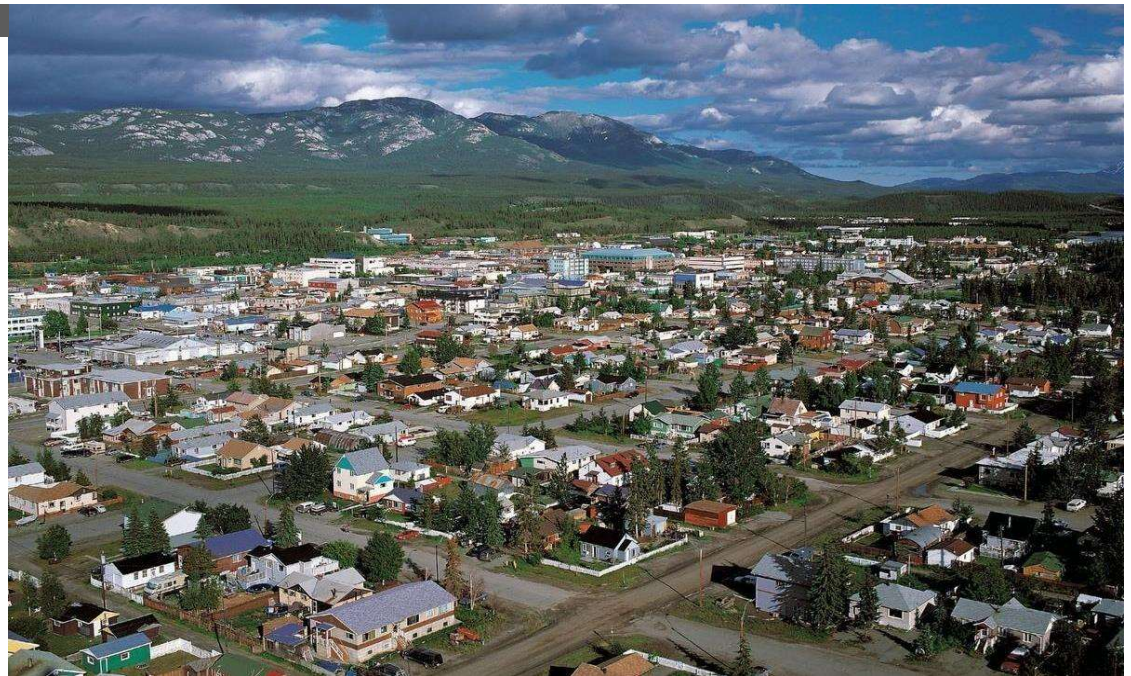


RLTA Solutions Lab
Summary report:
Ideas for exploration

November 15, 2023



A message from the Solutions Lab:

The Yukon, like other parts of Canada, faces rental market challenges causing tensions among landlords, tenants, and housing providers. Urgent action is needed to create a healthier, more stable, and affordable rental market for our growing and diverse communities.

We are a group of Yukoners from a diversity of backgrounds, who participated in the *Residential Landlord and Tenant Act* (RLTA) Solutions Lab, spending seven weeks building trust, identifying problems, and testing solutions. We recognized the complexity and importance of the tenancy system, and our 'Yukon advantage' lies in our ability to engage in honest, constructive conversation.

While we may not agree with everything, we quickly discovered that we do agree on a lot, including many of the issues. We recognize that some of these issues are intricately linked to factors that were out-of-scope for our group, such as land supply and zoning, and we also agree that those matter.

We've also discovered that prevailing stories about residential tenancies are often based on generalizations or a lack of data, hindering problem-solving. In this document, we offer a new story – the story of Yukon residents dedicated to solving complex problems for a better community. It emphasizes the importance of trust and the common ground we share.

We present a set of practical, sustainable, and equitable ideas tailored to our unique challenges, with room for growth and improvement. We welcome broader public input to further develop these ideas and build trust. We believe that meaningful ideas and processes can enhance the quality of life for all Yukon residents.

