

Figueiredo, Julia AG:EX

From: Minister, AG AG:EX
Subject: FW: Residential Tenancy Branch Study/CLAS Oct 2013
Attachments: RTB On_Shaky_Ground_October2013.pdf

From: David Hutniak <davidh@landlordbc.ca>
Sent: October 5, 2022 10:04 AM
To: Minister, AG AG:EX <AG.Minister@gov.bc.ca>
Cc: Collins, Teri OHCS:EX <Teri.Collins@gov.bc.ca>; Rogers, Richard G OHCS:EX <Richard.Rogers@gov.bc.ca>
Subject: Residential Tenancy Branch Study/CLAS Oct 2013

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Dear Minister Rankin,

I hope you are safe and well. Thank you for your continued availability to discuss issues related to our sector, and the spirit of collaboration in which those discussions have taken place.

I've been remiss in not sharing with you earlier the attached October 2013 study undertaken by the Community Legal Assistance Society (CLAS) entitled *On Shaky Ground – Fairness at the Residential Tenancy Branch*. As you may know CLAS is a tenant advocacy entity and part of the RTB Stakeholders group with LandlordBC. While we may not necessarily agree with everything they've outlined in this study released nine years ago, we certainly endorse the core findings, many of which unfortunately largely remain true today.

As you know we are very much on the front lines, and it is always our intention and desire to be part of the solution, not to simply throw darts. As I've communicated in the past, we are very concerned about the inability for a steadily growing cohort of our members to secure timely access to justice at the RTB. The untenable delays are inflicting a huge cost both financially and emotionally. The latter is particularly concerning in the context of our many small landlord members. The impacts they are experiencing are categorically unfair. Furthermore, the unfortunate result is more and more of them are exiting the sector further exacerbating the rental housing crisis.

Our sector is currently experiencing a long list of challenges, as you know. Timely access to justice should not be on that list. We are here to support you and the leadership team at the RTB to collectively address the challenges facing this critically important tribunal. I know you are committed to doing so and, again, we are here to support your efforts in whatever way we can.

I will end with this rather poignant excerpt from the reports "Author's Summary".

In our opinion, many of these issues stem from the fact that the Branch is drastically underfunded when compared with other similar administrative decision-makers in the province. As a result, in recent years the Branch has prioritized efficiency and cost saving at the expense of fairness. For the rights and obligations contained in BC's tenancy legislation to have meaning, the provincial government must give the Branch a renewed focus and the necessary resources to do its job fairly and consistently. Without such a mandate, landlords and tenants alike cannot rely on the Branch to fairly determine disputes and, by extension, they cannot rely on the protections and obligations set out in BC's tenancy legislation.

David Hutniak
Chief Executive Officer
LandlordBC
Phone: 604.733.9440 Ext. 202 | Mobile: 604.644.6838
Email: davidh@landlordbc.ca | Website: www.landlordbc.ca

LANDLORDBC

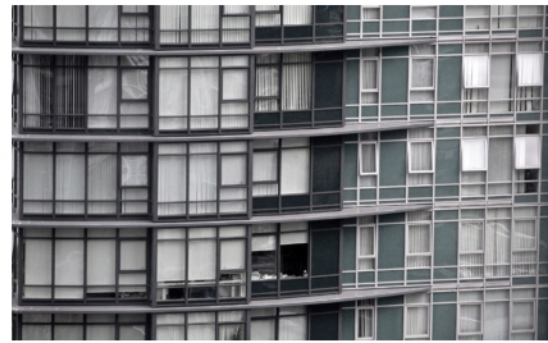
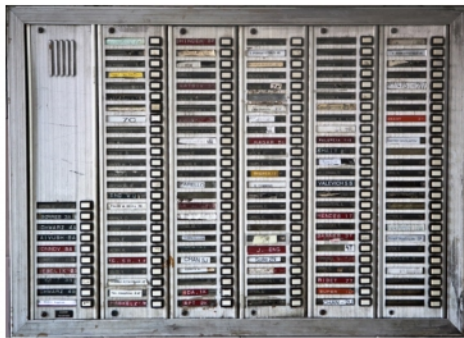


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On Shaky Ground

Fairness at the Residential Tenancy Branch



By Jessie Hadley and Kendra Milne

Community Legal Assistance Society

October 2013



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Figueiredo, Julia AG:EX

From: OHCS Residential Tenancy Office OHCS:EX
Sent: Tuesday, October 25, 2022 3:52 PM
To: 'David Hutniak'
Subject: 633045 Re: your email to RTB
Attachments: 633045 Hutniak Outgoing.pdf

Please find attached a response to your email to the Residential Tenancy Branch.

