



SANDYCOVE ACRES
Home Owners'
ASSOCIATION

Your Voice In Our Community





WHY DOES MY RENT KEEP CHANGING?

A Home Owners' Association presentation

February 2018



A WORD ABOUT “RENT”

- We all speak about our monthly payment as “rent”
- In understanding the notices we receive from Parkbridge it is important to remember that the payment is actually “Rent” + “Property Tax”
- This presentation is intended to help you understand the three things that cause changes and to explore in some detail how the changes happen – the three are:
 - *Property Taxes*
 - *Guideline Increases*
 - *Above Guideline Increases*

PROPERTY TAX

- Property taxes are set by the Town of Innisfil based on [a] their budget & [b] the value of land and homes as assessed by the Municipal Property Assessment Corporation [MPAC]
- Parkbridge do NOT have to give a formal N1 notice as this is not a RENT increase
- Parkbridge pass these taxes on to us as follows:
 - *The tax on homes is passed on to all residents*
 - *The tax on land is passed on ONLY to those newer residents who signed their leases after Parkbridge changed the previous policy*
 - *For these residents the amount is calculated as a pro-rated amount – the total tax on all the land in the park divided by the number of homes*

A NOTE ABOUT MPAC

- Parkbridge have no control over MPAC assessments.
- MPAC re-assessed all our homes in 2017
- This may cause changes in your taxes – some residents have reported lower taxes for 2018, others have seen higher increases than normal
- Residents can query their individual assessment with MPAC

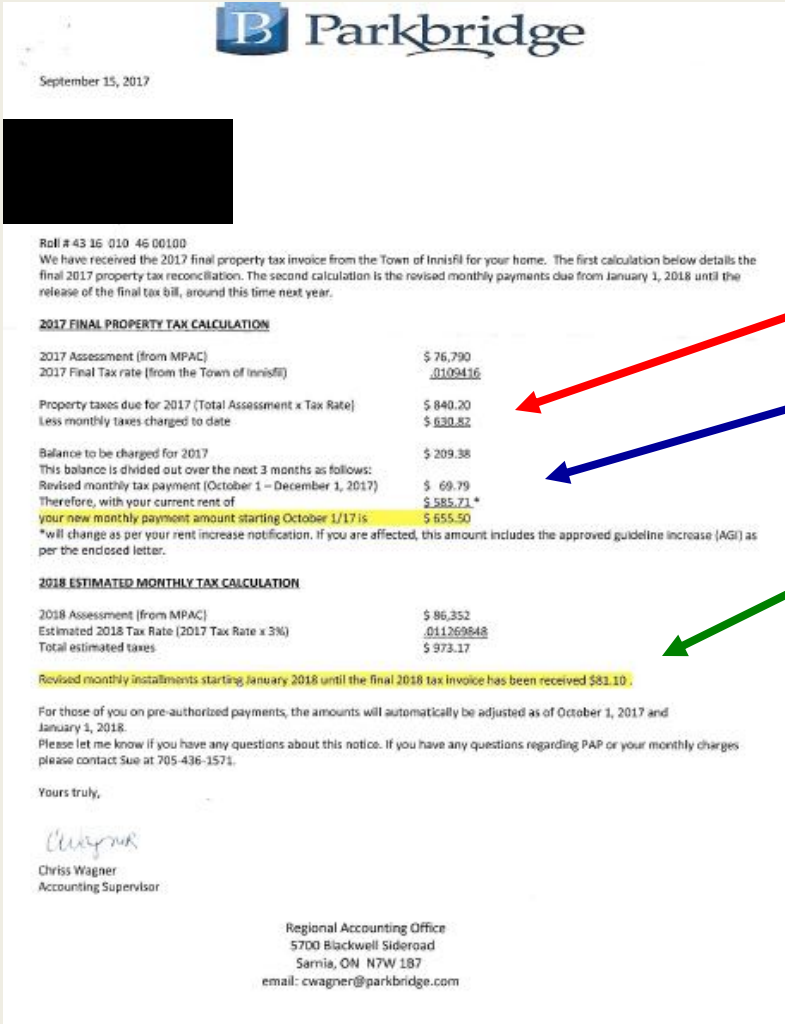
PROPERTY TAX [2]

