

Renters priced out of homes

400% hikes leave tenants facing cold

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Tenants are being hit with "economic evictions" where huge rent increases are charged to move residents out of a building for condo conversions or renovations that allow owners to cash in on the city's soaring property market, government officials and residents believe.

Ron Brunt, 48, has been told his rent is going up almost 400 per cent from \$650 to \$2,500 a month as of May 1.

"We're pretty much bottom feeders. This is probably one of the last refuges for the little guy," said Brunt, who said he suffers from depression and is on a leave from work. With rental housing scarce, Brunt said he doesn't know where he will go.



CREDIT: Kelly Cryderman, Calgary Herald
Rent on Ron Brunt's small apartment is going from \$650 to \$2,500 on May 1.

Landlord Alnoor Kassam said it was a wrenching decision to raise rents in his Mount Royal lowrise on tenants such as Brunt.

"Morally, yes, it's very difficult what I am doing. I am not doing this with glee and joy," Kassam said. "I have a lot of concern, and my heart goes out to them."

In the end, he said, it's a business decision.

"The economics of buying the property and renting it out only work at those types of numbers," he said. "The property has deteriorated without any investment."

Calgary's vacancy rate is about 0.5 per cent. The pace of buildings being turned into condos has increased and the construction of new rental buildings has effectively ground to a halt.

"I do think there's a loophole. And the market is not working properly at the moment," said Madeleine King, the ward alderman. "Instinctively as Albertans we believe very, very strongly in the market economy. But there are times when we're all aware that it needs a bit of tweaking. And this is one of them."

Kassam acknowledges he anticipated that sharp rent increase, set to take effect May 1, would get tenants out quickly so renovations to turn the units into executive suites could go ahead. Kassam, who is planning a run for mayor in the municipal election this fall, will rent the furnished upscale suites for \$2,200 to \$3,000 per month.

What he is doing is perfectly legal. In Alberta, a landlord can raise the rent every six

months. There is no limit on the size of the increase.

The government requires landlords to give 180 days notice if they are going to evict tenants in order to convert the units into condominiums. But if the owners want residents out faster -- perhaps so renovations can get done more quickly -- they can jack up the rent with three months notice.

For instance, for a condominium conversion at Apartment Europe in Mission last summer, residents were told they had until Jan. 31 to move out, but their rent was skyrocketing to \$2,000 a month from \$595 as of Nov. 1.

The Alberta government has received half a dozen complaints of this happening in the past year, mostly from Calgary.

"What we're starting to see, especially in Calgary because of the low vacancy rate, is what appears to be 'economic evictions,' " said Eoin Kenny, a spokesman for Service Alberta. "We would take a very dim view if it could be proven that the landlord's ultimate goal was to clear the property out for condominiums."

But even if it's not for a condo conversion, the rent increase is going hit the 15 residents at Kassam's Beverly Anne apartments hard.

Most units have less than 500 square feet. They are only rented to single people. But they provide an important source of affordable housing and some residents -- including 79-year-old in-house caretaker Lloyd Robertson -- have been living there for 20 years.

"We're not the only ones that this has been done to. This has been done all over the city," Robertson said. "The problem is there's no housing for these people to go to. In a situation like this, I have no idea what these people are going to do."

Tenant Dave Morisset, 44, who makes his living selling sports collectibles and antiques, said he believes there should be rent controls in Alberta. "The housing market is insane, I think."

The situation could not occur in B.C. or Ontario, where rent controls are in place.

In B.C., landlords are limited to raising the rent of an occupied suite by two per cent a year, plus the cost of living index. In 2006, that meant a four per cent rental hike cap. Anything more requires agreement from the tenant, or a ruling from the Residential Tenancy Office.

In Ontario, the situation is much the same. Rent increases are limited to once a year based on the increase in the consumer price index. A landlord cannot evict tenants for the purpose of a condo conversion.

King said she wants the city to look at how other cities preserve rental stock, and for the city to get a legal opinion on whether it can do anything to prevent the rash of condo conversions.

In an interview Friday, Service Alberta Minister Lloyd Snelgrove said rent controls are a no-go.

"It just discourages landlords from building any new (units)," Snelgrove said. "It might seem a good thing for the person in that apartment at the time, but for the 2,000 people that are moving to town next month, there will be no buildings."

Snelgrove said no solutions will be found until Alberta's housing problems are clearly

identified. The minister said that will be done through the province's affordable housing task force, set to hold public meetings across the province this month.

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