



OFFICE OF THE
SENIORS ADVOCATE
BRITISH COLUMBIA

The Office of the Seniors Advocate: Seniors' Rental Housing Needs

Submitted by:
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Seniors Advocate
Province of British Columbia

July 2018



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BRITISH COLUMBIA

July 6, 2018

Rental Housing Task Force

Dear Spencer Chandra Herbert, Adam Olsen and Rona-Rae Leonard:

Please accept the Office of the Seniors Advocate's input on the Rental Housing Strategy in British Columbia. Thank you for allowing my office to take part in this important initiative.

This submission focuses on significant challenges facing senior renters in British Columbia, and the importance of ensuring that rental units for this population are affordable, available and appropriate.

If there are any questions or the team wishes further elaboration on the issues raised, please do not hesitate to contact me directly.

Thank you for allowing my office to take part in this process.

Sincerely,

Isobel Mackenzie
Seniors Advocate Province of British Columbia

BC Senior Renters

As BC's Seniors Advocate, I have the privilege of speaking to a large number of seniors across the province and, as a result, have become acutely aware of the significant housing challenges for this population. Many seniors in British Columbia enjoy retirement with sufficient financial resources to make choices on where and how to live as they age. There are some who are homeowners that struggle on low incomes, but the most vulnerable are those almost 20% per cent of seniors who are both low income and renters.

Renters of all ages struggle with the shortage of rental accommodation and the financial impacts of rising rents. Many seniors, however, have additional challenges related to the physical and cognitive decline that often accompanies aging. The compounding effect of a tight rental market in British Columbia, and the distinct housing needs of seniors, significantly impact seniors' ability to afford to remain in a place they have rented and may have called home for 30 or more years.

For the Provincial Government, the seniors housing issue is complicated by the fact some seniors may choose to move into a publically subsidized residential care bed rather than receive homecare because the overall costs are cheaper for the senior to live in a care facility than continue to rent, however it is much more costly for the government. The lack of regulation in private seniors housing, where contracts for amenities are tied to residential tenancy agreements, is another area where seniors may find themselves forced out of independent living and into publically subsidized long term care at a great cost to the taxpayer.

Most seniors who rent are currently "housed". Of the approximately 164,000 who rent 32,000 are living in BC Housing Subsidized housing and 21,000 are receiving the Shelter Aid for Elderly Renters (SAFER) grant. The number of actual homeless seniors is estimated at less than 1000. While this number may seem modest compared to the overall homeless population, it is the fastest growing cohort of homeless people in percentage terms. There is evidence to support this number is being fuelled, in part, by a growing inability for some seniors to pay for the cumulative effect of rent increases over the past five to six years outpacing the increase in their pension incomes

Senior renters, indeed seniors overall, have disproportionately lower incomes than any age cohort over the age of 25. The amount of income left after paying for housing is actually a better measure of affordability than percentage of income spent on rent. A person earning \$100,000 a year may spend 50% of their income on housing...this leaves them with \$50,000 a year to meet all other expenses. A person earning \$26,000 a year (the median income for all BC seniors) may spend 35% of their income on housing but this leaves them with only \$16,900 a year to meet all other expenses.

Half of BC seniors who rent have a gross income of \$21,000 (\$1530 per month) *or less*. These seniors are often forced to make tough choices when the rent is due, the hydro bill arrives, or prescription medication needs to be refilled (the deductible for Pharmacare was recently eliminated for those on low income but the co-payment remains). Many of what become "medical necessities" for the frail elderly: assistance with housekeeping, grocery shopping, shovelling the sidewalk, a walker, eyeglasses and hearing aids to name a few, all carry fees that must be paid and they can begin to add up.

Low income seniors, for the most part receive cost of living increases based on the CPI for OAS, GIS and CPP. Rent however can rise by CPI *plus 2%* under the current *Residential Tenancy Act*. To be fair, many if not most landlords see expenses related to property tax, repairs and maintenance rise beyond the rate of inflation and one must balance their need to maintain a property with the ability to increase rents.

Seniors who rent can access SAFER to help subsidize private market rental and they can apply for Seniors Subsidized Housing (SSH) where rent is either capped below market rate, or based on income. Both of these are good programs, although they have limits that can be challenging to overcome.

Seniors Subsidized Housing

In the case of SSH, the current supply is not sufficient to meet demand and this has been exacerbated, in part, by the decision to expand the definition of disability to include mental health and addictions creating a bigger pool of applicants for the same number of units. The data are showing that we have declining units and we are placing fewer people each year although actual wait times do not vary by much.

There were a total of 32,008 units of SSH available in 2016/17 which is a decrease of 4.6% over the number available three years previously and in 2016/17 we housed 616 households a decrease of 8% from the number we housed in 2014/15.

As of March 31, 2017, the total number of people aged 55 or older approved for SSH and waiting for a unit to become available was 5,986, a nearly 16% increase from the previous year. Of those waiting in 2017, 2,743 (46%) were aged 65 or older. The average wait time for a senior's subsidized housing unit received in 2016/17 was 2.3 years virtually unchanged from the previous 3 years.