Respectfully,

The Core Problem-solver Group

Core problem-solver group:

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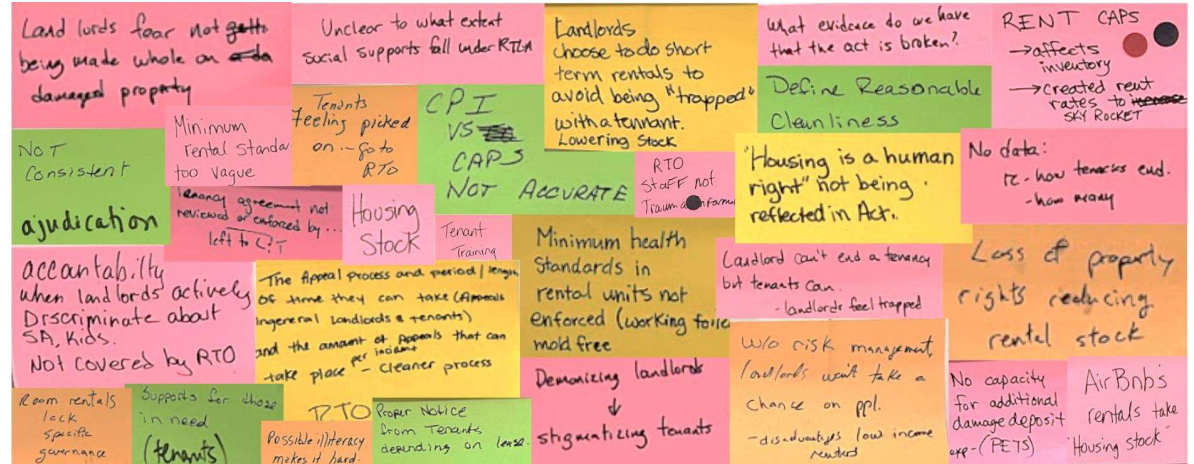
Cover photo: Cory Williams (2018)

Disclaimer: *This document is for informational purposes and does not reflect the perspectives of the Government of Yukon.*

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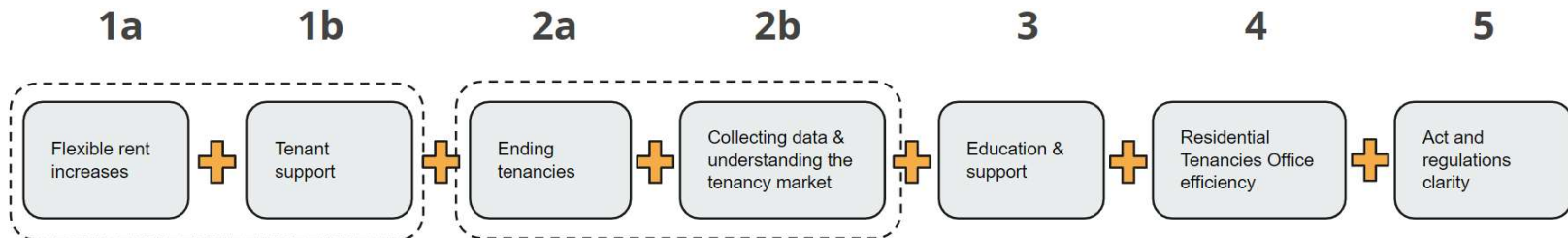
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Overview of perceived issues



Outline of ideas

This report presents the perceived problem statements and agreed-to ideas that the Solution Lab believes could lead to a healthier and more resilient Yukon residential rental market. There are 7 separate ideas, some of which are linked to balance the needs of landlords, tenants, and policy-makers.



Our process

The Solutions Lab is a space for dialogue where, in the spirit of experimentation and curiosity, ideas can be quickly generated, openly shared, and respectfully explored. These ideas are meant to be further pondered and discussed as part of healthy democratic public discourse.

A core group of ‘Problem Solvers’¹ was invited to participate in a Solutions Lab to generate policy considerations for public engagement as part of the *Residential Landlord and Tenant Act* (RLTA) review by the Government of Yukon (YG). Problem Solvers were asked to develop relevant options for the RLTA governance framework, including legislation, regulations, and policies that enact the legislation, and for the Residential Tenancies Office (RTO) as a key instrument in conflict resolution between landlords and tenants.

Solutions Lab participants worked hard and respectfully 17 times between September 25th and November 13th, 2023, to seek solutions together. Problem Solvers were backed with on-request support from an Advisory Group and a YG Community Services Task Force. Although there was broad recognition that housing supply is a pressing issue at the core of many of the tensions that are currently arising, this Solutions Lab did not address housing inventory directly, unless it was able to do so through RLTA legislative changes.

