

Livmore High Park Tenants' Association with GWLRA

Time and Location

Thursday, April 27, 10:30am, Clubhouse Business Centre (2nd floor)

Attendees

GWLRA: Todd Spencer (Vice-President, National Operations), Monica Silva (Director), Dinko Visnjevack (Property Manager)

LHPTA: Shondra, Cynthia, Hoosh, Celine, Ben

Initial Discussion

- Firstly, LHPTA (Celine) introduced members of the High Park Tenants' Association and informed GWLRA that the LHPTA would like to go through the letter that was delivered March 27th, 2023. Employees of GWLRA were then given the opportunity to introduce themselves and explain their role at GWLRA as well as their decision-making power.
- Monica Silva introduced herself as the Director of Operations for Toronto Central and she has been in property management for 15 years.
- Dinko Visnjevack introduced himself as the Property Manager for all four of the properties and has been with the company for over 5 years.
- Todd Spencer introduced himself as the Vice-President of National Operations for GWLRA Advisors Residential. He has been with the company for 8 years and he oversees approximately 40 properties and approximately 10,000 residential units across the country.
- Mr. Spencer proceeded to tell LHPTA members about GWLRA. He explained that GWLRA Advisory takes client money that is typically pension funds and invests those pension funds in multiple places that include real estate. The company manages four real estate classes which include office, retail, residential and industrial.
- As an advisory company they invest funds for provincial workers, civil servant pension funds, hydro worker pension funds, labour union pensions funds and the Canadian Real Estate pension fund and London Life. Mr. Spencer highlighted that they are very proud of the fact that their job is to help generate positive returns for Canadian pensioners.
- These two buildings are part of two separate funds which include the Canadian Real Estate Investment Fund and London Life.
- Mr. Spencer explained that given their role of managing these properties, they have a fiduciary responsibility and legal obligation to ensure that the investments remain profitable for the pensioners. GWLRA is happy that they are playing a role in the shortage supply of housing in Canada and the investors take huge financial risks to build buildings like these.
- Mr. Spencer then went on to explain that Livmore rents would be much higher if they were to go based on what the typical market rent is for High Park, but they chose to lower the rents. He also stated costs have gone up for labour, utilities and property taxes.

- Mr. Spencer also explained that they cannot discuss individual residents due to Canadian privacy concerns and therefore they cannot negotiate with LHPTA as a collective.
- After providing an overview, Mr. Spencer gave the opportunity for questions or comments to the LHPTA members.

LHPTA

- LHPTA (Cynthia) responded to Mr. Spencer to explain that LHPTA is not looking to discuss individual tenants' issues, but hoping to discuss at large collective agreements.

GWLRA

- Mr. Spencer explained that they cannot negotiate as a collective because each individual's economic situation is personal and private to them.

LHPTA

- LHPTA (Ben) proceeded to go through the demands set out in the letter and reiterated LHPTA's hope to discuss the tenancy at large.

Review of LHPTA Demands

Demand A: To ensure all tenants are treated equally and fairly, we demand that rent be capped at the same rate for each unit in any given calendar year, following the annual provincial guideline (i.e. 1.2% for 2022, 2.5% for 2023), and without the requirement for lease renewal. Rates of up to 14% place undue financial hardship on tenants and contribute to ongoing displacement of people from their home. This is counterproductive to alleviating the ongoing housing crisis in Toronto.

GWLRA

- Mr. Spencer explained that all units are not equal based on their size, their direction and layout. He explained that GWLRA uses a software called Yieldstar to generate what the returns should be. GWLRA has noticed that Yieldstar comes back with significant increases, but they have chosen not to adhere to the numbers provided. They choose to offer numbers that are more manageable for tenants.
- Mr. Spencer explained they cannot have a self-imposed rent control because they would be breaking the fiduciary responsibility and the law enables GWLRA to not operate as a rent-controlled building.
- Mr. Spencer explained that government has not enforced rent control because they want to spur more development given there is a massive shortage of supply and having buildings that are not rent controlled is a way to spur development. He explained that he recognizes for a period of time it will not be fun for everybody. Until the government is willing to make a change on this, these buildings will not be rent controlled.
- Mr. Spencer also explained that utilities went up as much as 30%. Mr. Spencer assured LHPTA that shareholders are briefed and aware of the rental increases.

