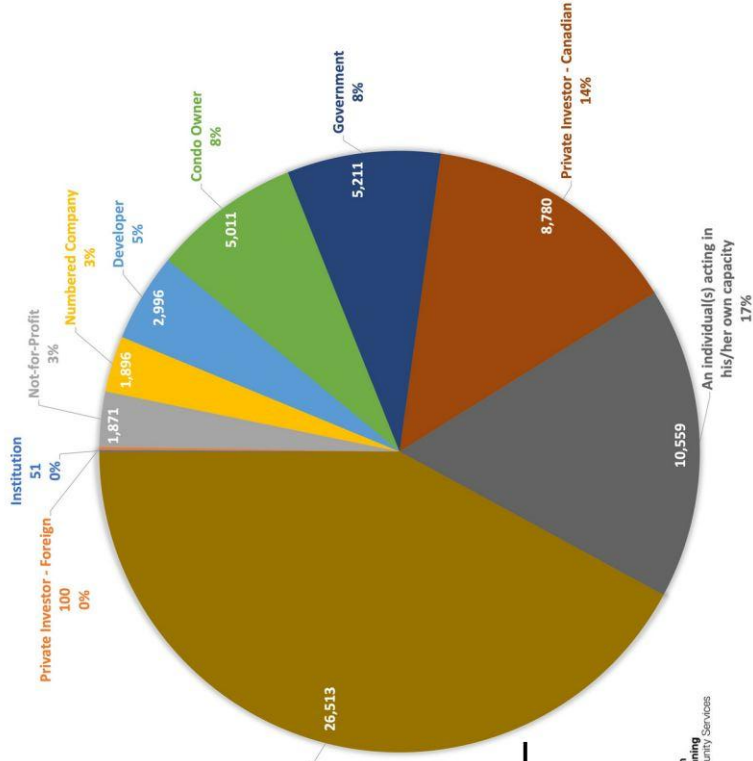


FINANCIALIZED LANDLORD EVICTION FILINGS BY CASE TYPE, TORONTO 2018-2021
TOTAL FILINGS = 26,513



- L9 Application to collect rent tenant owes
- L4 End tenancy - tenant failed to meet conditions of settlement or order
- L2 End tenancy and evict tenant o collect money
- L1 Eviction for non-payment, collect rent tenant owes

L1, L2, L4, L9 EVICTION FILINGS BY LANDLORD TYPE, TORONTO 2018-2021
TOTAL FILINGS = 62,988



SSHRC CRSH
 School of Urban & Regional Planning
 Faculty of Community Services
 Toronto Metropolitan University

Data source: Altus Group, CoStar, Ontario LTB

Appendix D

Data source: Altus Group, CoStar

Demographic Analysis

- **6.85% All units transacted occurred in dissemination areas (DAs) where the Black population is between 50-80% (1.1% of all DAs)**
- **Dissemination area: smallest standard geographic census area**
- **Financialized Landlords account for 72.86% of all the units transacted in these DAs**
- **Income appears to be influencing the acquisitions patterns of landlords in the Toronto multifamily rental market, especially at the bottom end of the household income spectrum**
- **Roughly 72.05% of all Sales occurred in bottom 25% of DAs where the median household income is below \$76,500 (25.78 % of all DAs)**
- **Financialized landlords accounted for 66.37% of sales that occurred in these DAs**

Landlord Type / First Purchaser	DA Percentage of Black Residents: 50 - 80%					
	Number of Units Purchased in DAs Above 50% Black (41 DAs)			Number of Units Purchased in DAs Below 50% Black (3,702 DAs)		
	Unit Count	Percentage	Unit Count	Unit Count	Percentage	Percentage
All	15,281	6.85	207,880		93.15	
Fin Landlords	11,133	7.65	134,451		92.35	
Asset Managers	4,456	6.22	67,160		93.78	
Starlight	2,101	8.90	21,505		91.10	
CAP REIT	612	6.30	9,097		93.70	
Hazelview	53	0.71	7,381		99.29	
Homestead	0	0.00	6,894		100.00	
Median Total Household Income Under \$76,500 (Bottom 25% of DAs)						
Landlord Type / First Purchaser	Number of Units Purchased in DAs within Income Range (965 DAs)			Number of Units Purchased in DAs outside Income Range (2,778 DAs)		
	Unit Count	Percentage	Unit Count	Unit Count	Percentage	Percentage
	All	160,785	72.05	62,376		27.95
Fin Landlords	106,715	73.30	38,869		26.70	
Asset Managers	54,123	75.57	17,493		24.43	
Starlight	18,363	77.79	5,243		22.21	
CAP REIT	7,337	75.57	2,372		24.43	
Hazelview	4,826	64.92	2,608		35.08	
Homestead	6,073	88.09	821		11.91	