What we want to achieve

We believe that the following outcomes will help achieve a healthier and more resilient Yukon residential rental market:

- A residential rental market with stabilized rent increases and the appropriate supports for tenants, and that allows market adjustments for landlords to cover their costs.
- The RTO functions with greater accountability, transparency, and efficiency as the independent regulator of residential tenancies.
- Landlords, tenants, and policy-makers understand the legislation and tenancy agreements and are aware of the supports available for them to be implemented properly.
- New mechanisms exist to support landlords and tenants with sustainable rental arrangements with reduced conflict.
- The improved collection, availability, and use of rental market data to understand demographic needs, market trends and rates, and inform agile policy development.

¹ See Appendix A for the list of participants and affiliations.

About the ideas in this report

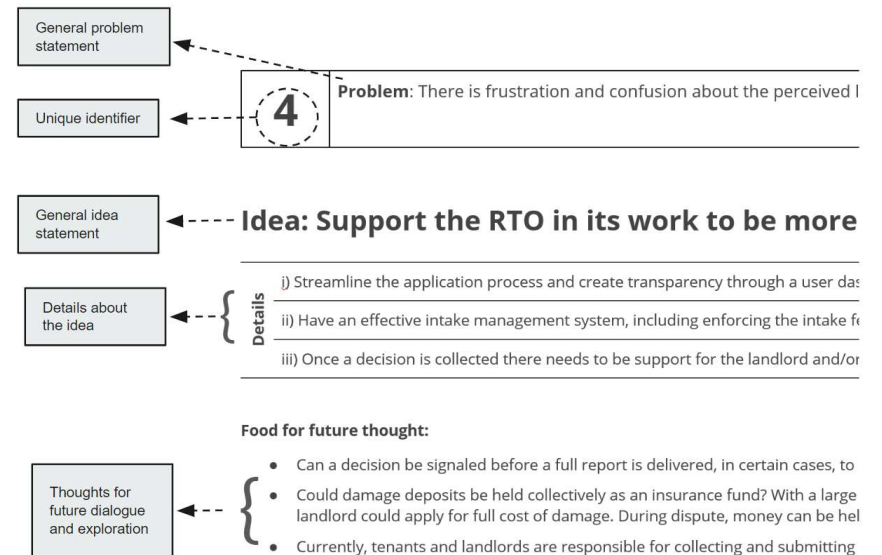


This report is a collection of problems, ideas, and thoughts for further dialogue related to the RLTA. The Core Group is in agreement that the following Solutions Lab-generated ideas should be offered as a foundation to kick-start the broader public engagement process for further exploration. Supporting an idea to move to public engagement does not imply absolute support for the idea. Some ideas (i.e., 1a & 1b and 2a & 2b) are put forward if and only if they are considered together. All of these ideas need further exploration; the Solutions Lab is handing these off to the broader public to increase our collective wisdom as problem solvers!



How to use this document

This report contains the perceived problem statements and agreed-to ideas that the Solution Lab generated. This is considered the Solution Lab's pathway to impact. A list of principles that guided the alignment of solution ideas to desired outcomes is attached in Appendix B. The report is presented in this format:



1a

Problem: In the Yukon, tenants face a shortage of residential rental units and increasing rent prices. For landlords, rising expenses and reduced control over rent to cover their costs are causing many to leave the market, which further reduces available rentals.

Idea: Index and stabilize rent increases while allowing for adjustments to market conditions

i) Create a Yukon industry index specific to residential rent (e.g., based on local housing costs and market rate). Enable rent increases up to the industry index. Only recommended with Solution 1b. **AGREEMENT**

Details ii) Currently, the financial terms and occupancy terms of a tenancy agreement are tightly connected. We propose separating those two ideas to increase the flexibility of landlords and tenants to find arrangements that work for them. For example, both parties may agree to a rental rate term (e.g., 2-10 years) and a fixed rent increase (this rental rate term is not the term of the lease). At the end of the agreed-upon finance period, a new base rent rate can be renegotiated, up to the market rate (see Appendix C). Only recommended with Solution 1b. **AGREEMENT**

iii) Enable rent increases to exceed the industry index if both landlord and tenant agree and understand the terms. Only recommended with Solution 1b. **AGREEMENT**