LHPTA

- LHPTA (Cynthia) explained that they understand that this building is not rent controlled, but the position that GWLRA has taken is unaffordable for tenants, thus forcing people to pay higher prices or be displaced. LHPTA explained that shareholders may see themselves as contributing to the health of the community, but they are inadvertently harming these communities and pricing tenants out of their homes.
- LHPTA (Ben) explained that having a yearly cap that is communicated to all tenants for a specific calendar year would be important for tenants, moreover tenants have not seen any increase in services despite the rental increases.
- LHPTA (Cynthia) requested to know if shareholders are aware of the amounts rent is being increased and how it affects residents.
- LHPTA (Shondra) highlighted that while GWLRA has communicated with their investors regarding their decisions, they are not providing the same transparency to tenants that are choosing to rent with GWLRA and that their practices are misleading.

Demand B: We demand that any rent increases above the annual provincial guideline be reversed immediately, and any affected tenants be reimbursed for rent paid above the provincial guideline.

GWLRA

- Mr. Spencer explained that he has unfortunately the same response for Demand B. He repeated that GWLRA is operating within the legal provincial framework.
- Mr. Spencer explained that many people believe that one way to spur more development is to allow the market to determine what the rent should be, that during this period of time it is going to be very bumpy for everyone.
- Mr. Spencer continued to reiterate that GWLRA cannot self-impose rent control.
- Mr. Spencer explained that they are willing to move Livmore tenants to rent controlled units in the neighborhood. He stated tenants can speak to GWLRA on an individual basis.

LHPTA

- LHPTA (Ben) explained as individuals, we can't be expected to take one for the team. LHPTA (Ben/Cynthia) also explained that they don't feel comfortable that pension is built off the backs of people who are struggling to stay in their homes. Those unintended consequences, whether or not the shareholders are aware, are being felt by all of the tenants and that is why LHPTA would like to find a middle ground with GWLRA.
- LHPTA (Ben) confirmed the LHPTA will share with tenants the information shared by GWLRA

Demand C: We demand that GWLRA provide a written explanation for any increase in rent to all Livmore High Park tenants. This explanation should detail expenses such as major repairs or increases in security (etc.) to Livmore High Park that would justify a rent increase in a given year. This information should be presented in a manner consistent with evidence required before the Landlord and Tenant Board for an above-guideline rent increase.

GWLRA

- Todd Spencer said that vendor costs, etc. are obtained through a confidential RFP process and we cannot reveal vendor information for private competitive reasons.
- Mr. Spencer explained that the software should not be concerning as it takes into consideration market prices and stated that if they remove the software, the truth remains the same for the rental prices. They have a responsibility to achieve the highest rents possible.
- Mr. Spencer explained the reason rental prices have increased is that the rental prices are being set at market rate and expenses have increased by as much as 30%. Mr. Spencer stated moving forward that if a tenant asks for more information regarding their rent increase, GWLRA will clearly articulate the reason for the rental increase moving forward.
- Ms. Silva explained that they welcome a collaborative approach, especially now that there is a tenants' association. She requested to know how many members are registered in the tenants' association and how many residents are part of the board.
- Mr. Spencer explained at some properties tenants' associations share those that are registered and those that are not because not all tenants wish to be a part of a tenants association. He then requested to have a list of registered members in the LHPTA.

LHPTA

- LHPTA (Ben) explained that tenants are bewildered by these rental increases and are having to make very important decisions in their lives based off a number that is generated by software which is concerning.
- LHPTA (Cynthia) explained that GWLRA is affecting market rates given they are associated with numerous properties in the High Park area. LHPTA explains that when they state "they are bringing it to market rate", they are in fact stating we are bringing it to a rate they see fit which is a big concern. LHPTA (Cynthia) also explained that the software is not taking into consideration the decline in common areas such as the elevators, the hot tub, among other issues. LHPTA (Cynthia) pointed out that when they increase the rent for over 500 units, that it in fact increases the mean rate. LHPTA (Ben) explained that the market rate argument is not something that can win them over as tenants.
- LHPTA (Ben) requested that tenants receive the reasons for rental increases in detail, especially since tenants have received varying responses from staff regarding the reason for rental increases. LHPTA also requested that GWLRA be more proactive in providing this information to tenants instead of waiting until asked, especially given that not all tenants know their rights.
- LHPTA (Ben) informed GWLRA that the LHPTA is not willing to provide a list of registered members of the LHPTA at this time .

