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# DEBATES and PROCEEDINGS

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### **Bill No. 150 – *The Residential Tenancies Amendment Act, 2014***

**Mr. Forbes:** Thank you very much, Mr. Deputy Speaker. It's a pleasure to stand today and enter into the debate on Bill No. 150, *An Act to amend The Residential Tenancies Act, 2006*. This is an important piece of legislation, and it's an important one that we get right.

Really this Act speaks to the balance of power of those who are in a situation where they're renting their housing, a basic human need, and those who are in the business of renting those properties out. So we need to get the balance of power right. We need to make sure that the interests of the owner, the business, is considered, and that they have their rights protected. Clearly it's important this important function that we know around the world is thriving and alive and is well. That's a critical, critical point. But at the same time, the other point of the balance of power are those tenants, the ones who are actually renting something that is so, so, so important to health and well-being. It's critical that we recognize that.

Now we know tenants come in various ways, whether they are in extreme poverty; whether they are actually escaping family abuse, domestic abuse; right to the very, very wealthy. And we just get amazed at what people can afford to pay for rent. But it is the world in which we live in which many people can afford certain things that are their choices.

And the same can be said on the other side when you come to the landlords. Landlords come in a wide range as well: those who are just the mom and pop operation, not really professional in it, but have decided that this is a good way to invest some money to buy a second home and rent it out once. Maybe they did it for a child maybe who's going to university or a post-secondary institution and then decided that they would continue on because of the stream of income that was a good one. Maybe it was a handyman who decided that he was a bit of a fixer-upper and didn't mind looking after a few houses and getting some rent, and that's an important thing. Or somebody just renting out a basement

suite. We see now, we hear about granny suites. We see all sorts of different arrangements for housing, and some of them are very interesting. And some really meet unique needs of tenants, and we sure appreciate that.

And of course we go to the multi-national landlords, the REITs [real estate investment trust], the residential e-i-t income trusts. I'm not sure what the "e" stands for, but these are large conglomerates who made it their business to enter into this kind of market. And we really respect that, very important. And we've seen that change in Saskatchewan in the last 8 or 10 years where we've seen some of the large properties being bought up in all our cities, in all our communities. And really now it would be very interesting actually . . . And I don't know, this would be an interesting thing, and we'll have a chance to ask in committee as this kind of bill generates many, many questions.

But one of the questions is do we know what kind of concentration we have in terms of landlord concentration in Saskatchewan? We know for example that one of the biggest landlords, if not the very biggest of course, is Sask Housing. But I think that it's important that we do get this balance right, and we do understand that this is a basic human need. This is not an extra; housing is critical. Housing is very critical.

Likewise, we recognize the landlord's investment is significant. These are not small investments that you can just walk away from. You clearly have to have some ground rules that meet both the tenants and the landlords. And so when we take a look at a bill like this, we want to make sure we get it right.

Now I see that the minister — and I will talk a little bit about his comments in a few minutes — does talk a bit about what drove some of the recommendations. But I would like to challenge him and the folks in the Ministry of Justice as to how can they do . . . How do they feel about the consultations?

We've not heard much on this side from different community groups or others. Sometimes we worry about that because we worry that maybe people are a little afraid of coming forward. You know, you don't want to put yourself in a precarious position because you've put an idea forward that might challenge somebody. It's not meant to hurt or tip that balance of power as I say, but it might be a better idea, a better way to fix the mousetrap so to speak. But in fact, there might be repercussions, and they would say, I'd rather not say because I just want to keep my head low and not antagonize anybody. And that way, I can keep paying my rent, and all I want to do is make sure my rent doesn't go up.

And of course we know what we've seen in Saskatchewan in terms of rents and what they used to be and what they are now. The big question of course is around affordability, and that's a big, big challenge. And of course, we've talked many times on this floor about *The Residential Tenancies Act* and the weaknesses in it to really protect the affordability of rental units.

And so it's really, it's a concern because quite often we'll have this government say that in fact it feels the housing situation is quite well; in fact it's thriving. And really we have

to challenge it, challenge them on that because we really don't know.

