

Student Housing Discussion Paper

Rental Accommodations Regulations Study



Maclaren Municipal Consulting Inc.

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1. Review Mandate

The City of Ottawa has retained Maclaren Municipal Consulting to complete a comprehensive analysis of Ottawa's rental accommodation regulations for the Emergency and Protective Services department. This study is limited to by-laws/ regulations for rental accommodations, excluding social housing, residential care homes, and long-term care homes. Land-use planning mechanisms and social programs will not be addressed through this report. However, any issues or opportunities identified in these areas will be referred to the appropriate authority through the inter-departmental Rental Accommodations Working Group established for this purpose.

This review is based upon the following guiding principles:

1. Health, Safety and Well-being of the Public: Maintaining consistent standards to preserve health and safety.
2. Protection of Property and Persons, including Consumer Protection: Considering how regulations influence the quality, availability, and affordability of rental accommodations.
3. Foster the economic and social well-being of the municipality.
4. Efficient, effective and sustainable enforcement.

The Review will examine regulation of:

- Short Term Rentals,
- Student Housing, and
- Private market housing conditions, in apartments and rooming houses.

This paper also discusses the current and potential future regulatory approach to Housing Conditions, in rooming houses and apartments. Two other discussion papers dealing with the other topics are also available at Ottawa.ca.

2. What's the problem with student housing?

What's the problem? It depends on who you ask. For students, top-of-mind issues are price and proximity to campus. For neighbours, it can be noise and nuisance. For the City, it is ensuring actions taken to address students' and neighbours' concerns don't compound the challenges facing students.

With vacancy rates low and rents increasing, students are finding it hard to find a unit they can afford that's close to campus. While some do confront problems with the quality or safety of their housing, in the first instance, it's more often a landlord-tenant issue rather than a property standards matter. (Landlord-tenant issues are provincially regulated, whereas property standards fall within municipal jurisdiction.)

For neighbours, having students living next door — in particular, too many students — gives rise to concerns about parties, parking, and pizza boxes littering the lawn. For those neighbourhoods adjacent to universities and colleges, high concentrations of student housing in low profile areas

that traditionally include family housing, with the annual churn of tenants coming and going, can undermine community cohesion and may affect property values.

For the purposes of this review, the City's interests are to ensure that existing or new regulations help to protect and respect neighbourhoods and all of their inhabitants. It has a variety of regulatory levers it can use, but given the complex and inter-related nature of the housing market, must ensure its efforts minimize the risk of unintended consequences causing problems for others.

3. Ottawa's Rental Market

Ottawa's population continues to grow faster than the supply of rental housing. CMHC calculates there were 8,800 additional households in 2018 while the supply of available units increased by only 527¹.

Immigration constitutes a significant portion of that growth, increasing by 13 per cent; while temporary residents, many of whom are international students, grew by 19 per cent². Both these groups are much more likely to be renters than owners.

Vacancy rates for bachelor, and two- and three-bedroom apartments — those most sought by students — are low and falling³. Average rents increased by 5.6 per cent from 2017; the sharpest increase in 17 years⁴, and much higher than the average rent increase guideline for Ontario (1.8 per cent) or the cost of living generally (2.3 per cent).

As well, the number of occupants per unit is increasing⁵ — at a time when the size of households is shrinking. Along with newcomer families, students may be responsible for an outsized portion of this trend, as more students share accommodations to pay the rent.

An analysis of the local rental market for the City of Ottawa projects that if trends continue without a course correction, the rental housing shortfall could grow to 19,000 units by 2031, with average rents increasing 41 per cent; this results in 25,000 more households living in unaffordable housing⁶. Part of the required "course correction" will come from the market responding to these factors as rental housing becomes a more attractive investment.

¹ Canada Mortgage and Housing Corporation, Rental Market Report Ottawa-Gatineau CMA (Ontario) 2018, 1.

² Ibid, 2.

³ Ibid. 1.

⁴ Ibid, 3.

⁵ Ibid. 3.

⁶ City of Ottawa, Rental Market Analysis Report, 2019, 5.

Within this broader context, the demand for student housing is less clear, and reliable data — both for forecasting demand and analyzing the sharing/secondary market — is scarce.

There are currently 100,950 full-time post-secondary students enrolled at Ottawa universities and colleges; half of whom live at home⁷. Further details by institution are provided in Appendix A.

Projected enrolment growth varies among institutions, and there is increased volatility as a result of changes to the policies and funding priorities of the provincial government, but enrolment growth is likely to be modest — one to two per cent per year, much lower than in recent years.

Particularly relevant to the rental market is the expectation that the greatest growth will be among international students, and those from outside Ottawa. Drawn to the quality, security and relative affordability of local universities and colleges — the apparent hostility in the U.S. to immigrants - this shift in the mix of students will accelerate demand for rental housing.