Food for future thought:

- Although an industry index would need to be developed, it should be more reflective of operational costs than the consumer price index and would provide the property owner with incentives for maintenance and investment, crucial to maintain and increase rental stock. Should it be a regulation or policy vs. legislation to allow more responsiveness?
- Allowing a rental rate term (i.e., detail ii) between landlords and tenants may create greater certainty and predictability over rent increases.
- Allowing periodic adjustments to market rate prevents landlords from feeling 'trapped' without a means to cover their rising costs.
- There are many different indices (e.g., rental price index) and aggregates (e.g., Owner's Equivalent Rent) that can be used to calculate an appropriate industry index and market rate. What are the relevant metrics? What is needed to collect them? Who does this? How does it influence policy?
- To calculate the average rental rate consider comparable rental properties, leases signed in the last year, and what is included in the rental or not (e.g., utilities?), etc. This average can serve as a baseline for determining the market rate. It is essential to periodically reassess rental rates to ensure they remain competitive and in line with market conditions.
- What is the most economical and fair way for landlords to perform upgrades to necessary standards or renovations while minimizing 'reno-victions'?
- Could there be a way for landlords to apply for a one-off rent increase for incidental situations such as units purchased with rent below market rate?

1b

Problem: In the Yukon, tenants face a shortage of residential rental units and increasing rent prices. Rising rents can outpace wage growth and spike quickly compelling tenants to leave good rental situations.

Idea: Increase support and flexibility for tenants in need to afford rent at the market rate

Details

i) Create a new rental assistance program that subsidizes tenants in need to meet their monthly income payments at the market rate. Conditions may apply, for example, tenants must be residents of the Yukon for at least 1 year. AGREEMENT

Food for future thought:

- In combination with Idea 1a, this solution allows the market to adjust and prevents tenancies ending due to external market factors.
- Empowers tenants to make choices that work for them as assistance goes directly to tenant.
- Several program concepts are already in existence in and outside the Yukon (e.g., Rent-Geared-to-Income or housing vouchers).
- The existing rental supports have been identified as insufficient. This idea can complement, streamline, or replace other existing programs in the Territory.
- Could this simply be connected to Yukon tax assessment and return, providing a credit to those that qualify based on income and market rate?
- Implementation success requires careful consideration of the realities and needs of our most vulnerable populations.

2a

Problem: Landlords and tenants have limited flexibility in ending tenancies, leading to tension and conflict. In particular, the inability for landlords to manage risk and costs causes some to leave the rental market (reducing supply), or resort to unlawful terminations of tenancies.

Idea: Simplify tenancy arrangements and promote long-term planning and communication

i) Enable landlords to end tenancies with appropriate notice (subject to the Act or changes to it), including giving notice to sell. There may need to be consideration of exceptions when ending a tenancy without cause should be restricted (e.g., major life event). Only recommended with Idea 2b. **AGREEMENT**

ii) Enable landlords and tenants to renew tenancy terms with appropriate notice (subject to the Act or changes to it, e.g., see iii). **AGREEMENT**

Details

iii) Enable flexible notice periods to end tenancies that are market-based (e.g., like the wildfire risk rating). For example, if the market supply is limited, require longer notice periods. **AGREEMENT**

iv) Consider a 24-hour decision grace period when tenants sign a new lease as long as it doesn't enter into the occupancy period. **AGREEMENT**

v) Enable tenants to move back in after renovations or repairs. **AGREEMENT**

vi) Allow for additional deposits including those for pets, fuel, and furniture damage. **AGREEMENT**

Food for future thought:

- Landlords feel more empowered about their assets and therefore more inclined to stay in the rental market increasing the overall supply and quality of rental housing stock, which benefits tenants.
- Landlords are not enticed to resort to unlawful means to end a tenancy. In combination with Ideas 1a and 2b, fewer tenants may be displaced and rental rates can adjust to market conditions.
- Should different types of landlords who bear different types of risk, require different levels of flexibility (e.g., tenant lives in same building as landlord, suites in a landlord's personal home, corporate landlords)?
- For tenants following a repair or renovation, should tenants have right of first refusal? How is the rental rate determined?
- Should there be a consideration for service animals (e.g., are they exempt from pet deposits)?