They will point, they will point to the vacancy rate that the Canadian Mortgage and Housing Corporation, CMHC, releases twice a year and say look, it's over 3 per cent or it's floating around 3 per cent. Fair enough. That is one indicator, but it's not a very strong indicator. And in fact, in many ways if you just take it by itself, it can be really misleading. And we know that; we can go on at length about stats that are misleading.

And probably that is one of the worst misleading stats when people use that to say this is a healthy housing marketplace, though it just tells us the vacancy rate. You know, you've got to be clear; it tells us what the vacancy rate is. And even when they start to average it out . . . You know, I was just at a CMHC housing conference when they do their housing outlook. It was just a few weeks ago here in Regina. And of course there's many concerns about the rental market, but one of them . . . obviously we talk a lot about vacancy rates.

And then you can drill down into different areas of the cities and you can say, so why is it, for example, on the west side of Saskatoon, the vacancy rate floats around 6 per cent? Why is that? Why is that? And people would say, well it must be a very good housing market. Well actually it's not because the question is it's because of affordability. People cannot afford to have their own units so they double up and that means a lot of units are left open. And that's a real tragedy that people can't afford their own place.

Now it's not just a vanity thing that we all want to have our own place. We know and we know that there's much research in terms of housing and how important it is to have adequate housing that fits your family. And if you have three children and a single or a household headed by two people, you know, you need more than one bedroom. You need to have more than one bedroom, but once we started to get into two- or three-bedroom houses or rental units, all of a sudden the price starts to go way up, and you have some real, real challenges.

So you have affordability and CMHC has done a little bit of work in this area but clearly not enough. And we think this is a problem both of the federal government and the provincial government, and it shows up in *The Residential Tenancies Act* that we really don't know what's going on with the rental marketplace as much as we should. We don't know how affordable it really is for families, especially those who are in low income or mid income who are hoping to save money so they can now enter into buying a house that is affordable to them. And this is a big, big challenge.

The third dimension of good housing stats really is around the core housing need. Now as I said, when you get into the west side of Saskatoon for example, the housing vacancy rate is higher than 3 per cent. I believe it's in the 5's per cent. But it could be because of affordability. It could be because people just can't afford to have a place on their own.

The other reason that unit may be vacant, other than being too expensive, it's just too run down. It may be a place nobody would live in, but it's still on the marketplace because we know that people, if they're forced to, may have to live in a place that is below

standards, below standards in terms of adequate space for their family, adequate heating, which is a big deal in Saskatchewan, you know. When we get into winter, you don't want to have windows that are super drafty.

It's very important that we have good heating, a good structural building in place, all of those things, good water, adequate water so people can bathe. They can use the toilets. They can use the water to cook. We want to make sure it's not problems with the plumbing that's maybe causing health problems. These are all issues.

And so we don't have that data, and we really need to have some good, solid data. And when the government hangs its hat on vacancy rates and says, listen, the housing problem now is solved. It's at 3 per cent. Everything is A-okay. No it's not. And we owe it, we owe it to people to make sure they have good, safe, affordable housing. It's not just a saying, but we want to make sure the housing is safe.

And of course clearly in Saskatchewan, you know, we've seen this over the last few weeks, but the story is much longer, much longer when we talk about fires in homes. And whether we're talking on First Nation reserves, that's a big, big issue. But I can tell you in my own riding of Saskatoon Centre, when we have house fires, it's a pretty serious issue. The housing stock in my area is older and sometimes in tough shape, and we have issues. And I do need to say that the inspectors from Saskatoon fire service have done an outstanding job of making sure homes that aren't fit to live in are actually placarded and people are no longer in those homes.

But we've had many, many situations, and it's very sad because I can tell you of fires on Avenue E in Saskatoon. Actually it was 400 block South and 400 block North one winter where young families, two houses, people died. And they were rental properties and it was this tragic . . . One situation where smoke detectors were not in place. And the progress we've made in smoke detectors now, I know I might get off topic if I start to talk about some of the new smoke detectors, but clearly, clearly this is an important issue.

And you know, Mr. Deputy Speaker, this is a critical issue because I know that we, both sides of the House, did meet with firefighters, the international association of professional firefighters in December, November-December, to talk about how we can have safer homes in our communities.