- Property taxes are based on the calendar year – this means we started paying the 2018 taxes in January 2018
- However the Town of Innisfil does not have a final number until later in the year so the amount we pay starting in January is based on the Town's estimate.
- This means that when Parkbridge receive the final tax bill for the year our payments must be adjusted so that by the end of the year we have paid the correct amount

PROPERTY TAX [3]

- The adjustment is calculated by subtracting the amount paid in the first 9 months of the year from the year total and charging the balance in 3 equal instalments in October, November & December.
- This amount could be more or less than that in the first 9 months depending on the accuracy of the Town's estimate.
- The next slide shows an example of an actual notice

TYPICAL PROPERTY TAX NOTICE



- The red arrow shows 9 months at \$70.09 per months of the current year
- The blue arrow shows the adjusted amount of \$69.79 – in this example a reduced amount for the last 3 months of the current year
- The green arrow shows the ESTIMATED monthly tax for the following year

GUIDELINE INCREASES

- Set by the provincial government, the guideline increase is the maximum a landlord can increase tenants rent during a year without the approval of the Landlord and Tenant Board. It is capped at 2.5%. For 2018 the figure is 1.8%
- It is calculated using the Ontario Consumer Price Index, a Statistics Canada tool that measures inflation and economic conditions over a year. Data from June to May is used to determine the guideline for the following year

GUIDELINE INCREASES [2]

- Parkbridge must send you notice [Form N1] at least 90 days before the increase is to take effect
- The effective date is normally your “anniversary” date
- **Because this increase is permitted by the Residential Tenancies Act it can not be challenged**
- There are two variations of the Form N1 information depending on whether an Above Guideline Increase is also involved

GUIDELINE INCREASES – FORM N1

GUIDELINE ONLY

Notice of Rent Increase Form N1	
From: (Landlord's name and address)	
Parkbridge Lifestyle Communities Inc. o/s Sandycove Acres 908 Lockhart Road Innisfil, ON L9S 3G7	

Your New Rent

On January 01, 2018 your rent will increase to \$596.26 per month.

This rent includes the basic rent for your tenant unit, plus any amount you pay separately to your landlord for services.

Explanation of the Rent Increase

This is a rent increase of: \$10.55 per Month or 1.8%.

Shade one of the following:

This rent increase is less than or equal to the rent increase guideline and does not need approval by an order under the Residential Tenancies Act.

This rent increase is more than the rent increase guideline, but:

- The rent increase has been approved by an order under the Tenant Protection Act or the Residential Tenancies Act.
- The rent increase must be approved by an order under the Tenant Protection Act or the Residential Tenancies Act. I have applied to the Tribunal or the Board for a Rent Increase Above the Guideline.

Important Information about the Law:

- The landlord must give the tenant this notice at least 90 days before the date of the rent increase. A landlord may increase the rent if at least 12 months have passed since the last rent increase or since a new tenant moved into the rental unit. No Notice of Rent Increase is required where the landlord and tenant have signed an Agreement to Increase the Rent Above the Guideline (Form N10).
- A tenant does not have to sign a new lease when a fixed term tenancy ends. If the tenant decides not to sign a new lease, the tenant does not have to move, but the tenancy becomes "month-to-month". If a tenant plans to move, the tenant must notify the landlord on Form N9 (Tenant's Notice to Terminate the Tenancy) at least 60 days before the lease expires if the tenant has a fixed term of tenancy or 90 days before the end of a monthly or yearly rental period. The tenant must notify the landlord on Form N9 at least 28 days before the end of a weekly rental period.
- If the rent increase needs approval by an order under the Tenant Protection Act or the Residential Tenancies Act, the tenant is not required to pay more than the guideline increase until the order is issued. If the tenant only pays the guideline increase, the tenant may owe the landlord once the order is issued.
- If you have any questions about the law related to rent increases and how it applies to this notice, you can contact the Landlord and Tenant Board at 416-645-8080 or toll-free at 1-888-332-3234. Or 908 Lockhart Road you may also visit the Board's website at www.LTB.gov.on.ca for further information.