Warm regards,

Residential Tenancy Branch

Office of Housing and Construction Standards
Ministry of Attorney General and Minister Responsible for Housing
Email: HSRTO@gov.bc.ca



Where ideas work



October 25, 2022

Ref: 633045

David Hutniak
Chief Executive Officer
Landlord BC
davidh@landlordbc.ca

Dear David:

Thank you for your email of October 5, 2022, addressed to the Honourable Murray Rankin, Minister of Attorney General and Minister Responsible for Housing, concerning the Community Legal Assistance Society's report entitled *On Shaky Ground* (the Report). As the Acting Executive Director of the Residential Tenancy Branch (RTB), I am pleased to respond.

I appreciate you reaching out to share the Report, and to reiterate some of the challenges facing landlords in British Columbia. Landlords are an important and valuable partner in the provision of rental housing in British Columbia, and I always value your input on how to make the residential tenancy system fairer for landlords.

Your email discusses a particular need to address wait times for dispute resolution. I share your concerns about how long it takes to resolve serious disputes through the RTB. As you know, we are actively looking for ways to improve wait times, as well as deal with circumstances where a tenant files a dispute to take advantage of these delays. We are working to streamline hearing processes and identify opportunities for faster outcomes for both landlords and tenants.

Thank you again for writing. I look forward to collaborating together to address the challenges facing landlords in British Columbia.

Yours truly,

Richard Rogers
A/Executive Director

Figueiredo, Julia AG:EX

From: Minister, AG AG:EX
Sent: Wednesday, August 17, 2022 12:46 PM
To: LynesFord, Adam AG:EX
Cc: Madoc-Jones, Sian AG:EX; Dowler, Thea AG:EX
Subject: Adam - Stakeholder correspondence re Housing Rental Increase from Scott Cressey and David Hutniak ...
Attachments: RE: Housing Rental Increase

Hi Adam,
Stakeholder Correspondence - Scott Cressey sent the AG an email today – please see below - a short while ago – David Hutniak wrote back to Scott with his comments – I have attached David’s email for you attention as well.
Candice

From: Scott Cressey <scottcressey@cressey.com>
Sent: August 17, 2022 9:40 AM
To: Minister, AG AG:EX <AG.Minister@gov.bc.ca>; David Hutniak (davidh@landlordbc.ca) <davidh@landlordbc.ca>
Cc: Tom Johnston <tjohnston@cressey.com>
Subject: Housing Rental Increase

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Dear Mr. Rankin,

I am likely wasting my time writing this as I doubt you will have time to personally read this. Our company is one of the largest private landlords in BC and are likely one of the largest builders of new rental buildings as well. Which we keep ownership in. I know you have been talking to David Hutniak so I don’t need to reiterate all the issues. I will point out that he is very diplomatic and likely does not stress hard enough the financial hardship that landlords are presently under. To start with, housing is the only industry where politicians try to control revenue but also have the largest input on increasing expenses. The government bodies, whether it is municipal or provincial, do very little to try control the expenses. I understand they are under great political pressure to keep rents down when inflation is so rampant. But we need to recognize that you have held rent increases well below inflation in the past few years. And please do not forget that our basket of costs that effect our industry has had a greater rate of inflation and cost increases than is represented by CPI. The decision that you make regarding the 2023 ALLOWABLE RENT INCREASE will significantly impact the short, medium and long term health and viability of the rental housing industry.

Rents of existing tenants that have been in buildings for years are so far below market that new tenants moving into buildings now have to subsidize existing tenants so that the building can financially survive. This is simply not fair as new tenants are often recent graduates and immigrants. Landlords have seen massive increases in insurance, property taxes, utilities, labour, etc. And please don’t forget interest rates. Most politicians seem to ignore this component but it is no different than the mortgage pressures that homeowners are dealing with right now. We have had to recently inject very large amounts of equity into buildings because the mortgage lenders are underwriting the expiring loans at much higher interest rates. So many small landlords are being forced out of the industry because of these financial pressures.