Data source: Altus Group, CoStar, Ontario LTB

Eviction Filing Analysis by Demographics

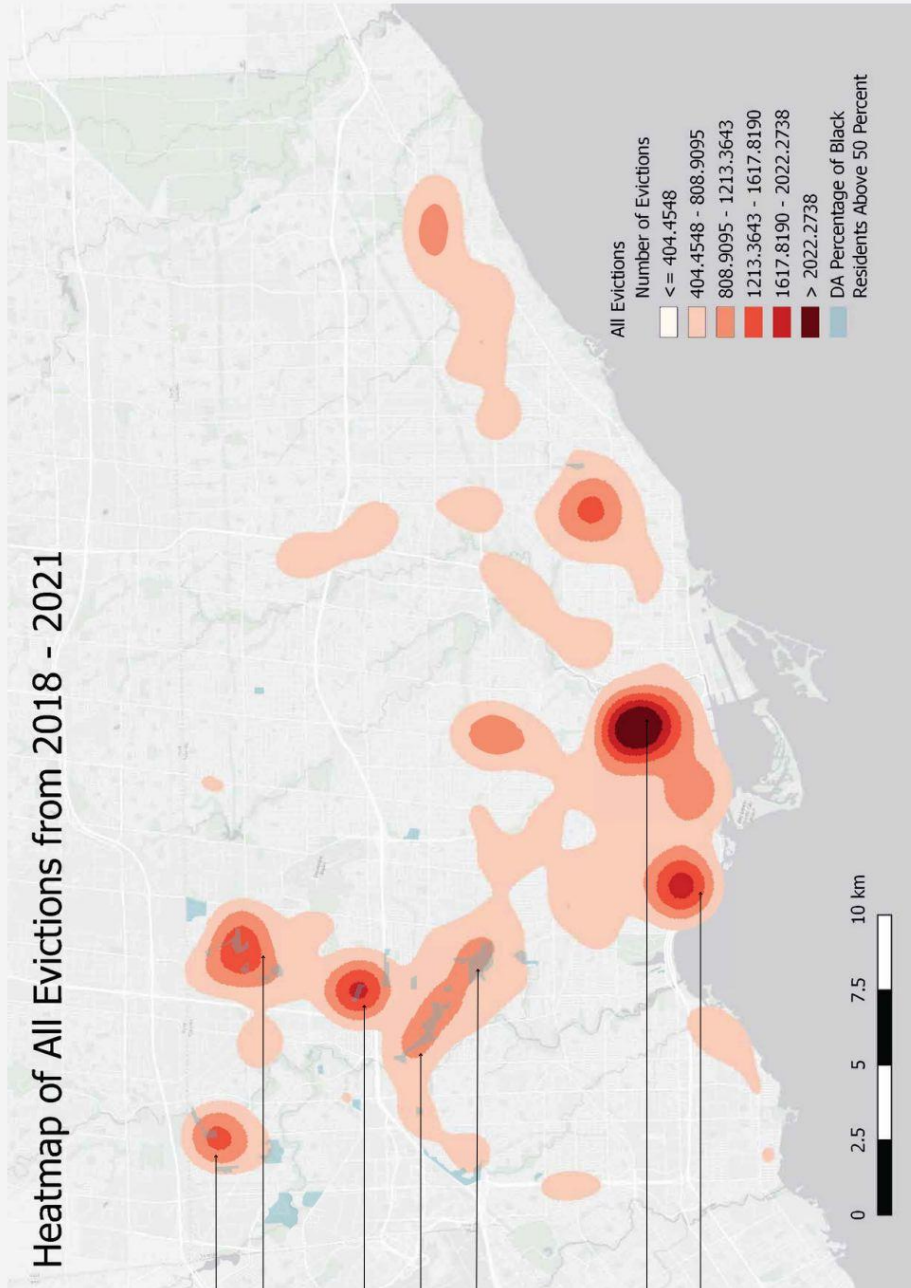
- **Roughly 10.42% of all evictions in the City of Toronto were in DAs where the Black population is over 50% (41 DAs - 1.1% of all DAs in Toronto)**
- **Financialized landlords account for 73% of the evictions filed in all the DAs where the Black population is over 50%**
- **84% of these eviction filings are in high-rise buildings**
- **Just over 5% of all evictions filed in the City of Toronto were filed DAs where the Black Population is over 70% (13 DAs - 0.35% of all DAs in the City of Toronto)**
- **Financialized landlords account for roughly 85% of evictions filed in these DAs**
- **Nearly 100% of these eviction filings are in high-rise buildings**

Landlord Type	DA Percentage of Black Residents: 50 - 80%					
	Number of Evictions Filed in DAs Above 50% Black (41 DAs)		Number of Evictions Filed in DAs Below 30% Black (3,702 DAs)			
	Unit Count	Percentage	Unit Count	Percentage	Unit Count	Percentage
All	6,565	10.42	56,423	89.58		
Fin Landlords	4,809	18.52	21,155	81.48		
High-rise	5,521	17.35	26,295	82.65		
Asset Manager	1,364	14.39	8,112	85.61		
Starlight	1,066	23.06	3,556	76.94		
CAP REIT	581	21.49	2,123	78.51		
Individual	86	0.81	10,477	99.19		