So all of this ties back to making sure the balance of power is at the right point, the right point so that we are as a government building, creating, sustaining the kind of society that we want in our communities right across this province. And this bill, this Act, *The Residential Tenancies Act* is a main, main tool. It's a main, main tool, and so we have to get it right. And so when we wash our hands of housing responsibilities and say, ah, everything's A-okay; we're just tweaking here. No, I've got to tell you, we've got a long, long way to go, and we'll have more questions about this in committee.

But I have a bit more to say about this bill because I think there's some really interesting quirks in it that I don't quite understand about how we got to this place here today with the bill before us. And I know we can go at length on this, but I do want to make sure that

if some people did not hear me talk about consultation, that how important consultation is, and we've got to do it in a safe, safe way. Because we know, for example, the landlords have the Landlords Association. Fair enough, many groups of professionals have associations. We applaud that. We think that's quite appropriate, no issues with that. But we know that there is no equivalent for tenants. And it's a very difficult situation, particularly those who are most vulnerable or in a very precarious position where they feel like they just want to keep their head down and get the rent paid and stay on the good side of a landlord, and that's very, very important.

But we know that there are challenges out there. We know there are challenges out there. So we want to emphasize how important it is in terms of consultation.

But, Mr. Deputy Speaker, one of the areas . . . This looks like a bill that's relatively straightforward, and I'll get into the minister's remarks in a few minutes, but I do want to talk a little bit about just to . . . And I think I may end up coming back to this a couple of times because I do want to underline how important some of the language is.

And you know, Mr. Deputy Speaker, I think I gave one of my better speeches early in November about how important language is in our legislation, how important it is to be consistent, and how important it is to mean what you say and say what you mean and create the legislation around that. Once you start to . . . I mean maybe the housing metaphor is like a . . . We see this with problems, and people fix roofs on houses and they just patch and patch and obviously you don't know where the real roof is and sometimes it's better to pull the whole thing back and roof it the right way and make sure it's all done right.

But here are the two pieces that I find really kind of interesting. Now the first one calls for section 2 being amended this way: 3, section 2 amended, 3(b) by adding the following clause after (e), (e.1), and I'm quoting:

**'housing program'** means a program offered pursuant to an Act or an Act of the Parliament of Canada that provides rental living accommodation to individuals during their participation in this program"; **and**

So they've added a new definition in there. And I checked: what does this really mean? It means they're defining what the word "housing program" means and some list of definitions in *The Residential Tenancies Act, 2006*. So that one's really straightforward. So what they're really just talking about is housing program means a program offered by, pursuant to an Act or an Act of the Parliament of Canada, so it's a federal piece of programming that provides rental living accommodation to individuals during that participation program. Seems relatively straightforward. So we need to know more about that. What does that mean? What caused this to come forward?

But then further on down the road, section 58 is amended. Section 58 is amended and:

**12(1) Subsection 58(1) is amended . . .**

**(b) in clause (1) by striking out "social housing program as defined in the**

regulations” **and substituting** “housing program”.

So what does that mean? What does it mean to be moving out of social housing? What does that allow the government then to do? You know, and I think this is a very interesting thing and I have questions about that because of course we’ve seen some changes in the Minister of Social Services, what she has done recently, where she has effectively ended affordable housing in our large cities, saying everything now will be social housing for Sask Housing units. But here you have a situation where *The Residential Tenancies Act* is being amended by taking out the words “social housing.” So in legislation we’ve now got rid of the words “social housing” and all that it means.

And I think this is an important thing when we think about, you know, we’ve seen over the past many years a lot of housing summits and a lot of speakers get up and they talk about the housing continuum and what does that . . . And we see how people move through that. Not everybody starts at one end and goes to the other end, but they travel along the continuum in many ways.

And whether you start at one end where we know where people’s super basic needs are being met, safe houses or shelters, that type of thing, fleeing from abuse to social housing, and then you get into affordable rental housing and then you get into the marketplace, market rents, and then from there people may end up staying there. And they may find that rental is the thing that they want to do, so they may end up staying there and that might be good. That may be what they do for the rest of their lives. Or they may be there to save money and move into home ownership, and then you get into what all that means, whether that’s condos or whether that’s semi-detached housing, that type of thing. Or you then get into seniors’ housing.