At the last minute I refrained from building SRO’s about fifteen years ago. I did this because the majority of the tenants were going to be on one form or another of welfare. I felt I could not trust the government to increase welfare payments by CPI and I knew my expenses would increase at least by CPI, the maintenance would be very expensive on

these buildings and have the added macroeconomic risk of fluctuating interest rates. A very wise decision by me as capping Revenue but not having control on expenses is a death nail for financial survival. It is one of the reasons that the SRO's are in such dire straits today. Now I totally understand the political pressure you are under but sometimes tough decisions have to be made for long term survival. This is one of them. The cities across Canada have failed miserably in supplying new housing on a per population basis. I begged the municipalities and particularly the City of Vancouver to open up approvals for building rental buildings as the stars were aligned for the first time in thirty plus years. But they would not listen to me. They were very slow in approving new buildings and they put too many financial burdens on them. They have approved a lot of rental housing but they are not being built. We have now had massive construction cost increases, building code cost increases, operating cost increases and inflationary interest rate hikes. And now we are seeing Cap Rate increases which is severely decreasing capital value. The financial feasibility for building new rental is generally not there. It requires a very special situation or very low CMHC financing which has also dried up.

And if you do not allow the rental rates to increase with CPI then the trust and faith in government housing policies will disappear. This needs to be an iron clad policy not a political whim to attract a voting base. To invest in a rental building is a twenty plus year period until the mortgage is largely paid off. It is a very low return for several years and honestly not a very pleasant profession. It is much longer than the term of a politician. It truly should not be something that a politician has total control on. Now please understand I do get the full picture that people are struggling to find affordable housing. But what we need is supply and a lot of it. We need all the governments to work together to get it built and occupied. We don't need new market buildings at \$5.00 plus a square foot rent that take seven to ten years to build. That is what was required to make a building financially feasible in Vancouver a while back. It is more now.

And I just don't see why it is fair for existing long term tenants to have rents that are significantly below market which then causes new tenants to subsidize their low rents. The existing tenants have no incentive to ever move out of the extremely low rental apartments as it will be very expensive for them to move into a new rental unit. So there is no turnover and generally that particular unit gets very run down as there is no natural upgrading of the unit as the tenants turn over and of course there is zero incentive for the landlord to put the necessary \$20,000 to \$30,000 into renovating the unit if he is already losing money on the rent of that unit. It is all so flawed because WE NEVER SOLVE THE PROBLEM ALL WE EVER DO IS TREAT THE SYMPTOM.

And please understand that the VERY worse thing that can be done to our industry is vacancy control. We will create a terrible situation. Where there will be no incentive to build rental housing because we can not trust the government as they impose financial burdens on landlords based upon political pressure and not economics. There is a reason why very little market rental housing is being built in several countries around the world. Please do not follow this example as it will lead to very severe long term problems. Even government regulated utilities (BC Hydro) are allowed to raise their prices based upon their increased operating costs and necessary capital investments. Why is it not fair for this to apply to private sector supplied market rental housing?

We have created a situation of a massive shortfall in housing particularly in rental housing. Private landlords are exiting the industry and now institutions are also putting new projects on hold as the financial viability is not attractive. If you do not allow rents to increase by the increase of operating cost of these buildings (which is more than CPI) you will be putting the housing industry under even greater stress and the likelihood of anyone choosing to invest money into new supply will disappear faster than free mini donuts at the PNE.

I need to once again stress that the health of housing in this Province is very dependant on long term thinking and planning. It can not be based on political desires to attract votes. This is a time for making tough decisions for the long term benefit of our Province. Your decision on the 2023 ALLOWABLE RENT INCREASE will have significant short, medium and long term impacts on the viability of rental housing in this province. Please be wise and please be brave.

I would be ecstatic to talk to you more about this at any time.

