



June 22, 2010

## 2011 Rent Increase Guideline Announced

### Devastating to Ontario's Ageing Rental Stock and Tenant Experience

Ontario's rent increase guideline for the year 2011 will be 0.7%. It is calculated using the Ontario CPI. The final number used in calculating the 2011 guideline was released today.

The 2011 guideline will be devastating to Ontario's rental stock and tenants. "This guideline is wholly inadequate to allow for proper investment in repairs and maintenance of Ontario's ageing rental stock" said David Horwood, Assistant Vice-President of the Effort Trust Company. "This will negatively affect the renting experience of tenants in Ontario, and reduce jobs in the rental industry".

"Rental housing providers are going to experience a 7 percent increase in costs next year largely due to the impact of the HST" says Vince Brescia, President & CEO of FRPO. "A 0.7% guideline is unfair and devastating to an ageing rental stock" added Brescia.

The McGuinty government will likely use nice language in their press release today, saying they have a formula that is "balanced" and allows landlords to recover costs. The government may also brag about how they are protecting tenants with the lowest post-world war rent control guideline in Canada. None of this will be true. The guideline formula created by the McGuinty government clearly threatens the sustainability of Ontario's rental stock, which is bad for tenants.

The McGuinty government has told the rental housing industry to absorb the HST cost increase, and has not responded to any industry written proposals for mitigation.