2b

Problem: There are gaps in our understanding about the residential tenancy market in the Yukon including the current number of tenancies, the parties to them, and how they terminate, hampering the ability of landlords, tenants, and policy-makers to make informed decisions.

Idea: Understand the residential rental market comprehensively by collecting the terms of a tenancy

i) Create a simple registry of tenancy agreements where landlords and tenants file their agreement with a neutral third party that is empowered to track and report on market data. There should be exemptions for businesses providing housing for their employees (s.54 of the RLTA) to avoid burden. Organizations providing housing for clients also require exemptions. The registry can be used to establish market rate but has other benefits, including:

Details

- *Resolution of Disputes:* In the event of a dispute between landlords and tenants, a tenancy registry can serve as a neutral and reliable source of information that can help resolve disputes more efficiently. Addenda to tenancy agreements should also be filed.
- *Market Insights:* Data from a tenancy registry can be used to gain insights into the rental market, such as rental price trends, vacancy rates, why tenancies end, and the overall health of the housing market. This information can be valuable for policy-makers and researchers.
- *Public Health Benefits:* Access to a tenancy registry can help public health agencies identify tenant supports and respond to issues related to substandard housing and environmental hazards that can affect residents' health.
- *Improved Housing Quality:* Landlords may be more inclined to maintain their properties in good condition if they know that their records are being tracked. This can lead to overall improvements in the quality and safety of rental housing.
- *Transparency and Accountability:* Identify tenants and landlords that have persistent issues. Provide targeted supports.
- *Better data will correct the narrative* about landlords and tenants with a new narrative that is grounded in data. **AGREEMENT**

Food for future thought:

- To collect better and more accurate data, should the *Statistics Act* be responsible for housing data?
- How to keep registry simple for users? What are the minimum data points to collect? What does Yukon Bureau of Statistics already collect, where are there gaps?
- What are ways to incentivize registering tenancies (e.g., tie it to the RTO and enforcement of the RLTA; tie it to damage deposit insurance; use for screening of tenants and landlords that have persistent issues; enable tenants to request Building File Inspection for dispute resolution)? Use for the enforcement of housing codes is discouraged as it would disincentive and likely exacerbate situations with sub-standard housing.
- By whom and how would the registry be managed and what internal processing systems and provisions for privacy would need to be implemented?

3

Problem: When issues are brought to the RTO, it is predominantly due to a breakdown in relationship between landlord and tenant. A high proportion of conflicts between landlords and tenants could be resolved before they get to the RTO.

Idea: Increase education and support for landlords and tenants to resolve issues

i) Create a Landlord and Tenant Support Office to provide the following supports to landlords and tenants:

Details

- Help educate landlords to improve their units for health and safety and on where to access funding for improvements.
- Advise tenants and landlords on the rights, responsibilities, and process-orientation for RTO.
- Mediate conflict pre-RTO or when a case cannot go to RTO.
- General education and outreach.
- Where there are viable but not code-conforming units, work with landlords and tenants directly to identify health concerns.
- The intent of this office is to improve the overall quality of units and not to decrease the overall stock. **AGREEMENT**

Food for future thought:

- Should the LTSO be a new unit of government, or would it be better served as an-out-of-government service with core government funding, like Employment Central that helps would-be employees navigate the job market and find jobs?
- How would this organization work hand-in-hand with the RTO with clear boundaries between support and adjudication?

4

Problem: There is frustration and confusion about the perceived lack of transparency, capacity, lengthy adjudications, and process clarity at the RTO.

Idea: Support the RTO in its work to be more accountable, transparent, and efficient

Details

- i) Streamline the application process and create transparency through a user dashboard that identifies progress, next steps, etc. **AGREEMENT**
- ii) Have an effective intake management system, including enforcing the intake fee. **AGREEMENT**
- iii) Once a decision is collected there needs to be support for the landlord and/or the tenant to help navigate the next phase and necessary processes should parties resist taking responsibility (could be the Landlord and Tenant Support Office). **AGREEMENT**

Food for future thought:

- Can a decision be signaled before a full report is delivered, in certain cases, to expedite a decision or resolution? Rapid resolution is essential and not all cases are equal.
- Could damage deposits be held collectively as an insurance fund? With a large enough pot, a tenant could collect a damage deposit from an officer after a condition report or a landlord could apply for full cost of damage.
- Could money be held in trust during dispute resolution processes?
- Currently, tenants and landlords are responsible for collecting and submitting their own evidence, should the RTO be empowered to investigate cases?