GUIDELINE + AGI

Form N1	
From: (Landlord's name and address)	
Parkbridge Lifestyle Communities Inc. o/s Sandycove Acres 908 Lockhart Road Innisfil, ON L9S 3G7	

Your New Rent

On March 01, 2018 your rent will increase to \$530.15 per month.

This rent includes the basic rent for your tenant unit, plus any amount you pay separately to your landlord for services.

Explanation of the Rent Increase

This is a rent increase of: \$17.41 per Month or 2.6%.

Shade one of the following:

This rent increase is less than or equal to the rent increase guideline and does not need approval by an order under the Residential Tenancies Act.

This rent increase is more than the rent increase guideline, but:

- The rent increase has been approved by an order under the Tenant Protection Act or the Residential Tenancies Act.
- The rent increase must be approved by an order under the Tenant Protection Act or the Residential Tenancies Act. I have applied to the Tribunal or the Board for a Rent Increase Above the Guideline.

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ABOVE GUIDELINE INCREASES

- The Residential Tenancies Act allows a Landlord to apply to the Landlord & Tenant Board for a rent increase in addition to the Guideline Increase
- The Act lays down very specific conditions about what can be claimed:
 - *An “extraordinary” increase in Property Taxes. Note that a similar provision for Utilities was cancelled by the 2017 “Rental Fairness Act”*
 - *“Eligible” Capital Expenditures*
- **IT IS NECESSARY TO UNDERSTAND THAT WHAT WE ALL USE AS EVERYDAY LANGUAGE IS NOT ALWAYS THE SAME AS WHAT THE ACT MEANS. WHAT YOU OR I MAY CALL MAINTENANCE CAN BE CONSIDERED “CAPITAL EXPENDITURE”**

ABOVE GUIDELINE INCREASES [2]

- As with Guideline Increases you must receive a Form N1 notification at least 90 days before the effective date
- Parkbridge issue the notices month by month for each anniversary month
- This does NOT mean that the increase will happen on that date because it is subject to being challenged at a Landlord & Tenant Board hearing
- In fact, Parkbridge do not charge the increase until the hearing takes place as their application may be refused or reduced
- **THIS HAS AN IMPORTANT POSSIBLE IMPACT ON YOU!**

AGI NOTIFICATION

Form N1

From: (Landlord's name and address)

Parkbridge Lifestyle Communities Inc.
 o/a Sandycove Acres
 908 Lockhart Road
 Innisfil, ON L9S 3G7

Your New Rent

On March 01, 2018 your rent will increase to \$530.15 per month.
 This rent includes the basic rent for your tenant unit, plus any amount you pay separately to your landlord for services.

Explanation of the Rent Increase

This is a rent increase of: \$17.61 per Month or 2.6%.

Shade one of the following:

This rent increase is less than or equal to the rent increase guideline and does not need approval by an order under the Residential Tenancies Act.


OR

This rent increase is more than the rent increase guideline, but:

- The rent increase has been approved by an order under the Tenant Protection Act or the Residential Tenancies Act.
- The rent increase must be approved by an order under the Tenant Protection Act or the Residential Tenancies Act. I have applied to the Tribunal or the Board for a Rent Increase Above the Guideline.