But we saw a change in government policy this January which really left a lot of questions, and of course we will look forward to estimates, about what does that really mean. People were confused about what that really means. And of course the government at the time talked about, and the minister at the time talked about how she really wanted to meet the needs of those most in need. And I think we can all support that. We can all get behind . . . Those in most need clearly need it most and so let’s get behind that. But that doesn’t mean the government can only juggle with one ball in the air. You can do other things. You can look at that housing continuum. We can look at shelters. We can look at social housing. We can look at affordable housing.

And that is the role of government, and along that way we can see that. But we’ve seen what this government really does think. We know, for example, the minister in the fall talked about how she didn’t really think there were these desperate, homeless people. And clearly that was a thing that she then thought a little bit more about and made some further comments to that effect. But then we saw Lloydminster. The candidate then, soon to become the MLA up there, had the same feelings about affordable housing. The government had no role in that. And clearly she wanted to clarify her remarks because she let it slip what she really, maybe she really felt.

And we have some real problems with that because we think the government has a clear

responsibility when it comes to housing and making sure people have good, safe housing. And as I keep saying — I keep coming back to this — that really this is the issue when we talk about *The Residential Tenancies Act*. This is the one tool people are counting on to make sure their rights are protected because they're in . . . [inaudible] . . . very vulnerable position where they don't know.

But I was really concerned about what the minister had talked about in terms of the social housing and affordable housing because we've seen over the past couple of years a lot of confusion in terms of Sask Housing. Because people actually appreciate Sask Housing and they do because it's safe, it's stable and affordable and predictable and, generally speaking, the landlord is a pretty good landlord.

But clearly people have questions because when you change the rules and you're not explaining them very well or you get into a bit of what this government likes to get into, a bit of baffle-gab and not meaning what it says but really trying to confuse people, people really worry about that — really worry about that. And we see real concerns by some of the tenants who've come forward, and we had to explain that they may have some legitimate questions or no, they're actually okay. But we need to really do better than that. I think the government needs to do better than that.

But you know, I want to talk a bit about when we see the elimination of affordable housing from Sask Housing. We have some serious concerns about what that really means for the government's intention. You know, for example, last August, August 26, we got this press release from the federal government and the Government of Saskatchewan about a \$92 million investment in affordable housing, and this was an extension to the Investment in Affordable Housing Agreement. We thought this is great but we thought at the time, so where's the plan? Where is the plan? We're still, you know, several months later wondering, where is the plan? And we see this language being changed in *The Residential Tenancies Act* where, you know, in January we got rid of affordable housing. Now we're getting rid of the words "social housing." What is the government up to?

And I think a lot of people have a lot of questions, and we really want to know what is up. What is the real vision of this government when it comes to providing safe, affordable housing for those in the rental markets? We think this is a big, big concern. And we know that this government, it can manufacture numbers that would really seem to indicate that they're doing a lot of investment, but we know, for example, Sask Housing itself, and I'd like to see the minister produce numbers, but when we ask for it in questions we get stonewalled and we won't get answers back, but what has Sask Housing built themselves in the last several years? What have they built themselves? You know, we just haven't seen that. We've seen partnerships with other groups, and that's fair enough. That's good, and that's a good way to leverage money. But what is Sask Housing doing themselves about their own housing stock?

Other than, you know, of course we saw the fixed-price Deveraux fiasco last fall where the minister allowed a private company just to walk away from a fixed-price contract, over \$400,000, and where, you know, it's unanimous from all sorts of points of view,

that's a bad business practice to get into, to allow people to walk away from a fixed-price contract because it gives all sorts of bad signals, bad signals to the marketplace. And you know, this is a time where the government had to have a little spine, had to stand up and say, you've got to build those units, those 48 units. You've got to build them. The contract is this. And now we see that the government really doesn't have a spine and really caved in, really caved in.

This is a problem. And so here we have it and I think this is a critical piece where we see, what does the legislation really, really mean and what will be the impact of programs like this for the \$92 million? Now the government will say, don't worry; we've got it covered. We'll be able to use that money. But we're wondering what for. Will it be used for affordable housing? Or will it be used for something else under the guise of affordable housing and not really meet the needs of tenants who are looking at the price of rental that's way, way out of line?