5

Problem: Landlords, tenants, and housing policy-makers require more clarity about definitions and intentions in the *Residential Landlord and Tenant Act*.

Idea: In the RLTA, increase interpretation for landlords, tenants, and policymakers

Details

i) Separate and clarify damage deposit from security deposit. The primary purpose of a security deposit is to secure the unit for the tenant until occupancy. A damage deposit is specifically intended to cover any damage to the rental property during the lease term. [AGREEMENT](#)

ii) Clarify who can apply to the RTO, for example, specifically for groups and individuals that have their own policies such as social housing and First Nation citizens, and some dwellings and rental types (shared accommodations, hotels) that are not covered under the RLTA. [AGREEMENT](#)

Food for future thought:

- The Act contains several sections that the group felt could use some clarity (e.g., terms like 'reasonable cleanliness', 'wear and tear', etc.). Appendix D is a table of areas that could be improved, clarified through policy, or removed.

Conclusion

The ideas presented within this document are intended to be discussed and explored further, and if they are to be enacted, it must be with a rigorous system of evaluation and the opportunity to manage implementation adaptively. The housing issue is multifaceted, and legislative decisions have far-reaching and sometimes unanticipated effects that require communities to learn from their mistakes. The Solutions Lab acknowledges that some measures are important for emergencies but should be implemented iteratively and be time-bound to account for unforeseen and unintended consequences.

Furthermore, engaged citizens often lack the opportunity to contribute their ideas and perspectives to discussions that delve into the intricacies of complex issues. The Solution Lab showed that an engaged group of problem-solvers with differing perspectives can meet together and come up with mutually agreeable solutions to some tough problems.

Many questions remain. Each of the proposed ideas should be examined thoughtfully, supported by the best available data. The Yukon has advantages and disadvantages, such as population and community sizes, geography, and resources; how do we maximize advantages and minimize disadvantages? An important consideration for residential rentals is how can we ease out of the current problems, without jarring effects to the market or to landlords or tenants?

As a final note, we hope this document begins to turn a page on the collective narrative of tenants and landlords and of rent and tenancies. The Solutions Lab demonstrated that everyone operates in an interdependent space where it is better to come together in dialogue with the intention to problem-solve. We hope this sows the seed for many more generously productive and respectful conversations.



Appendix A: Core Group Participants

Name	Affiliate organization
Ryan Agar	Former public servant with experience in government policy legislation, and systems thinking
Caitlin Beaulieu	The Safe at Home Society
Bev Buckway	Yukon Council on Aging
Dakota Eckert-Maret	Da Daghay Development Corporation
Tara Goodwin-Chief	Yukon Tenant Association
Lars Hartling	Yukon Residential Landlord Association
Shelley Hassard	Association of Yukon Communities
Barb LaChapelle	Gray Management Services
James Lopushinsky	Yukon Real Estate Association
Ben Pereira	Whitehorse Chamber of Commerce Housing Committee
Kristen Sinclair	Yukon Anti-Poverty Coalition

Appendix B: Guiding principles

Over the course of the Solutions Lab, these principles emerged that helped guide the group to common ground. The value of these cannot be understated to foster the kind of conversations with empathy and curiosity that led to the success of this project.

Affordability: Rental units should be priced to ensure that a wide range of income groups can find suitable housing options.

Fair housing practices: Landlords and tenants should treat all potential tenants and landlords equally regardless of ethnicity, age, religion, gender, sexual orientation, disability, individuals requiring service animals, or other characteristics.

Efficient dispute resolution: the RTO process needs to be quick, clear, and easy to access with no adjudicator bias.