Sincerely,

Figueiredo, Julia AG:EX

From: David Hutniak <davidh@landlordbc.ca>
Sent: Wednesday, August 17, 2022 9:59 AM
To: Scott Cressey; Minister, AG AG:EX
Cc: Tom Johnston
Subject: RE: Housing Rental Increase

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Hi Scott.

Thanks for sharing. I believe I advised [s.22](#)
[s.22](#)

While I appreciate your reference to my diplomacy, I assure you I was blunt about the issues impacting our sector, the fact that mom and pop landlords are being run out of the business, and how the Govt has politicized the max annual increase, frankly to their own detriment, in my view (they've painted themselves into a corner every year at this time...unfortunately I neglected to make this specific point to Minister Rankin, but have said this to Eby).

I have taken the liberty of sharing this email with a senior staffer within Minister Rankins Housing Office and asked him to ensure that the Minister sees your email and strongly encouraged him to have the Minister contact you directly to speak to the important issues you've raised. As I don't have a number for a direct line to you/or your cell number, so I've given them your HQ general number (604) 683-1256) and reconfirmed your email address.

David Hutniak
Chief Executive Officer
LandlordBC
Phone: 604.733.9440 Ext. 202 | **Mobile:** 604.644.6838
Email: davidh@landlordbc.ca | **Website:** www.landlordbc.ca



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From: Scott Cressey <scottcressey@cressey.com>
Sent: August 17, 2022 9:40 AM
To: AG.Minister@gov.bc.ca; David Hutniak <davidh@landlordbc.ca>
Cc: Tom Johnston <tjohnston@cressey.com>
Subject: Housing Rental Increase

Dear Mr. Rankin,

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turn over and of course there is zero incentive for the landlord to put the necessary \$20,000 to \$30,000 into renovating the unit if he is already losing money on the rent of that unit. It is all so flawed because WE NEVER SOLVE THE PROBLEM ALL WE EVER DO IS TREAT THE SYMPTOM.

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I need to once again stress that the health of housing in this Province is very dependant on long term thinking and planning. It can not be based on political desires to attract votes. This is a time for making tough decisions for the long term benefit of our Province. Your decision on the 2023 ALLOWABLE RENT INCREASE will have significant short, medium and long term impacts on the viability of rental housing in this province. Please be wise and please be brave.

I would be ecstatic to talk to you more about this at any time.

Sincerely,

Scott Cressey
The Cressey Group of Companies

Figueiredo, Julia AG:EX

From: AG Correspondence AG:EX
Sent: Tuesday, September 13, 2022 8:49 AM
To: 'scottcressey@cressey.com'
Subject: File no. 631347

Scott Cressey
Email: scottcressey@cressey.com

Dear Mr. Cressey:

Thank you for your correspondence of August 17, 2022, regarding housing affordability in British Columbia and the 2023 allowable rent increase.

I could not agree with you more that our province desperately needs to build record levels of new affordable housing to respond to the growing housing crisis. Local governments across BC must be part of the solution. We see some great examples of hard work by some municipalities to streamline processes and open housing quickly, like initiatives in Kamloops, Victoria, Richmond, Coquitlam and Burnaby. Other municipalities are struggling to approve housing or have conflicting priorities that are preventing the approval of badly needed housing for rent and purchase.

We have taken early steps to support local governments including funding and legislative changes that help local governments move developments forward more efficiently and remove unnecessary barriers to housing approvals. These amendments update the Local Government Act, removing the default requirement for local governments to hold public hearings for zoning bylaw amendments that are consistent with official community plans and enabling local governments to delegate decisions on minor development variance permits to staff.

We believe the best way forward is to work together with municipalities to address this crisis and are looking at ways to collaborate in meeting the housing needs of British Columbians. We are reviewing policy options and considering the possibility of new tools to modernize approval processes to bring speed, certainty and reduced costs to the development of new housing.