4. What are the housing options for students?

Student housing takes many forms and over the course of their studies, many students move from one form to another. It is common for students to start at home or in residence and then, as they develop a circle of friends and become more self-reliant, transition to ever more independent housing options. In Ottawa, half of university students, and a higher portion of college students, live with their parents.⁸

University residence

First-year students from out-of-town and local students seeking greater independence often opt for residence rooms on campus, with a full meal plan.

Renting a room off-campus

Ottawa universities don't have fraternity or sorority houses, so off-campus options include:

- renting a room through a Homestay program, facilitated by the university or college; often preferred by international students.
- renting a room or suite in a private home from an individual landlord who may share the home.
- renting a room in a 'bunkhouse' or group setting catering to students where each resident has their own room but shares baths and kitchens.
- sub-leasing a room from a student who has rented a house or an apartment.

⁷ Data supplied by local post-secondary institutions.

⁸ This echoes a broader trend where historically high proportions of young people live at home to the age of 29; reflecting both higher housing costs and more uncertain income prospects.

Renting a house or apartment

A group may rent a house or apartment collectively or a 'lead tenant' rents and then recruits other students to share costs and tasks.

Renting in private purpose-built student housing

Several new developments offer beds or studio apartments targeting students with special amenities.

Purchasing a house or condominium

While numbers are small, some students (or more often, their parents) purchase a townhouse or condo for the duration of their studies, often subleasing rooms to other students and normally selling the property upon graduation.

5. What are the key factors affecting housing choices for students?

Factors that impact student housing choices include price, proximity, safety, quality, community, amenities, and performance.

Price

Given high tuition fees, the advantages of remaining at home and saving on rent are obvious. Many students are struggling with mounting debt, relying on support from their families and loans to cover the largest part of their expenses⁹.

A room in residence is not inexpensive. But for first-year students, 17 — 19 years old, and normally guaranteed a place in residence as an inducement to confirm admission, a residence room with its oversight and 'wrap-around supports' has evident benefits.

But after first year, most students opt for less expensive housing off-campus, where despite tight markets and rising rents, they can find cheaper accommodation on their own or by sharing with other students¹⁰; while at the same time enjoying greater independence.

Proximity

Travel time to campus is a key factor for students. The desire for ready access to classes, the library, recreation and other campus facilities, means most students want to live within 30 minutes of campus, whether walking, biking or using transit. Campus parking is limited and expensive while transit passes are included in their school fees. This puts great pressure on the

⁹ 3ci and Carleton University Student Association, Housing Survey, 2017, 12.

¹⁰ Ibid, 10-11. Survey showed students were paying less than market rents with 90 per cent sharing accommodation and costs with other students.

neighbourhoods adjacent to campuses where vacancy rates are generally much lower than for the city as a whole, further increasing rents. The transit pass and transitway/light rail service to the campuses, however, extends the available range of neighbourhoods.

Safety

For women students in particular, but also for other students who may be vulnerable, safety is a key consideration in choosing among housing options. As with proximity, students will pay a premium for greater security and peace of mind. For LGBTQ+ students, Indigenous students and students from racialized and religious minorities, whether they be *nth* generation Canadian, more recent immigrants or international students, rising concerns about intolerance and targeted violence can have an impact on their housing choices.

Quality

Both students' physical and mental health is enhanced by good quality housing. The City of Ottawa data shows 18 per cent of property standards complaints relate to rental housing¹¹ ; also a Carleton University survey found almost one-fifth of students reported their current housing falls below their needs¹². Inadequate light or heat, presence of mold, poor plumbing and lack of privacy are common concerns. But given the tight market and high rents students are sometimes compelled to live in less than adequate conditions.

Community

Students generally are not looking to live on their own. So students from out-of-town or other countries generally live in residence for their first year and then, having got their bearings and made friendships, prefer to move off-campus, sharing accommodation — and costs — with others. Local students too, once they have potential roommates, are more likely to transition from home to independent living.

Amenities

While price, proximity, and safety trump other factors, students are also looking for housing that offers ready access to social outlets — coffee shops, fitness facilities, communal spaces — whether on-site or in the neighbourhood.

Performance

Housing choices have a significant impact on student achievement. Students living at home are most successful, with the highest retention, advancement and graduation rates, followed by students living in residence¹³. The experience of students living on their own or in shared

¹¹ City of Ottawa, Analysis of 3-1-1 calls

¹² 3ci and CUSA, 7.

¹³ According to Algonquin officials, the retention rate for residence students is 80-90 per cent while for off-campus students it falls to 70 per cent.

accommodation off-campus is less consistent. While residence dorms may have a reputation for parties, there are also greater social supports and better prospects for early intervention in promoting mental health.

Women Students

The majority — 56 per cent — of post-secondary students are **women**,¹⁴ yet much of the public concern about student housing seems to focus on the disruptive behaviour of groups of young men.