Important information about the Law:

- The landlord must give the tenant this notice at least 90 days before the date of the rent increase. A landlord may increase the rent if at least 12 months have passed since the last rent increase or since a new tenant moved into the rental unit. No Notice of Rent Increase is required where the landlord and tenant have signed an Agreement to Increase the Rent Above the Guideline (Form N10).
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- If the rent increase needs approval by an order under the Tenant Protection Act or the Residential Tenancies Act, the tenant is not required to pay more than the guideline increase until the order is issued. If the tenant only pays the guideline increase, the tenant may owe the landlord once the order is issued.
- If you have any questions about the law related to rent increases and how it applies to this notice, you can contact the Landlord and Tenant Board at 416-645-8080 or toll-free at 1-888-330-3234. Or you can visit the Board's website at www.LTB.gov.on.ca for further information.



November-7-17

RE: Explanation of attached N1 Notice of Rent Increase

Please review the attached N1 Notice of Rent Increase.

Here is a breakdown of what you need to know, and how the rent increase will affect you:

- A 1.8% Guideline Increase (GI) that has been set by the Ontario government has been added to your current rent effective **March 1, 2018**.
- Parkbridge has applied to the Tribunal for an Above Guideline Increase (AGI) for road paving, pool renovations, tree removal, replacement furniture, sound system in clubhouse and roof replacement. You may go online to: http://www.sito.gov.on.ca/documents/ltb/Brochure%20about%20AGI%20Applications%20EN%20Revised_Bill140_June15_2015.pdf
- The proposed AGI is 0.80%.
- You are not required to pay more than the GI until the hearing is completed and the order is issued. You will receive information about the hearing from Social Justice Tribunals Ontario (Landlord and Tenant Board) in the mail if the AGI is approved later than the effective rent date (**March 1, 2018** in your case), you will receive a subsequent letter from Parkbridge detailing any amounts owing.

Summary of Current and New charges:

Charge Description	Current Charges	New amounts with GI (1.8%)	New amounts with AGI (2.6%)
Rent	\$516.72	\$526.02	\$530.15
Property Tax	\$ 86.41	\$ 96.92	\$ 96.92
Total	\$603.13	\$622.94	\$627.07

We realize that this is new process for you and you will have questions. Please do not hesitate to contact me at your convenience if you have any questions or concerns, or require further information.

Yours truly,

Sue Edwards - Administrator

SANDYCOVE ACRES
908 Lockhart Road, Innisfil, On 705 436-1571

ABOVE GUIDELINE INCREASES [3]

- The Landlord & Tenant Board hearing process is now in two parts. In the first part the Landlord and Tenants are expected to try to come to a mutual agreement via mediation. If agreement is reached, an official “order” is issued some time later
- If agreement can not be reached then a hearing is held by an Adjudicator AT A LATER DATE
- If the Landlord’s application is granted – in whole or in part – an official “order” is issued at a later date
- Of course, if the application is refused, everything goes away

ABOVE GUIDELINE INCREASES [4]

- **If the application is granted – in whole or in part – IT IS EFFECTIVE RETROACTIVELY TO THE DATE AS GIVEN IN THE FORM N1 NOTICE**
- In the case of the previous Parkbridge application:
 - *It was 19 months after the first notification before the first stage took place*
 - *Had it gone to Adjudication it is probable that at least another 3 months would have passed*
 - *It takes at least 3 months for the “order” to be issued & for Parkbridge to process the necessary notifications*

ABOVE GUIDELINE INCREASES [5]

- This means that, for those who received the earliest notifications a lump sum amounting to TWO YEARS of the increase would have become payable
- If you feel that this could be a problem for you, you can ask Parkbridge to start charging the increase immediately. The Association does not make any recommendation about this – it is an individual decision
- If you choose to do this & the application is refused or reduced Parkbridge MUST credit you accordingly

ABOVE GUIDELINE INCREASES: Your Rights

- The Landlord must make the information & records about the application available to you if you so request
- You have the right to appear at the hearing to challenge **ALL** or **PART** of the requested increase
- If you wish you can authorize – **IN WRITING** – someone to appear on your behalf
- The Board's decision applies to **ALL** residents – not just those who appear at the hearing

ABOVE GUIDELINE INCREASES: What's Allowed To Be Claimed?