Demand D: We demand regular quarterly meetings with GWLRA management, to discuss and negotiate matters relevant to Livmore High Park Tenants, including, but not limited, to rent increases.

GWLRA:

- Mr. Spencer explained that GWLRA meets with tenants' associations regularly and they are willing to meet with LHPTA regularly as well.

- Ms. Silva explained that she will join Mr. Visnjevac on an ongoing basis until everyone is comfortable with how the meetings are being run for the LHPTA.

LHPTA:

- LHPTA (Ben) explained that these meetings need to be had with people that have decision making power at GWLRA.

Demand E: We demand that GWLRA acknowledge and stop the predatory, misleading sales tactics used by GWLRA, who promised tenants that rent would not increase above the provincial guideline and in so doing, induced them to enter into a lease agreement with GWLRA. On a go-forward basis, GWLRA will develop a written policy on its approach to rent increases and rent control for all of its buildings first occupied after November 15, 2018, will train its staff on its policy, and will ensure the policy is communicated clearly to all potential new tenants.

GWLRA

- Mr. Spencer explained that he does not believe that anyone behaved in a predatory manner and he has had some residents inform them that they understood that these buildings were not rent controlled. He explained that there is no point in debating the past such as “he said, she said”, but they are developing a rider letter/addendum for new tenants so it is very clear that it is not a rent controlled building. They are also developing training for their leasing agents.
- Todd Spencer said they would not provide the training materials as that is proprietary company material and would be of interest to other companies.
- Mr. Spencer confirmed that they will share the rider letter with the LHPTA and that it is already being drafted by a lawyer.
- Ms. Silva explained that this letter will likely be given to tenants when they apply so they have an understanding of what they are getting into as tenants.
- Mr. Spencer agreed that that strategy for renting could be interpreted as misleading, but objects to the word predatory.

LHPTA

- LHPTA (Ben) explained they would like a copy of the training materials as well as the rider letter (as noted above, Todd Spencer said GWLRA would not provide the training materials as that is proprietary company material and would be of interest to other companies).
- LHPTA (Shondra) explained that despite the fact that some tenants may have known that this building was not rent controlled, they were given misleading information regarding what the rental increases will look like. Many tenants were told the GWLRA wanted to keep tenants in the community so the rent increase would not be significant, but this is not the case given people are facing rental increases as much as 12%.

Demand F: We demand that GWLRA immediately stop issuing above guideline rent increases to tenants, and all deadlines related to issued rent increases are extended indefinitely, until our demands are met.

GWLRA:

- Mr. Spencer explained they have a simplified process for people that don't pay their rent. He stated the first time they send a reminder because they assume it is a mistake, but eventually it leads to an eviction process if people do not pay their rent. They informed LHPTA that they wanted to wait to send any letters until this meeting, but they stated they will start to issue these letters after the meeting.
- Mr. Spencer explained again that they are following their legal requirements to the letter whether it is to their benefit as a company or not. Mr. Spencer stated they have reduced the percentage to as low as 7% and by making tenants sign another lease it allows them to manage their cost. He explained that they were not required to do this.
- Mr. Spencer reiterated that they are unwilling to self-impose rent control and that they must ensure units are rented.
- Mr. Spencer explained that he does not want it to sound like a threat, but informed LHPTA if a resident was to vacate a residence, they can obtain 20% more. Mr. Spencer requested LHPTA to indicate what would be the appropriate percentage for a rental increase.
- Mr. Spencer stated these buildings' rental increases will fluctuate from year to year and that the rental increase could be another 8% or 10% next year. While he sees this as a legitimate concern for tenants, he thinks this is an issue that should be taken up with a government representative.