Special needs

For students living with **disabilities**, finding affordable, accessible, housing is particularly difficult. With many reliant on loans, bursaries and social assistance, the cost of a room in residence on top of tuition, and for some, attendant care, is a real hardship. Yet affordable, accessible housing in the private market is hard to find.¹⁵

International students are vulnerable to exploitation and intimidation. They may be unclear about Canadian standards and expectations. They may be unaware of avenues for redress — or lack confidence that officials will respond. They may be concerned their immigration status will be jeopardized were they to complain. Those who have not mastered English or French face communication barriers. And, while some come from wealthy backgrounds, many struggle to cover housing costs and living expenses, already paying much higher tuition fees.

Low-income students, **Indigenous** and **racialized** students, students with **families**, and students from **rural** communities and others can also face special barriers or increased vulnerabilities as they seek suitable, affordable housing.

6. Who are the key actors in the student housing market?

Half the 100,950 full-time post-secondary students in Ottawa live with their families; but for those living away from home, most live in residence or rent — often sharing with other students — in the private market.

Universities and Colleges

Local universities and colleges offer 9,270 residence beds¹⁶, giving priority to first-year students, recognizing the importance of secure housing to recruitment and retention.

¹⁴ <https://www150.statcan.gc.ca/n1/daily-quotidien/171207/dq171207c-eng.htm>

¹⁵ Carleton University Students Association, Accessibility Initiative Survey, 2017, 6.

¹⁶ Data supplied by local post-secondary institutions.

Information on the supply and demand for residence rooms, and additional information on the specifics of each post-secondary institution, can be found in Appendix A, *What's the housing situation at each school?*

Residences are self-funded and operate as a business, receiving no subsidy from government or the institution; recovering costs from fees and conference rentals.

As universities are provincially chartered, on-campus residences are largely beyond the purview of municipal by-law enforcement, with campus protective services handling most complaints.

Students living in residence are not covered by the Landlord-Tenant legislation, but rather abide by the rules of the educational institution, including a code of conduct.

Small scale landlords

A significant but uncertain number of students live in rooms, basement suites and attic lofts in private homes; sometimes sharing kitchen and bath; sometimes not. Landlords often share the house, deriving important income from the rental unit(s). Other landlords rent the house in its entirety to several students, individually or collectively. Owners of condominium units may also rent their unit to students.

Commercial landlords

Many students rent in low-rise, mid-rise, and high-rise apartment buildings in the private market, most often sharing the rent and utilities with other students. A large portion of these buildings were built 40 or more years ago¹⁷ and rents are generally less expensive.

The age of these buildings combined with increased pressure to maximize returns from real estate investment, means this housing stock is vulnerable to being removed from the student market as it is renovated and upgraded. That said, the natural churn of student tenants makes it easier for landlords to increase returns by raising rents from year to year, which may finance renewal and delay redevelopment pressures.

Bunkhouse owners

Some student housing landlords have maximized their return by building 'bunkhouses' that have skirted zoning restrictions and rooming house licensing. Zoning has restricted the number of units that could be built in some parts of Sandy Hill in particular, but not the size of the units. The definition of rooming houses allowed owners to rent individual rooms with shared access to kitchen and bath facilities to students, without being recognized as rooming houses. This resulted in buildings on quiet residential streets housing up to 20 students.

¹⁷ City of Ottawa Rental Market Analysis, 2019, shows 62 per cent in rental units in Ottawa are more than 40 years old

This gave rise to complaints about waste, noise, parking and other concerns, prompting the City to introduce changes to its Zoning By-law that makes further bunkhouse development illegal city-wide.

Purpose-built private student housing

There are new actors in the local student housing market — investors developing purpose-built rental units targeting students on a major scale. Arguing the traditional market did not cater to students, they see considerable potential for strong returns.

Over the past several years, new developments including Envie, 1Eleven, The Spire and Théo, are offering studio apartments and two-, three- and four-bedroom suites with marketing and amenities aimed at students. Envie and an adjacent condo tower, developed with the intention of sub-leasing to students, are new builds. The others are conversions — of an apartment hotel and church and office building. Each is close to a university campus.

Rents are generally comparable to residence fees or higher and, in some cases, investors are looking to colleges and universities to guarantee students/tenants. They often ask tenants to sign codes of conduct that mirror that of their school though tenants are covered by Landlord-Tenant legislation.

Unlike Waterloo¹⁸ with its trifecta of pressures — burgeoning demand, high portion of students from outside the community and high portion of international students — the Ottawa market for private purpose-built student housing is more modest.

7. Where are the concerns about student housing concentrated?

An analysis of all property standards calls to 3-1-1 related to rental housing shows there were fewer than 350 calls over a ten-year period that referenced students or were identified as from students¹⁹.

Half these calls arose from complaints about waste or debris, whether chronic or after spring move-out. Almost all remaining calls arose from concerns about one of three things — in equal numbers:

¹⁸ Waterloo has more than ten times Ottawa's supply of off-campus purpose-built student housing units (23,387 to serve 42,139 students from outside the region) compared to 4,481 for Toronto, 3,500 for London and 3,099 for Vancouver — and fewer than 2,000 in Ottawa.