- The landlord did “**extraordinary**” or “**significant**” **renovations, repairs, replacements or new additions** that have an expected benefit of at least five years. Any such expenditures must have been completed & paid for in a defined time period before the application was made & may be considered as Capital Expenditures IF ELIGIBLE
- Extraordinary & Significant are not defined. There is room for argument
- The landlord's costs for municipal taxes have increased by an “**extraordinary**” amount – that is more than 50% above the Guideline Increase for that year

ABOVE GUIDELINE INCREASES: What's Allowed To Be Claimed [2]

- Capital Expenditures do NOT include:
 - *Routine or ordinary work*
 - *Regular maintenance work*
 - *Work that is considered substantially cosmetic in nature*
 - *Work that is designed to enhance the level of prestige or luxury offered by the complex*
- This is where the law and every day language differ. For example, filling a pothole is surely regular maintenance. Tearing up the whole road surface, changing drainage & then re-surfacing would most probably be considered significant & thus be a Capital Expenditure

ABOVE GUIDELINE INCREASES: Are All Capital Expenditures Eligible?

- A capital expenditure is **eligible** if it:
 - *Is necessary to protect or restore the physical integrity of the complex*
 - *Is necessary to maintain health, safety or housing standards*
 - *Is necessary to maintain plumbing, heating, mechanical, electrical, ventilation or air conditioning systems*
 - *Provides access to persons with disabilities*
 - *Promotes energy or water conservation*
 - *Maintains or improves the security of the complex*

CHALLENGING AN APPLICATION

- An application can be challenged if:
 - *The claim does not meet the eligibility provisions – especially “extraordinary” or “significant”. In some cases this may be a matter of opinion*
 - *The time limitations have not been met*
 - *The documentation is incomplete or inaccurate*
 - *There is an error in the application forms*
- **An application can NOT be challenged on the basis of the financial position of either the Landlord or the Tenant**

WHEN AN APPLICATION IS GRANTED

- When an application is granted – in whole or in part – an order is issued by the Landlord & Tenant Board and Parkbridge must issue a notice to residents giving the details

Parkbridge

September 19, 2017

[Redacted]

By now, you should have received the Order from the Landlord and Tenant Board for the above guideline increase (AGI). It has been ordered that the increase in rents, excluding guideline increases (GI), will be as follows:

- .25% for the period of March 1, 2016 to February 28, 2017 for road work
- .40% for the period of March 1, 2016 to February 28, 2017 property tax increases

2016 Rent charge of \$573.39 is the basis for the 2017 calculations. You have already been paying the guideline increase on this base amount for 2017. The 2017 AGI is now added to the rent charge you have already been paying for 2017. It has been calculated that the amounts owing for the Above Guideline since your first eligible rent increase in 2017 are as follows:

	2017	#of months	AGI due
Road work AGI	\$ 1.43	9	\$ 12.87
Property Tax AGI	\$ 2.29	9	\$ 20.61
Total amount owing for 2017 AGI(s)			\$ 33.48

If you are on a pre-authorized payment we will add the AGI due, \$33.48 to the November 1st payment. Otherwise, please mail your cheque or money order in the amount of \$33.48 to the Sandycove office no later than October 15, 2017. You can also call me, Sue at the Sandycove office to make payment arrangements.

Please be advised that with the AGI, the monthly rent due October 1st, 2017 is \$ until further notice. Below is the charge breakdown starting October 1, 2017. As usual, you will be given a 90 day notice of your next annual increase.

Rent	\$ 585.71
Property Taxes	\$ 69.79
Total	\$ 655.50

Please do not hesitate to contact our office at 705 436-1571 extension 6234 if you would like further clarification.

Yours truly,
Susan Edwards
Administrator

SANDYCOVE ACRES
90B Lockhart Road, Innisfil, ON L9S 3G7
Tel: (705) 436-1571 x 6234