LHPTA

- LHPTA (Ben) explained that hundreds of people are waiting for the results of these conversations and LHPTA does not want people to feel pressured to make a decision until we reach a deal.
- LHPTA (Ben) explained that GWLRA's unwillingness to work with demand F is counterproductive, but they will ensure that tenants are aware they will receive a letter from GWLRA if they have not been paying their rent.
- LHPTA (Ben) explained that LHPTA is not disputing that GWLRA is following the law, but explained that just because they can increase the rent by any amount does not mean they should. LHPTA (Ben) explained the provincial limit for rent controlled buildings is 2.5% and that rental increases should be closer to this amount.
- LHPTA (Cynthia) explained that LHPTA is concerned for their neighbors and some people are in more precarious situations and unsure if they can commit to a year lease. LHPTA (Cynthia) explained it is important to take into consideration the lived experience of tenants and that GWLRA has an opportunity to stand out from other organizations and show they genuinely care about the well-being of their communities.
- LHPTA (Ben/Cynthia) explained that it sounds as if GWLRA is saying tenants should be grateful for the 7% rental increase. LHPTA stated they do not have a specific number but would like it to be less than 7% and GWLRA would be in a better position to work with them to determine a more appropriate number.
- LHPTA (Shondra) explained that it is concerning that tenants will not know what their yearly increase will be and it could change drastically from year to year, which does not allow tenants to plan for the future.
- LHPTA (Cynthia) explained that this issue has been brought to government representatives, but LHPTA was seeking to come to a solution specifically with GWLRA.

- LHPTA (Ben) explained that he sees himself as a long-term tenant, but if rent continues to increase by 10% every year it is hard to trust GWLRA.

Other issues

LHPTA

- LHPTA (Ben) explained one issue includes the lack of security and that there is only one security guard for six buildings. People were assured that security would increase. Security issues involve strangers entering the building, packages going missing and emergency personnel not being able to gain access to the building.
- LHPTA (Ben) explained another issue is the fact that elevators are often unavailable and tenants cannot access the stairwell.
- LHPTA (Celine) indicated tenants would like transparency when it comes to elevators being down and perhaps providing communication as it is an accessibility issue. Also, LHPTA (Celine) explained an internal business communication line would be helpful as it is not always efficient to use the GWLRA phone line or the online request form.
- LHPTA (Ben) informed GWLRA of a mechanical noise that is affecting the 15th floor of 55 Quebec.
- LHPTA (Hoosh) explained the issues with parking such as the parking door not opening and people entering who do not have parking privileges.

GWLRA

- Mr. Spencer explained that the level of security LHPTA is requesting is unaffordable for anybody and they have put in lockers to deal with stolen packages. Mr. Spencer stated he will look into the possibility of increasing security.
- Mr. Spencer admits that elevator repair has been an ongoing issue and they are doing everything they possibly can to fix these issues as quickly as possible. They also engaged a third-party consultancy company.
- Mr. Spencer agreed communication is important and they have been encouraging tenants to opt into GWLRA communication and they are currently working on other communication strategies. Mr. Spencer asked the LHPTA to encourage their members to join the e-mail list.
- Ms. Silva and Mr. Visnjevack explained that they will look into resolving the mechanical issue. Mr. Visnjevack also explained that hot tub repairs can take time due to the need to order parts and assured LHPTA that the pool and hot tub chlorine levels are checked three times a day as per city health guidelines requirements.

Review of Items Discussed

- At the end of the meeting LHPTA (Ben) reviewed items discussed with GWLRA.
 - Demand A: GWLRA is committed to their fiduciary duty and will not commit to any rent control. GWLRA is willing to work with tenants on an individual level to move them to a rent-controlled building in the neighbourhood.
 - Demand B: GWLRA is committed to their fiduciary duty and will not commit to matching rent increases to provincial guidelines for rent control.

- Demand C: GWLRA is willing to inform tenants why their rent has been increased and will ensure consistent responses. The primary reason for the rent increase is due to a 30% increase in costs to maintain the buildings and their desire to have tenants pay market rent to yield a profit.
- Demand D: GWLRA committed to schedule quarterly or monthly meetings with LHPTA. GWLRA also explained they would like an agenda in advance of these meetings.
- Demand E: GWLRA will produce a rider letter/addendum to future tenants who apply to live in these buildings to make it clear that there will be rental increases and the building is not rent controlled.
- Demand F: GWLRA will be starting to issue notices to people who have not paid the entirety of their rent.
- Maintenance issues: They are working on getting the maintenance issues resolved (ie. Elevators, mechanical issue on the 15th floor, pool and hot tub etc.)

Conclusion

- LHPTA confirmed that they will send the meeting minutes to GWLRA next week with a list of potential times to meet at the end of May.