We are also looking at additional innovative ways of approaching affordable housing development. A recent example is BC Housing's HousingHub, established in 2018, to seek innovative partnerships to create affordable rental housing and homeownership options for middle-income households. The HousingHub works collaboratively with an array of industry groups to facilitate the partnership of suitable land, equity and low-cost construction financing to build new affordable housing through the Provincial Rental Supply Program and Affordable Home Ownership Program. More information about these programs is available on BC Housing's website: <https://www.bchousing.org/housinghub>

I also appreciate you sharing your concerns about how a limit on the 2023 annual rent increase amount could negatively impact landlords and the rental housing market. We recognize that all British Columbians have experienced hardship and increased cost of living due to rising inflation rates, especially when it comes to housing costs. We have heard from landlords that they are experiencing increases in the costs of maintaining their rental properties, including rising property taxes, insurance costs, and other expenses. At the same time, we also recognize that many citizens already struggle to afford rent, and a substantial rent increase could pose significant challenges to renters in maintaining their housing. Because of this, as you are now aware, government is capping the annual allowable rent increase for 2023 at two per cent.

This decision aims to strike a balance between a tenants' right to find safe, secure, and affordable housing with the landlord's need to maintain their property and realize a return on investment. For more information, please see the news release on the Government of BC website: <https://news.gov.bc.ca/releases/2022PREM0056-001348>

However, we also committed to supporting landlords as they deal with increased costs. To help landlords offset costs while keeping rent affordable for tenants, government introduced a process to allow landlords to apply for additional rent increases when they have completed necessary repairs to the rental unit or building. Landlords may also apply for additional rent increases when the landlord has incurred a financial loss from an extraordinary increase in the operating expenses of the residential property or a financial loss for the financing costs of purchasing the residential property, if the financing costs could not have been anticipated. More information on these processes is available here: <https://www2.gov.bc.ca/gov/content/housing-tenancy/residential-tenancies/during-a-tenancy/rent-increases/additional-rent-increase>.

Lastly, your email also notes concern about vacancy control. As you may be aware, in 2018, Premier John Horgan appointed a Rental Housing Task Force to better understand what changes may be needed to modernize British Columbia's tenancy laws. Vacancy control was one issue that was considered by the Task Force. However, during its province-wide consultations, the Task Force heard many concerns from landlords and developers about the negative consequences of vacancy control. Upon careful consideration, the Task Force did not recommend implementing vacancy control.

Thank you again for sharing your concerns. I want to assure you the challenges and priorities of landlords are very much part of our ongoing discussions around housing affordability and the 2023 rent increase amount.

Sincerely,

Murray Rankin, KC
Attorney General and
Minister Responsible for Housing

Figueiredo, Julia AG:EX

From: Scott Cressey <scottcressey@cressey.com>
Sent: Wednesday, September 21, 2022 12:11 AM
To: AG Correspondence AG:EX
Subject: Re: File no. 631347

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Mr. Rankin,

I understand you are busy, but I sincerely hope this response was not written by a staff member. I think it was because it doesn't seem to correspond to our telephone call. It also seems to indicate I know nothing about the industry by directing me to government websites. As you know I am fairly knowledgeable on the industry. I will try to again address what we discussed. When we talked in person I thought you understood the issues well but we both recognized the political nature of the issue and it of course was going to be a difficult decision.

First off the Cities and Municipalities have failed miserably. They continue to have many expensive roadblocks making rental buildings very difficult to justify. You and I spent a considerable time discussing the difficulties. Coquitlam is entirely geared towards condo's to develop to force developers to build subsidize rental units. It is extremely difficult to build purpose built rental buildings on their own because the city wants very high density bonus contributions based upon condominium land value. A similar problem exists in Burnaby. The profitable sale of condos is required to subsidize rental. If condos don't presale, such as right now, there will be no rentals. Truly flawed thinking from the beginning.

Municipalities/cities have over complicated approval processes. Making applications extremely expensive before approvals. Staffing levels are so very low with under qualified staff that it takes years and years to get simple projects approved not to mention projects that the cities want which have condos, market rentals, social housing, retail and office all in one building. Just imagine the difficulties to design, get approvals, finance, sell, construct, etc. This could result in very few rental units being built.

Simply put you talk about making changes that we have been asking for for decades. All I have seen is the process getting more and more complicated, slow and expensive. The changes required are drastic. It is not tinkering which I fear is what will happen. Staff at the city level do not want to give up their power. And council certainly do not want your intervention.

The ARI, as we both agreed, is a complete and utter failure for numerous reasons. As landlords we DO NOT believe it works at all to encourage proper maintenance of buildings. This is unanimous in our industry.