¹⁹ City of Ottawa data.

- interior conditions of rental units; in particular mold, leaks, heat and safe egress. These complaints generally came from student tenants.
- exterior conditions of rental units; in particular maintenance and upkeep. These complaints came from students and neighbours.
- complaints about tall grass and noxious weeds. These complaints came almost exclusively from neighbours.

Complaints were concentrated in Rideau-Vanier and Capital wards, though even where they were most frequent, they averaged less than one per month over the ten years. But many calls from students or about student behaviours may not have included the word “student” in the description, and the City has undertaken a number of initiatives in response to community concerns that were seen as student related.

Neighbourhoods like Sandy Hill and the Glebe, are close to universities, but with their tree-lined streets, heritage homes, access to downtown and the Canal, cafes and restaurants, entertainment and cultural institutions, bike paths and parks, they also house wealthy homeowners, along with young families, students and, increasingly, tourists. Not surprisingly, competing interests can clash. Students bring diversity and dynamism to neighbourhoods but they inevitably entail some churn and some immature behaviour.

Sandy Hill

Issues related to student housing have been most acute in Sandy Hill, which has a low and falling vacancy rate (1.2 per cent) and high average rents (\$1,235). Most of the City’s stock of bunkhouses is located in the low-profile streets adjacent to uOttawa. With some having up to 20 beds, overcrowding²⁰ has compounded problems of waste disposal and noise. Some of the purpose built, private sector student housing has also been built in Sandy Hill, particularly on Laurier and Rideau Streets.

Old Ottawa South and The Glebe

Old Ottawa South and the Glebe have the lowest vacancy rates in the City (0.5) with 0.0 per cent vacancy rates for bachelor and three-bedroom apartments. Average rents are among the highest (\$1,251)²¹. Here, too, you can find bunkhouses which house many students, generating an outsized portion of complaints.

²⁰ In Sandy Hill, as in other neighbourhoods with a high concentration of students in Ottawa, there is no evidence of overcrowding in the sense of number of persons per bedroom. Rather problems have arisen as a result of the number of bedrooms per building.

²¹ Canada Mortgage and Housing Corporation, op. cit., 9.

Cityview/Centrepointe

In the neighbourhoods closer to Algonquin College, students don't constitute as much of the resident mix and housing pressures are not so acute. Vacancy rates are falling but above average for the City and rents, while rising, remain lower than average²², averaging \$1,209²³. However, the neighbourhoods were developed for families making the transition to a more diverse household type contrast with neighbour or community expectations.

Emerging neighbourhoods

New pedestrian bridges over the canal and river have extended uOttawa's impact in Centretown and Overbrook, and other neighbourhoods near post-secondary institutions feel their impact, though less than the immediate neighbourhoods identified above. New rapid transit routes will extend the range of neighbourhoods with ready access to university campuses, expanding the pool of affordable housing attractive to students and perhaps relieving some of the pressures on neighbourhoods closer to campus.

8. What role has the City played in regulating student housing?

Municipalities can regulate uses but not users. Human rights legislation and court rulings bar the City from writing by-laws that discriminate against — or benefit — particular groups, such as young people, and therefore students. So students are subject to the same requirements — and afforded the same protections²⁴ — as other residents. For example, the City's Zoning By-law cannot distinguish between families and groups of co-tenants or roommates.

The City does not regulate university and college residences (which operate under the institution's Provincial Charter). However, it does have a number of by-laws aimed at improving housing conditions in the community, including those of students:

- The Building By-law requires all proposed buildings or renovations meet the provisions and minimum standards of the Ontario Building Code before a permit can be issued.
- The Property Standards By-law sets standards which buildings, including residential buildings, must meet on an ongoing basis. The owner is required to repair and maintain the property and the occupant is required to maintain cleanliness and sanitary conditions. The By-law regulates both the condition of the yard and the exterior of the building; as well as conditions inside the building.
- The Property Maintenance By-law regulates the clearing and cleaning of refuse, debris, and snow and ice from all properties.

²² Canada Mortgage and Housing Corporation, op. cit., 9.

²³ City of Ottawa Rental Market Analysis, op. cit., 27.

²⁴ With the exception of those living in residence, students are afforded the same protections and remedies as other tenants under the Residential Tenancies Act and the Rental Fairness Act. Students are also protected by the provisions of the Ontario Human Rights Code.

- The Heat By-law requires rental accommodation be maintained at an adequate temperature at all times.
- The Solid Waste Management By-law sets out the level of service for collection of solid waste and recyclables, and indicates which types of buildings will receive service and which must arrange their own waste disposal.
- The Noise By-law regulates making noise that disturbs neighbours, including other tenants.
- The Zoning By-law regulates where various types of uses are permitted on a lot as well as the shape (built form), location, and distribution of buildings and other features on the lot. There are no zoning regulations that require or prohibit rental accommodation in particular areas, and any residential property may be occupied by the owner, or by one or more tenants.
- The Licensing By-Law licenses a number of businesses, including rooming houses.