SAFER

The Shelter Aid for Elderly Renters (SAFER) program provides a direct subsidy to low and moderate income seniors who live in a private market rental unit. The recent SAFER increases to the maximum rent ceilings and the gross monthly income ceiling are a positive step forward. However, as the table below demonstrates, even with the increase in the rental cap, the maximum rent is still significantly lower than the existing market rent rate in many communities.

Senior renters are not evenly dispersed across the province; 70% of B.C. senior renters live in Vancouver, Victoria and Kelowna. More than half of the seniors living in these cities are eligible for SAFER. However, the gap between SAFER maximum rental caps and the market rent rate is the widest in these regions.

Differences Between SAFER Rental Caps and Actual Market Rent Average

Municipality	Average Rent (actual; 1 bdr)	Safer Maximum (single person)	\$ Difference
Abbotsford-Mission	\$765	\$767	2
Dawson Creek	\$859	\$767	-92
Quesnel	\$583	\$734	151
Williams Lake	\$660	\$734	74
Victoria	\$988	\$767	-221
Vancouver	\$1223	\$803	-420
Kelowna	\$936	\$767	-169
Kamloops	\$821	\$767	-54

In 2017 there were 21,504 seniors in receipt of SAFER. This is a 6.2% increase over the previous year. What is interesting to note is that the growth of SAFER recipients exceeds the growth of the eligible population and the amount of subsidy received (based on the same rental cap) is increasing. These data combine to tell us that those entering their senior years are now more likely to need rental assistance and to a greater amount, than preceding generations.

The average subsidy provided as of March 31, 2017 was \$187.38 and the total provincial expenditure on SAFER was \$54 million a 9.3% increase over the previous year.

Private Seniors Housing

There are about 20,000 BC seniors living in what is referred to as “independent seniors housing”. This is accommodation that is generally an individual apartment that is housed in a congregate setting where tenants have some of their meals in a common dining room, they likely get their apartment cleaned once a week and they may have a monitoring alert system. Some of these housing complexes have 24 hour staffing while others do not. Almost all of them require the tenant to pay a monthly fee for meals and other hospitality-like services that is separate from their rental agreement. There is no regulatory oversight of this sector as it does not fall under the *Community Care and Assisted Living Act* or the *Hospital Act* and it is unclear what protections apply under the *Residential Tenancy Act (RTA)*.

The “retirement living” or “seniors housing” industry has resisted regulation in terms of health care oversight, as they are a housing not a care model. This may be a valid position, however as a housing model, there needs to be more clarity on the protection tenants will receive under the *RTA*. There are three areas in particular that need greater clarity from a regulatory perspective.

1. Ability to raise rents. Under the *RTA* rent increases are regulated. Almost all private seniors housing, separates a portion of the monthly fee paid as “rent” and this portion is both eligible for SAFER and is subject to *RTA* rent controls. The majority of the monthly fees however are attributed to hospitality services and they can increase by any amount an operator deems appropriate. Seniors have no option but to pay the hospitality increases as they are “tied” to the rental agreements. There is an argument to be made that if one must pay the hospitality fee in order to “rent” the unit, then it is de facto part of the rental agreement and increases should be controlled under the terms of the *RTA*.
2. Under the *RTA* “health status” of the tenant is not a valid reason for eviction. Indeed many BC seniors with complex care needs live in rental apartments and receive significant amounts of homecare. Seniors living in private seniors housing can be asked to leave however if the operator believes the tenant’s health has deteriorated. A person living in an apartment under the *RTA* cannot be evicted for this reason, so there is a valid question of whether this protection extends to those living in seniors housing.
3. Restricting the provision of care. Under the *RTA*, tenants have the right of autonomy over the unit they rent including deciding who can come and go as visitors or hired help. Many operators of private seniors housing restrict who tenants can employ as care aides. Sometimes they will restrict

it to a particular company with whom the operator may have a financial arrangement and they discourage or imply they will not allow tenants to access the public home support program. Again, under the *RTA* a landlord cannot refuse to allow a tenant to access home support services and they cannot dictate who the tenant chooses to use.

The government has an interest in examining how the *RTA* applies to private seniors housing for two reasons. First, the over-arching duty to ensure that all British Columbians have protections for the security of their housing and secondly to ensure that seniors are not unnecessarily being pushed from private seniors housing to move to a care facility where the government could be paying the majority of the costs.

Summary and Recommendations

For seniors the challenges of renting are a combination of their income and their health status. The latter may require solutions that are unique to seniors that recognize the necessity of accessibility both in terms of accommodation design and proximity to services and families.

Recent changes have been helpful but more can be done and we need to start looking at where tenant protections of the *Residential Tenancy Act* may be unknown or ignored. Most of these recommendations are not new or unique to the OSA and some are under active consideration but need continued focus.

These include:

1. Continue to look at opportunities to expand Seniors Subsidized Housing and target to reduce the time on the waiting to one year or less.
2. Link SAFER rates to annual CPI increases at a minimum with further market adjustments for those areas with the greatest gap between rents and the SAFER cap while vacancy rates remain below 3%.
3. Examine the role of the Residential Tenancy Branch and the application of the *Residential Tenancy Act* in the unregulated seniors independent housing market.

Thank you to the committee for your work.

Sincerely,



Isobel Mackenzie
Seniors Advocate Province of BC