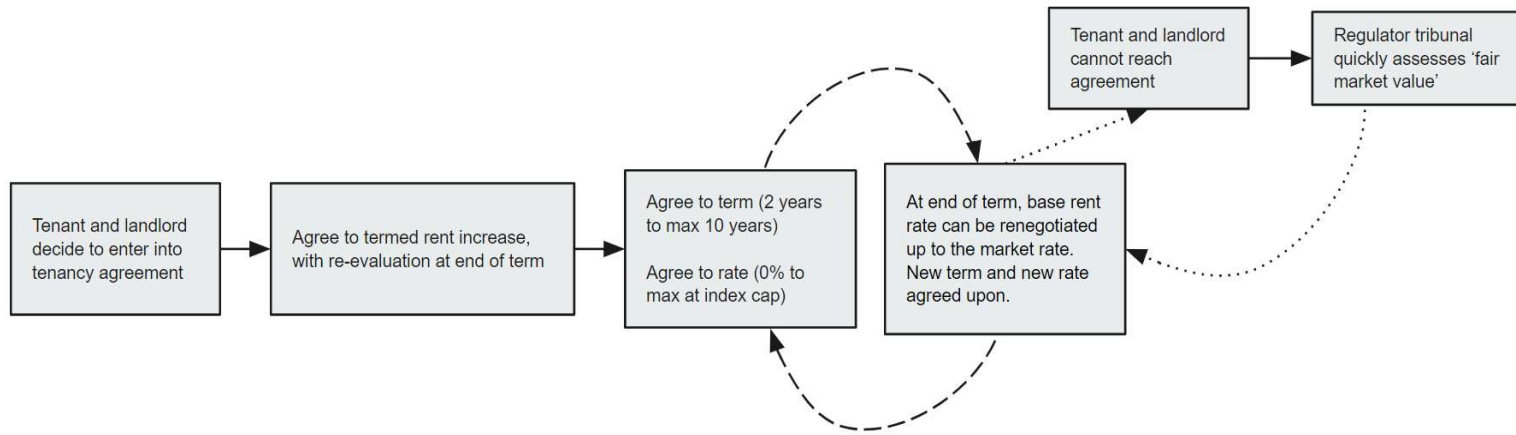
Education: Educating landlords and tenants about their rights and responsibilities is crucial for healthy tenancy agreements, and therefore, a healthy rental market.

Market diversity: A diversity of rental unit options should exist, ensuring that diverse tenancy needs can be met.

Flexibility and certainty: landlords and tenants have a common interest for rental agreements to be flexible and yet provide certainty (safety) to both the landlord and the tenant.

Transparency: Rental agreements should be transparent, outlining the terms and conditions clearly, including rent increases, security and damage deposits, and maintenance responsibilities.

Appendix C: Concept for rent increase finance terms



Appendix D: Act clarifications

1.	Subsidized rental unit; Some Normandy Living units are subsidized, some are not. Different rules for different people?
3b.	University accommodations not covered.
3d.	Long-term shelter occupants not covered.
3e.	Short-term rentals not covered; should be something to cover safety
3f(i)	Normandy Living does not provide medical care.
7	New Landlords should be required to inform tenants of new ownership.
9(1)	If the occupant cannot afford payments-does not seem to be covered anywhere in the <i>Act</i> .
22	Perhaps state somewhere that templates are available at the RTP office (also part of education). Not a problem for Big Landlords, but different for one-unit rentals.
25 (3)(b)	Landlord must not interfere...for how long?
33(2)	Who decides what <i>reasonable</i> is?
33(3)	As in 9(1)-if they can't afford...
37	Mobile home evictions: there are very limited places to move a mobile home to, and if they are older, the problem increases. More constructive guidance might be needed in the <i>Act</i> .
38	When buildings have both market and subsidized units-how to differentiate?
44	Normandy Living Evictions <ul style="list-style-type: none"> • No/few policies exist that deal with this kind of rental in gov't.

	<ul style="list-style-type: none"> • “The Resident and/or responsible person acknowledges that the Owner/Operator may evict the Resident if: (a) the Resident no longer requires the level of care provided by the Owner/Operator; or (b) the Resident requires a level of care that the Owner/Operator is not able to provide.
57	Add Order of Possession to definitions
65(1)	“Except as restricted under this Act” refer to a section or a specific place in the <i>Act</i> .
65(3)(a)	Is \$25,000 still reasonable? Although not in this legislation, needs consideration.
76(e)	As in 33(3)
100	5 th day may no longer works with service standards in the Yukon; cannot get mail across town in 5 days
105	\$2,500 and \$250 need updating. Could be put in regulations eliminating need to update the <i>Act</i> .
112 (7) (8)	Update fines-perhaps move to regs.