By-law enforcement is complaint-driven, with inspections and enforcement orders sparked by service requests from residents. As noted above, the number of calls to 3-1-1 that reference students is relatively low — fewer than 350 over the past ten years. However, other complaints may come from students or be about students without referencing that fact.

Many concerns and complaints related to student housing arise from bunkhouses, the multi-unit, multi-bedroom, low-rise developments that predominantly cater to students. While the City licenses rooming houses, bunkhouse operators claim they are renting large apartments, not rooming houses, and do not require a license.

This has given rise to anomalies with respect to waste collection, for example. While apartment buildings are required to have adequate waste storage facilities for the number of households involved, bunk houses had relatively few “units” in them. A rooming house owner is required to contract with a private firm to collect waste while a bunkhouse receives service like any other private dwelling — even if, with up to 20 beds, they are unlikely to respect the limit of six bags per collection per household.

This past year the City initiated a number of changes to deal with bunkhouses and related issues. It revised its Zoning By-law to clarify the definitions of dwelling unit (occupied by a single household who live together as a household and make collective decisions about the interior of the unit) and rooming house (any unit with more than eight rooms, or not occupied by a single housekeeping unit). It also imposed a limit on the number of bedrooms per dwelling unit (4). These changes apply city-wide and will prevent the construction of (or conversion of buildings to become) new bunkhouses.

As well, the City has amended its Property Standards and Property Maintenance By-laws as they apply in Sandy Hill to address widespread concern about unsightly messes associated with existing bunkhouses²⁵.

On a one-year trial basis, ending in July 2019, the City has put limits on the number, location, and visibility of waste containers, compost and recycling bins, in Sandy Hill. As well, they have amended the By-laws to hold both owners and occupants accountable for managing waste and debris. In addition, a designated By-law Enforcement Officer has been assigned to that neighbourhood.

This pilot project will test the effectiveness and equity of applying By-law provisions to a specific neighbourhood — a precedent for Ottawa. It will also assess whether there are additional or more appropriate avenues to reduce concerns about property standards and maintenance in the neighbourhood — and whether there is reason to consider extending these revised provisions to other areas of the City.

9. What approaches have been tried elsewhere?

Most major Canadian cities — including Toronto, Vancouver, Calgary and Edmonton — have no special regulations related to student housing. However, a number of Ontario municipalities — mainly smaller centres that host a university which draws most of its students from out-of-town, including Kingston, London, Guelph, Peterborough, St. Catharines and Oshawa — have adopted special By-laws to deal with parties that get out of hand. Nuisance By-laws put the onus on the host/owner to assume responsibility for their guests and give authorities special levers to help disperse crowds and diffuse tensions.

In 2005, **Oshawa** created a system to license rental properties in the neighbourhoods nearest Durham College²⁶. The licensing regime excludes owner-occupied dwellings with fewer than three tenants, and puts a four-bedroom limit on rental properties. Licenses are subject to annual renewal and the City publishes a list of licensed rental dwellings. [See Appendix B]

As well, Oshawa promoted construction of new higher density, purpose-built student housing along a main artery adjacent to the campus, phasing in increased assessment (thereby reducing taxes temporarily) and offering exemptions to development charges along this corridor.

Waterloo, which has a large off-campus student population, introduced a system for licensing low-rise rental accommodation in 2011²⁷. The By-law guarantees property owners have insurance,

²⁵ <http://app05.ottawa.ca/sirepub/cache/2/r3qkdn1djc4u4xckdnpxesmd/46600505032019110814551.PDF>

²⁶ City of Oshawa, “By-law 120-2005 - Business Licensing By-law, Schedule K” (February 2019).

²⁷ City of Waterloo, “By-law 2011-047 - Being A By-Law To Provide For The Licensing, Regulating And Governing Of The Business Of Residential Rental Units In The City Of Waterloo” (August 2016).

functioning heat and air conditioning, electrical safety check, and fire inspections and zoning compliance; as well as setting out requirements, with a maximum number and minimum size for bedrooms. Waterloo exempts apartment buildings, citing the zoning, site plan approval, building code and other provisions intended to assure safety and standards.

In 2017, 3,680 rental units were licensed, each with a property maintenance plan. Enforcement has proven effective. Over a four-year period (2012–2016), inspections revealed more than 700 fire code violations and 1,200 electrical system deficiencies, and resulted in 350 By-law convictions. Landlords express concern the licensing regime has boosted rents and red tape, while students have lauded the system, indicating it improves lives and reduces complaints.²⁸

In **Kingston**, attempts to use specific By-laws and property standards regulations to manage the friction between neighbours and students living near Queen’s University, and to deal with complaints of noise, parking or poor maintenance, have had only limited success due to legal challenges and ineffective complaint-based enforcement.²⁹

While **Toronto** has no regulation targeting student housing, it does have a RentSafeTO program, which undertakes pro-active inspections of rental accommodation, including high-rise apartments. The scale of the task has meant the roll-out is taking longer than planned. After the initial inspections, follow-up will be risk-based, focusing on addresses and landlords that are repeat offenders.

