



Residential Rental
Association of
Prince Edward Island

Residential Rental Association of PEI
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Re: Letter to Standing Committee on Health & Social Development - Review of the Residential Tenancy Act

Dear Standing Committee,

The Residential Rental Association of PEI (RRAP) is asking that the Residential Tenancy Act be reviewed after more than 12 months since its proclamation. As a key stakeholder, RRAP believes significant amendments must be made for a more balanced and economically feasible piece of legislation.

The long-term residential housing industry is currently faced with unsound legislation that restricts the industry's ability to maintain profitability. No other Island industry, regulated or non-regulated, is faced with such extreme legislation as to threaten the current and future prosperity and health of the entire industry than that of residential rental housing.

Rent control within the current legislation is overly restricted and unjustifiably provided equally to all Islanders, instead of just those in need. Housing providers are operating in an environment that legislatively limits their income with no protection against rising expenses and liabilities. Extremely restrictive rent control causes great economic hardship for rental housing providers and forces the Government to invest millions of taxpayer dollars in new housing to compensate for the failing private sector that has had its economic viability dissolve with the proclamation of the Residential Tenancy Act in 2023.

Key issues being faced by Island housing providers involve:

1. Housing providers must be able to set rental rates that run with the tenant, based on the rental agreement, and not with the rental unit.
2. * Housing providers must be able to set reasonable rental rates in existing vacant units.
3. * Housing providers must be able to maintain reasonable rental rates in existing occupied units.
4. Housing providers must be able to maintain long term financial feasibility - this is improbable with a capped allowable increase of 3%.
5. Housing providers must be able to maintain long term financial feasibility - this is unprobeable with a capped greater than allowable increase of 3%.

6. Housing providers must be able to raise the rental rate when it is deemed reasonable or justified by the Rental Office, IRAC or the tenant - this is impossible with a capped greater than allowable increase of 3%.
7. Housing providers must be able to recover costs for services added to the rental agreement and agreed to by the tenant - without an application to the director.
8. Housing providers must be able to convert from oil to electric utilities and recover their costs within a reasonable amount of time - this is impossible with a capped greater than allowable increase of 3%.
9. Housing providers must have greater protections and policies for greater security deposits to allow for pet friendly units.
10. Housing providers must have greater ability to raise rental rates to allow for the upgrade of services in mobile home parks to keep mobile home parks financially feasible.
11. Housing providers must have greater protections regarding fixed-term lease agreements.
12. IRAC / The Rental Office must have greater methods of accountability and enforcement regarding tenants who break lease agreements without just cause.
13. IRAC / The Rental Office must have greater methods of accountability and enforcement regarding tenants who are ordered to deliver payments to landlords.
14. Housing providers must be able to reset a rental rate after the rental unit has been owner occupied for a specified length of time.
15. Housing providers must be able to issue rapid "just cause" evictions for extreme situations where tenants are causing immediate and severe damage to property or persons.
16. IRAC and the Rental Office must have clear mandates which are well defined, transparent and apparent to both landlord and tenant.
17. Greater transparency and impartiality with both Rental Office and IRAC decisions.
18. A new form of adjudication that can better serve tenants and landlords separately.
19. The Rental Office must operate independently from IRAC ensuring an arms-length relationship to ensure transparency and impartiality in decision making.

Our association represents more than 60 housing providers offering over 4,000 rental units to Island families. As a large segment of the rental housing industry RRAP feels it is necessary to review the Act and bring forth amendments that increase the long-term financial feasibility of operating rental housing on PEI. The current situation is untenable for many housing providers and the RRAP would appreciate further discussions to encourage a balanced piece of legislation that will apply fairly to both landlords and tenants.

The Residential Rental Association of PEI would be pleased to make a presentation to the Standing Committee and answer questions related to the points raised in this letter. We look forward to hearing from you.

Thank you,

RRAP

* Reasonable rental rates may be determined based on one or more of the following conditions:

1. Rental rates for comparable rental units.

2. Rental rate based on affordability criteria as defined by CMHC as 30% of median household income.
3. Rental rates based on size of the rental unit.
4. Rental rate determined by IRAC based on CPI and published within the regulations annually.
5. Other.