Also we need to fix the unfair property tax system NOW. taxing air rights is completely antiquated and unfair.

And as far as the allowable rent increase, please do not think it is a balance as you have said. Please just call it what it is. You have held rents down below inflation for the benefits of the tenants, your voters, all on the backs of landlords. Please name just one industry that has to have its revenue controlled by political decisions while the expenses are increased at well above the inflation rate. Please remember government controls the expenses that landlords incur such as property tax, water, sewer, electricity, natural gas, etc. Governments have done little to nothing to control their spending and taxation.

So please understand an allowable 2% increase is NOT going to encourage us to invest in rental housing. We are incurring high increased construction costs, high interest rates and additional risk at all levels. Capital is moving out of Canada at an alarming rate. I think what you have done could lead to irreparable damage.

I have little faith that the government will not change their mind on vacancy control. Only a few months ago Mr. Eby assured our industry he would not reduce the allowable rent increase to be below inflation. That has happened. Remember Horgan changed his own law of when elections could be held for his own advantage. UBCM just narrowly voted against putting pressure on the government to exploring vacancy control.

If investors can not trust government to create a stable investment climate we can not make easy business decisions. I believe we will see very little new investment in rental in the near future. This is not good for our province while we bring in 100,000 immigrants to try to support our economy and 80,000 students to subsidize our under funded university programs. I'm sure you don't want to hear what I think of our medical system (the blame it on the federal funding is an unacceptable dodging of responsibility).

But back to housing. I have travelled this summer to London, Geneva, Paris, Rome, Milan and through the northern half of Italy and now heading into western Germany. I purposely looked for homeless people. My wife and I felt we saw maybe a couple dozen in total. Maybe we didn't see everything but we asked and searched. We have a much bigger problem in Vancouver and most cities in B.C. We need all types of housing to ease the pressure. It is of course not the entire solution but if we don't build enough to meet the demand our homeless issue is just going to be worse through a trickle down effect.

As you know I have several hundred rental units under construction but I have put on hold investing or building anymore in B.C. I am looking at investing my money elsewhere as it makes little sense to do it in the rental industry today given our housing policies. Remember once capital leaves it is very hard to bring it back.

With all due respect please just write a blunt no nonsense honest response telling me you have made a political decision that you think it is best for the people to make the landlords subsidize the tenants (then maybe tenants would like landlords more) and that you don't think new construction of rental housing is important for the immediate future.

If you don't make it attractive for private individuals to invest in housing then it will be entirely on the backs of government to build all forms of housing. I recognize that First Nations land seems to be what we are now relying on to build rental housing because it has free zoning but remember at the moment the Federal Government is the one having to fund the construction due to the present land ownership and legal structure. So my point is it is once again government funded and if there is any problems it will be government's responsibility to solve. Relying on this to be our entire source of new housing seems risky, expensive and will lead to more inflation to me.

I feel we need to find the courage to fully address the problems and not just treat the symptoms that honestly exasperates the problem or creates an entirely new problem, such as a shortage of rental housing because we rely on foreign students to make up the shortage of funding for our schools. Our own residents can not get into our universities so they then leave our country to get educated elsewhere. The families pay full education fees to other countries. The children get educated overseas and then don't return. Don't ask me how many Canadian students are now doctors in other countries while we have one million B.C. Residents without a family doctor.

We need to find the courage to make the changes that are necessary. Pleasing the voters is not the answer. And trying to find a balance is not the answer. Finding the courage to make the tough decisions is the answer.

I'm sorry to write such a letter and I am sure it is a waste of my time as nothing ever changes in our country as we are falling apart but it does make me feel that I have tried

I am always available to talk in a proper face to face meeting.

With all due respect,

Scott Cressey

Sent from my iPad

> On Sep 13, 2022, at 5:49 PM, AG Correspondence AG:EX <MAG.Correspondence@gov.bc.ca> wrote:

> Scott Cressey

> Email: scottcressey@cressey.com

>

> Dear Mr. Cressey:

>

> Thank you for your correspondence of August 17, 2022, regarding housing affordability in British Columbia and the 2023 allowable rent increase.