And so we have some real deep concerns about that, Mr. Deputy Speaker, because we know that the minister and some of the others in the backbenches have let it slip. They don't really believe the government should be in this market. They really believe they just should step back and let the marketplace have its way and they'll hang their hat on the vacancy rate, which is no indication of what's really happening in rental housing at all because, as I said, it doesn't measure affordability and it doesn't measure core housing need, two very important dimensions to providing safe, good, affordable housing for our citizens here in Saskatchewan. So there is some real challenges here and, as I said, the consultation piece is pretty critical.

So I want to take a minute and take a look at what the minister had to say when he introduced this back in November, and he thought it was an important piece of legislation. And some of it is fair and we think it's worth getting behind. Talks about "Some proposals benefit tenants specifically, such as . . . expanding the time for claiming the return on a security deposit from 120 days to two years." And you know, it's interesting because this came out of some of the concerns, issues that were raised by the courts and landlords, some by tenants, in the Office of Residential Tenancies. And of course we'll have questions about that. Who did they consult with and what were some of the . . . What was left on the floor when they were making the piece of legislation? And I think this is important.

Another one is ". . . the benefit of tenants [apparently] is found in the amendment to section 60, which allows landlords to evict tenants if the landlord wishes to demolish or renovate the premises or has other uses . . . Currently the notice period is one month. The proposal is to extend it to two [months]." And so we'll see how far that goes. We know . . . And ". . . in situations of demolition or renovation, the landlord must always return the entire security deposit," which makes sense.

But we'll follow that as well because we know there's been certain circumstances where people have tried to circumvent the legislation. They get very creative in this and empty an apartment building if they're converting it to condos. In some ways the cities have stepped up with their own legislation to make sure that they have some control over that,

and that's very important.

Now landlords will be able to do some other things. It talks about tenants' use, occupancy, or maintenance of the premises or the tenants' use of services. Some rules may concern smoking or pets. Smoking is a really interesting one because this is a very important one that we see, and it will be interesting to hear from the Minister of Justice what this means in terms of, say for example the Sask Housing, how do they enforce smoking and what will be there? I think this is an important issue, and I think that we'll have some debate on this and this is really important.

The other thing for the landlords, the ability to evict tenants who violated municipal bylaws or fail to pay municipal charges, and we'll have to get more information about that. So this is really, really an interesting piece of legislation before us, and I know that we have lots of work to do today and I want it to get on the record that we think that what's really important when we do this type of legislation that we do have the balance of power and we do respect the fact that it's not easy for people to come forward and raise legitimate concerns.

And while the Office of Residential Tenancies I think does an admirable job, I think that ... It's not an officer of the legislature so we don't, people don't have the same protection as say going to the Ombudsman or the Children's Advocate. And I'm not advocating there is a limit to how many officers you can have. You can have a whole squadron I guess, but I do think that it's important that we need to look at how people feel free enough to speak about their concerns without of course, you know, without penalty of harassment through their house, their rental property, this is important. Of course we understand likewise for the landlord.

But I think it's important that we really consider the strength of the Residential Tenancies office, and are they arm's length enough to say, hey, this is a problem; we need to do more? Or do they feel all handcuffed because they do report to the Minister of Justice? We'll have that conversation. I think that's important to have some ways of being able to stand up for people.

As well I think it's important to stand up for the landlord. I think sometimes landlords feel they may get the raw end because we talk an awful lot about tenants, but clearly there's a lot more tenants than there are landlords so their stories come forward. But you know, we do hear. And you know as a few years ago, we see the rental market just explode and the shock of high rents. People may be getting a little used to it but the fact of the matter is they're still really high rents and they're still really unaffordable. And because of that, they cause all sorts of problems.

So with that, Mr. Speaker, I know we've got much work to do here today and I wanted to get a few comments on record about this piece of legislation. We will be asking many, many questions in committee on this because this is an important piece of legislation. I'll be asking about what the impact is on federal programs, what does that mean, and how we can ensure that the funding for housing programs, for affordable housing, really was affordable and not be siphoned off into other areas. That's critically, critically, critically

important.

So with that, Mr. Speaker, I would like to move adjournment of this bill. Thank you very much.