Landlord/Property Type	DA Percentage of Black Residents: 70 - 80%					
	Number of Evictions Filed in DAs Above 70% Black (13 DAs)		Number of Evictions Filed in DAs Below 30% Black (3,730 DAs)			
	Unit Count	Percentage	Unit Count	Percentage	Unit Count	Percentage
All	3,301	5.24	59,687	94.76		
Fin Landlords	2,810	10.82	23,154	89.18		
High-rise	3,209	10.09	28,607	89.91		
Asset Manager	866	9.14	8,610	90.86		
Starlight	752	16.27	3,870	83.73		
CAP REIT	0	0.00	2,704	100.00		
Individual	6	0.06	10,557	99.94		

Appendix E

Heatmap of All Evictions from 2018 - 2021



North Albion

Jane-Finch Corridor

Chalkfarm

Weston

Black Creek

St. James Town & Downtown East

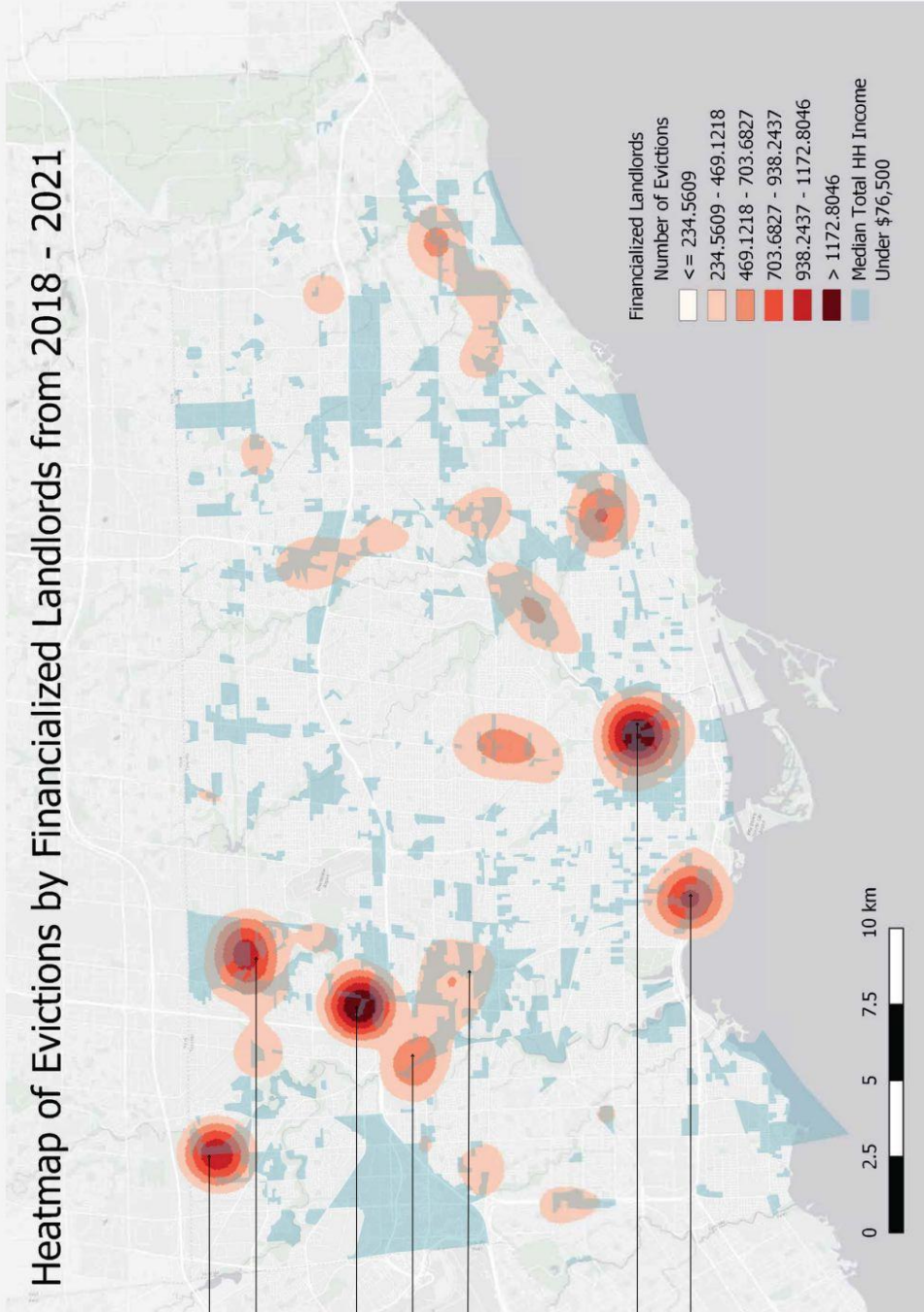
Parkdale

SSHRC CRSH

Toronto Metropolitan University
School of Urban & Regional Planning
Faculty of Community Services

Data source: Altus Group, CoStar, Ontario LTE

Heatmap of Evictions by Financialized Landlords from 2018 - 2021



North Albion

Jane-Finch
Corridor

Chalkfarm

Weston

Black Creek

St. James Town &
Downtown East

Parkdale

SSHRC CRSH
Centre for Research in Housing Studies in Canada

Toronto Metropolitan
University
School of Urban
& Regional Planning
Faculty of Community Services

Data source: Altus Group, CoStar, Ontario LTB