>

> I could not agree with you more that our province desperately needs to build record levels of new affordable housing to respond to the growing housing crisis. Local governments across BC must be part of the solution. We see some great examples of hard work by some municipalities to streamline processes and open housing quickly, like initiatives in Kamloops, Victoria, Richmond, Coquitlam and Burnaby. Other municipalities are struggling to approve housing or have conflicting priorities that are preventing the approval of badly needed housing for rent and purchase.

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> We have taken early steps to support local governments including funding and legislative changes that help local governments move developments forward more efficiently and remove unnecessary barriers to housing approvals. These amendments update the Local Government Act, removing the default requirement for local governments to hold public hearings for zoning bylaw amendments that are consistent with official community plans and enabling local governments to delegate decisions on minor development variance permits to staff.

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> We believe the best way forward is to work together with municipalities to address this crisis and are looking at ways to collaborate in meeting the housing needs of British Columbians. We are reviewing policy options and considering the possibility of new tools to modernize approval processes to bring speed, certainty and reduced costs to the development of new housing.

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> We are also looking at additional innovative ways of approaching affordable housing development. A recent example is BC Housing's HousingHub, established in 2018, to seek innovative partnerships to create affordable rental housing and homeownership options for middle-income households. The HousingHub works collaboratively with an array of industry groups to facilitate the partnership of suitable land, equity and low-cost construction financing to build new affordable housing through the Provincial Rental Supply Program and Affordable Home Ownership Program. More information about these programs is available on BC Housing's website:

<https://can01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.bchousing.org%2Fhousinghub&data=05%7C01%7CMAG.Correspondence%40gov.bc.ca%7Cdf64ebe91d7340e9555008da9ba07564%7C6fdb52003d0d4a8ab036d3685e359adc%7C0%7C0%7C637993410713685282%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Ikh1aWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=%2FG4NZt8Bs%2FI1pmMgyCfVex%2FJL33wmwo3e5yf6C0t7HE%3D&reserved=0>

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> I also appreciate you sharing your concerns about how a limit on the 2023 annual rent increase amount could negatively impact landlords and the rental housing market. We recognize that all British Columbians have experienced hardship and increased cost of living due to rising inflation rates, especially when it comes to housing costs. We have heard from landlords that they are experiencing increases in the costs of maintaining their rental properties, including rising property taxes, insurance costs, and other expenses. At the same time, we also recognize that many citizens already struggle to afford rent, and a substantial rent increase could pose significant challenges to renters in maintaining their housing.

Because of this, as you are now aware, government is capping the annual allowable rent increase for 2023 at two per cent.

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> This decision aims to strike a balance between a tenants' right to find safe, secure, and affordable housing with the landlord's need to maintain their property and realize a return on investment. For more information, please see the news release on the Government of BC website: <https://news.gov.bc.ca/releases/2022PREM0056-001348>

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> However, we also committed to supporting landlords as they deal with increased costs. To help landlords offset costs while keeping rent affordable for tenants, government introduced a process to allow landlords to apply for additional rent increases when they have completed necessary repairs to the rental unit or building. Landlords may also apply for additional rent increases when the landlord has incurred a financial loss from an extraordinary increase in the operating expenses of the residential property or a financial loss for the financing costs of purchasing the residential property, if the financing costs could not have been anticipated. More information on these processes is available here:

<https://www2.gov.bc.ca/gov/content/housing-tenancy/residential-tenancies/during-a-tenancy/rent-increases/additional-rent-increase>.

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> Lastly, your email also notes concern about vacancy control. As you may be aware, in 2018, Premier John Horgan appointed a Rental Housing Task Force to better understand what changes may be needed to modernize British Columbia's tenancy laws. Vacancy control was one issue that was considered by the Task Force. However, during its province-wide consultations, the Task Force heard many concerns from landlords and developers about the negative consequences of vacancy control. Upon careful consideration, the Task Force did not recommend implementing vacancy control.

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> Thank you again for sharing your concerns. I want to assure you the challenges and priorities of landlords are very much part of our ongoing discussions around housing affordability and the 2023 rent increase amount.

>

> Sincerely,

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> Murray Rankin, KC

> Attorney General and

> Minister Responsible for Housing