Vancouver has taken a different tack, publishing on-line a list of rental properties and providing information on property standards, giving prospective tenants the opportunity to verify if a property or landlord has a history of violations.

10. What role for regulation?

Municipalities don’t have the authority to regulate rents, yet their decisions can have an impact on the supply of affordable housing well suited to students’ needs. But the experience of other municipalities suggests the regulatory levers available to the City are limited — and care must be exercised to avoid unintended consequences.

Since municipalities can regulate uses but not users, by-laws cannot target students or student-occupied housing. And the broad application of By-laws to all households or all residential accommodation must be thought through with care.

²⁸ <https://www.therecord.com/news-story/9079447-waterloo-sticks-with-controversial-rental-licensing-fee>

²⁹ J. S. Frierson, “How are local government responding to student rental problems in university towns in the United States, Canada, and England?” *Georgia Journal of International and Comparative Law*, 33, no. 2 (2004).

For example, would broad rental licensing regimes put a chill on new investment in student housing — or rental housing more generally? Would they create barriers — or disincentives — for seniors who may want to rent out a room or a suite to a student, benefiting from both the income and the companionship? Will extended-family households, common in Indigenous cultures and among newcomers, get caught up in By-law limitations on the number of bedrooms?

The question arises whether licensing rental accommodation is a positive, proactive approach to increasing the supply of healthy housing or, rather, a frustrated reaction to failures in enforcement. Is it the right solution to the perceived problem? Does it penalize everyone for problems caused by a few?

Regulation can coerce good behaviour — but its benefits are limited if not enforced. And the ability to enforce requires the capacity to meet demand and the resources to cover costs. Licensing regimes can be expensive and labour-intensive, requiring fees that can become barriers, and increase rents.

But in the absence of licensing, how does the City better assure public health and safety, consumer protection and effective enforcement of nuisance control? How can it improve its responsiveness and effectiveness in addressing concerns? Could big data help inform priorities for proactive inspections? Should 3-1-1 be supplemented with an app to improve real-time reporting and recording of concerns?

If the notion that a greater regulation of rental housing has merit, which approach makes most sense for the City of Ottawa? Mandatory licensing, or an accreditation model where landlords self-certify or voluntarily register. Does it make most sense to license properties or property managers? Again, there are issues of trust, transparency, credibility and accountability to be weighed.

Looking beyond property standards, business licensing and enforcement, the City will want to assess the impact of recent changes to the Zoning By-law as they apply to bunkhouses — to ensure they work, and that more appropriate forms of mid-density housing for students haven't been discouraged.

The Zoning By-law clearly includes neighbourhood-based regulation, but in Ottawa this approach has only been used on a test basis for property standards, property maintenance By-laws and waste collection By-laws; it has not been used for the Licensing By-law. Has it been successful in Sandy Hill, and should the concept be used elsewhere?

And, at a broader level, the Official Plan Review provides an opportunity for the City to consider whether a more comprehensive and proactive approach to promoting an adequate supply of healthy, affordable student housing is warranted.

In considering the appropriate mix of policy, regulatory and enforcement levers open to the City to assure an adequate supply of affordable, accessible, healthy housing for students, it's important to acknowledge that other levels of government have greater authority and resources.

Is there a role for the Province or CMHC to support student housing or to upgrade/retrofit housing that is currently meeting a good portion of students' needs?

While there is no role for the City in mediating landlord-tenant disputes, are there other roles it could be supported to play without encroaching on the purview of the Residential Tenancies Act?

This review of Residential Accommodation Regulation will provide the opportunity for a community conversation on these and other questions, informing the City's strategy and priorities as it goes forward.

11. Your Comments

This study has been designed to capture the comments of as many people as possible. You can provide your comments in a number of ways:

- The web site **ottawa.ca** provides the opportunity to provide comments on this Discussion Paper and/or the other two Discussion Papers.
- You may email your comments to RentalHousingReview@gmail.com.
- You may attend one of a number of workshops that will be discussing the issues. You can register for a workshop on-line at **ottawa.ca** . The workshops will be held throughout May and June 2019.

Following the workshops and the analysis of comments received, the study team will be preparing an Option Analysis paper that will describe the input received, outline the alternative approaches under consideration, and provide a preliminary evaluation of those options. This report will be emailed to everyone who participates in the process by providing their comments and/or attending a workshop (provided they have given an email address). This will likely occur during the summer, and you will have at least two weeks to provide any further comments, based on the Options Analysis document.

After analyzing the comments received, the study team will complete its Final Report and submit it to the City of Ottawa. City staff will then prepare a staff report which will go to a the Community and Protective Services Committee and City Council. You will have a further opportunity to provide comments to the Committee when the staff report goes forward.

Appendix A

What's the student housing situation at each school?

