

# Calgary Herald

## Landlords can name their price

Sun Feb 18 2007

Page: A14

Section: The Editorial Page

Byline: Paula Arab

Column: Paula Arab

Source: Calgary Herald

Landlord Alnoor Kassam would have us believe that jacking up rent by an astronomical amount to get his tenants out quickly was a "morally" wrenching decision. Hogwash. It was a decision he made -- and then reversed under public pressure -- because, in the end, it came down to business.

This is more than a moral dilemma. It's an unlevel playing field for tenants, who are the buyers of the service. A free market usually means business that's in the interests of both buyers and sellers, not a predatory climate that places one at the mercy of the other.

There are clear rules of engagement, as set out for the rental market by provincial legislation. In this case, the Alberta Residential Tenancies Act ensures both buyer and seller know where they stand. Yet under this law, Kassam was perfectly within his legal right to double and triple the rent. Heck, he could have raised it by 8,000 per cent had he wanted to. The sky's the limit, legally, as long as he gives three months' notice.

That doesn't offer much legal protection for the tenant.

I'm sure Ron Brunt feels that way. He was told his \$650 apartment would go up to \$2,500 as of May 1.

By all means, let the market dictate the price, but it doesn't take an Einstein to figure out the new amount is well above market rates. Yes, the apartment is in the high-brow Mount Royal neighbourhood, but it's only 450 square feet. If \$2,500 is the market rate for this broom closet, why did the aspiring politician estimate he could only get \$2,200 to \$3,000 a month after renovating the units into larger, luxury executive suites? And furnished, no less.

This incident illustrates a bigger problem -- the lack of tenants' rights in Alberta.

The provincial landlord and tenant act offers some protections for renters, such as requiring landlords to give 90 days eviction notice. Measures to enforce the law are inadequate, and landlords know it.

I heard one story recently about a Calgary couple given just one month's notice to vacate their apartment. It was illegal, but did they have the money to take the landlord to court? Not likely, since a significant segment of the population is struggling financially in Calgary. Move out? Good luck finding another place in a city with a 0.5-per-cent vacancy rate. They moved to B.C.

Calgary city council, although concerned about the housing crisis, doesn't even operate a landlord and tenant advisory board -- something allowed and

encouraged under the provincial legislation. Edmonton, Red Deer and Fort McMurray, on the other hand, have such services.

Without taking sides, an advisory board offers tenants access to a place where their concerns under the act may be addressed and a resolution mediated.

Some will note how tough landlords had it a few years ago, when tenants in Calgary called all the shots.

Sure, being a landlord is a tough job, full of headaches. It takes someone who's prepared for the long haul, not looking to turn a quick buck, because this business typically reaps the most benefits only after equity builds.

But the choice for landlords -- in a renters' market -- is to find a more profitable business, not be homeless.

At a minimum, Alberta needs to put a lid on the amount

by which landlords can increase rent. This is very different than putting a ceiling on how much they can charge, typically what's meant by the fearful phrase "rent control."

In Ontario, landlords and tenants can negotiate the price, but once the renter is in, the increase is limited to once a year and linked to the consumer price index. Over the past 20 years, economists have concluded such regulation has not adversely affected the rental market because the increases have been lower than the allowable guidelines.

The principles of supply and demand in the open market don't translate cleanly when

you're talking about housing. In the Middle Eastern souk, if a barter doesn't like the price of spices or a pound of coffee, he can walk away. It's not so easy to do so when the item in question is the roof over your head.

In a tight market, renters have no choice but to accept the conditions set by sometimes greedy landlords. That's why the legislation must do a better job of protecting them.

[parab@theherald.canwest.com](mailto:parab@theherald.canwest.com)

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