University of Ottawa

The University of Ottawa has 42,000 full-time students and it expects to grow by 500 students annually³⁰. Highly relevant to housing, the student mix has shifted in recent years from 50 local and 50 from out-of-town to 45/55, as international students — currently 16 per cent of the student body — and students from the GTA and elsewhere increase more rapidly than the numbers from Ottawa-Gatineau. Given the strong demand for its bilingual, professional programs, this trend is expected to continue over the coming years, resulting in a ratio of 40/60, placing increasing demands on the local housing market.

uOttawa offers 4,200 residence beds in eleven residences, three of which are off-campus partnerships with the private sector. The Housing Master Plan calls for an additional 2,300 units (6,500 in total) to be achieved through a mix of new buildings — adjacent to current residences and in a new cluster of residential towers on Robinson and Lees Avenues, with new low-rise residences along Henderson Avenue.

In addition, the University plans to redevelop existing residence buildings to improve efficiencies and amenities, and remains open to ventures with private developers. In recent years it has contracted with private interests to convert a hotel at the corner of Rideau Street and King Edward Avenue and a retirement home on Rideau Street at Friel Street into student residences; as well it has developed the Annex, on Laurier Avenue East at Sweetland Avenue.

The University offers a first-year guarantee, assuring all first-year students a bed in residence, mindful of the importance of secure housing to recruitment and retention.

uOttawa offers a wide array of housing choices at differing prices. The least expensive bed — a double room in a traditional residence — costs \$6,783 for the academic year; it comes with a mandatory meal plan at \$5,225 for a total cost of \$12,008. A single room with meals in the same buildings costs \$13,314 for eight months. Rent can range up to \$19,423 for a twelve-month premium studio apartment in the Annex.

Students renting in the private market tend to live in Sandy Hill, Lowertown, Vanier and along Rideau Street, while new footbridges over the Rideau Canal and River have increased access to Centretown and Overbrook. As well, uOttawa is well serviced by transit, opening up options further afield. The availability of less expensive housing in Francophone neighbourhoods in Gatineau combined with the bilingual nature of the university population means increasing

³⁰ Data provided by University of Ottawa officials and uOttawa website.

numbers of students, including international students from Africa, are finding affordable accommodation across the river.

The University works to build increased trust and transparency with the surrounding neighbourhood, actively engaging in a Town and Gown Committee, sharing its Campus Master Plan and inviting input on its housing plan. It has worked as well with the City to understand and address issues that arise from the concentration of student housing in the surrounding community.

Carleton University

Carleton University has a full-time student population of 29,250 with annual growth projected at one per cent — though that could increase as a result of recent decisions by the provincial government not to fund new university campuses in the GTA. Within the total, about 12 per cent — 3,460 — are international students, growing at a rate of three per cent per year³¹.

The University offers 3,600 residence beds in nine buildings on campus, at a cost of \$10,648 for room and board. Demand peaks at about 4,400 in June/July each year but this 800-bed shortfall falls to fewer than 200 by September as students secure alternative accommodation.

Like the University of Ottawa, Carleton guarantees first-year students a room in residence. So 50 per cent of first year students — more than 2,700 of 5,500 — are allocated residence rooms, leaving about 800 beds for returning students, many of whom are international students or come from the GTA. As well, returning students with disabilities often opt for a room on campus, connecting them to the tunnels and easing access to classes.

While not sensing any emergency, Carleton has plans to expand its residence capacity by 400 — 450 beds, with new rooms to come on stream in September 2023. It is also considering remodelling existing residence buildings to reduce density and convert some double rooms to singles, which could further increase demand.

The University considered a public-private partnership model (P3) for developing additional housing, but with ample land on campus and concerns about reputation risk, it has opted instead to develop its residence capacity directly. It recognizes, however, the need for some forms of student (or faculty) housing cannot easily be met on campus. The relative isolation from such amenities as a grocery store, for example, makes family housing on campus difficult.

Carleton students have traditionally found off-campus housing in Old Ottawa South, The Glebe and along Prince of Wales/Meadowlands. With the O-Train, options in Mooney's Bay, Greenboro

³¹ Data provide by Carleton University officials and Carleton University website.

and South Keys have opened up³². Relations with the surrounding neighbourhoods have been relatively tranquil, although the annual Panda Game antics generate complaints and there are isolated incidents where too many students living at one address has given rise to noise, nuisance and parking problems.

St. Paul's University

St. Paul's University has 1,200 students and is growing at a rate of one per cent per year. About 25 per cent are international students³³. It offers 180 residence beds on campus, in 90 double rooms, charging \$7,835 for accommodation. The supply of residence rooms exceeds current demand, with surplus rooms rented for conferences.

Students renting off-campus are dispersed across Ottawa-Gatineau but many rent rooms in Old Ottawa East or apartments along Riverside Drive.

Algonquin College

Algonquin College has a full-time student population of 22,500 and is growing at a rate of 3.5 per cent per year³⁴. While most students are drawn from the local area, a growing number come from the GTA and cities in Eastern Ontario; increasing housing demand.

Eighteen per cent of the student body is international students, up from six per cent five years ago. With annual growth rates of 25 per cent, international students are projected to constitute 25 per cent of enrolment by 2022 — 10,664 of 42,000 students — further stoking the demand for housing.

The College currently offers 1,038 residence beds, charging \$7,720 for eight months (\$965 per month) plus \$2,310 for meals for a total of \$10,030. Despite higher than market fees, current demand is estimated at 1,472 beds, leaving a shortfall of 434.

Of the students in residence, 80 per cent are aged 19 or under, 85 per cent are first year, and only eight per cent are international students. For those who fail to secure a room in residence, the College helps arrange Homestay accommodation with families. But it, too, is expensive, ranging from \$1,050 monthly for a room to \$1,750 with three meals a day.

Algonquin has no immediate plans to build additional housing for students, although they recognize a place in residence increases retention and success rates. Campus housing is self-financing and competing demands for capital funds have been given priority.

³² The suspension of OTrain service for two years could result in students looking elsewhere for housing.

³³ Data from St. Paul's University website.

³⁴ Data from Algonquin College officials and Algonquin College website.

But Algonquin officials are monitoring changes in the private market as they relate to purpose-built student housing and considering how best to meet their responsibility to assure healthy living options for their students.

While most students live at home, there are also many living in houses and townhouses in the surrounding Cityview, Meadowlands, Centrepointe and Parkway neighbourhoods and in apartments along Baseline Road. While concerns have arisen — for example, students congregating and smoking in nearby parks — College officials are not aware of widespread issues arising from concentrations of student housing.

Collège la Cité

Collège la Cité has a student population of 5,000 with a projected growth of three to five per cent per year³⁵. While most students are from the local area, la Cité is working to attract more international students, including from francophone Africa.

It offers 251 residence beds on campus, charging \$7,125 for an academic year. Students renting off-campus tend to find accommodation in Vanier, Carson Grove, Beacon Hill and Gatineau.

³⁵ Data from Collège la Cité website.

Appendix B

The Oshawa Example³⁶

Oshawa was the first Ontario municipality to adopt rental housing licensing, requiring landlords in the vicinity of Durham College to obtain a business license.

Spurred on by a rapid enrolment growth and a growing shortfall in on-campus housing, owners converted homes in adjacent low-density residential neighbourhoods, creating rental units with as many as eight-bedrooms. Reacting to neighbours' complaints about overcrowding, noise, nuisance and parking, the City took action to control the number of occupants and assure By-law compliance.

The Licensing By-law covers dozens of streets in a 28 km² suburban area north of the city centre, between the airport and Highway 407, surrounding Durham College and the newer Ontario University Institute of Technology, avoiding the need to distinguish whether a shared rental unit is "a household" or a "rooming house". Owner-occupied rental units where no more than two bedrooms are rented to tenants are excluded (and therefore, do not require licenses).

Licensed rental units have a limit of four bedrooms, which cannot occupy more than 40 per cent of the house (five bedrooms, along one higher-density artery).

To receive a business license, landlords must demonstrate they comply with relevant provincial legislation and municipal by-laws. These include:

- Health Protection Promotion Act
- Fire Protection and Prevention Act
- Building Code
- Electrical Safety Code
- Zoning By-law
- Property Standards By-law
- Lot Maintenance By-law
- Snow and Ice Removal By-law
- Unauthorized Parking By-law
- Waste Collection By-law

Landlords must also provide proof of ownership; submit floor plans, clearly showing bedrooms; submit — and comply — with maintenance plans and parking plans; and provide evidence of insurance. Fire extinguishers are required in kitchens. Smoke and carbon dioxide alarms are

³⁶ Information provided by the *Rental Accommodation Literature Review and Inter-jurisdictional Environmental Scan* and interviews with City Staff.

mandatory. Floor plans and escape plans must be posted. No bedrooms are allowed other than approved bedrooms.

Landlords pay an initial \$75 submission fee and an annual \$500 license fee which can be reduced in subsequent years to \$360, if the application for renewal is submitted 60 days before expiry. They also pay an additional \$75 inspection fee after the initial and one follow-up inspection. These fees cover most of the direct costs of the program.

The City publishes a list of licensed accommodation with expiry dates, assuring prospective tenants — and neighbours — licenses are valid. There are currently about 600 licensed properties.

License holders receive demerit points for violations and lose their license if they accumulate too many points.

The City sees the By-law as having been very successful, eliminating overcrowding, promoting tenant safety, minimizing neighbours' concerns and enabling the residential zone to function as designed. Initial resistance, which included an unsuccessful court challenge, dissipated and there is no evidence landlords have tried to avoid licensing costs by offering rental housing just beyond the licensed zone. Nor is there pressure to extend the By-law city-wide — even though Trent University has since established a new campus in downtown Oshawa.

The City has not identified how many student accommodation spaces were eliminated as a result of the By-law, or what effect the By-law may have had on rental rates.