ONTARIO RENTERS FOR FAIR HOUSING

High Park Tenants' Association

Challenging Above Guideline Increases:

A Tenant-Led & Technical Approach

Introductions

Ontario Renters for Fair Housing

- 20+ tenant associations, growing
- United voice: reinstate full rent control
- Collaborative, grassroots, province-wide
- Crowdsourcing solutions to shared challenges
- Actively lobbying government to advance renters' rights

High Park Tenants' Association

- 12 buildings, 2,000+ units, and 4,000+ residents
- Fighting AGIs since 2006
- Results: saved tenants $10.5 Million challenging AGIs

Total Dollars Saved for Tenants

Application	Date	Capital Expenditure Submitted by Landlord	AGI Total	AGI After HPTA Intervention	AGI Percent of Total	Capital Expenditures Reduced to:	Saved
TSL-12698	2008	$2,048,118	1.10%	0.70%	64%	$1,303,348	$744,770
TSL-24617-12	Jan 2012	$5,655,936	2.70%	1.95%	72%	$4,084,843	$1,571,093
TSL-38380-13	Feb 2013	$7,668,892	2.50%	2.50%	100%	$7,668,892	$0
TSL-51939-14	April 2014	$7,002,026	3%	2.15%	72%	$5,018,119	$1,983,907
TSL-67917-15	Oct 2015	$2,236,146	1.75%	1.25%	71%	$1,597,247	$638,899
TSL-74059-16	May 2016	$533,321	3.00%	1.00%	33%	$177,774	$355,547
TSL-70020-16	Jan 2016	$2,353,835	1.40%	1.10%	79%	$1,849,442	$504,393
TSL-80434-16	Oct 2016	$2,415,529	1.75%	1.00%	57%	$1,380,302	$1,035,227
TSL-95773-18	May 2018	$1,136,291	0.65%	0.42%	65%	$734,219	$402,072
TSL-03671-19	Feb 2019		2.20%	1.70%	77%	0	0
TSL-98076-18	July 2018	$6,113,274	4.41%	2.75%	62%	$3,812,132	$2,301,142
TSL-12253-19	Nov 2019	$1,737,445	0.80%	0.68%	85%	$1,476,828	$260,617
TSL-26297-22	March 2022	$1,346,817	0.75%	0.35%	47%	$628,515	$718,302
						Total Saved	$10,515,970

Understanding AGIs

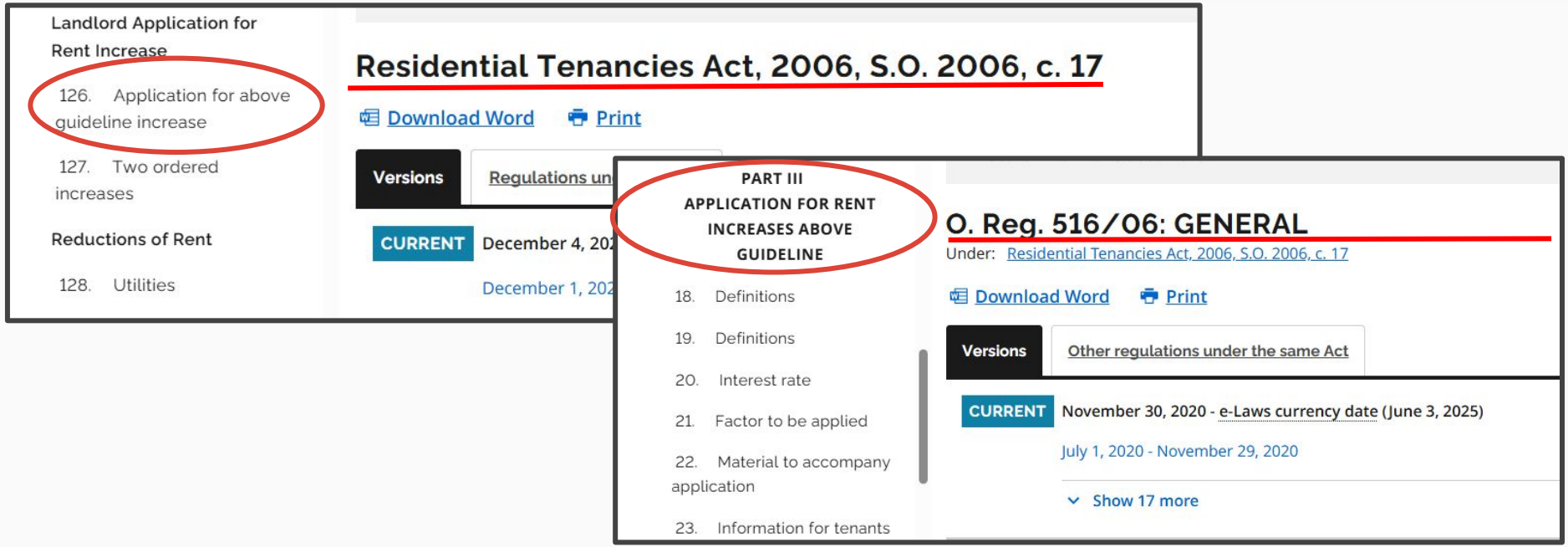
🧾 **What is an AGI?** Rent hikes above guideline

🏗️ **Why do AGIs exist?** Originally to fix decaying rental buildings

⚠️ **What's the problem?** Corporate Landlords misuse AGI to permanently raise rents

💪 **What should tenants do?** Organize, use data, fight back at the LTB

Important Legislation: The Rules



What We Hear from Tenant Associations

Legal clinics are overstretched → limited time to help tenants fight AGIs

Individual vs. collective support → mechanisms to build longer-term support

Need for clear direction | A Strategy → tenants want practical, step-by-step guidance, not vague answers

Gap in resources → lack of tools & consistent strategies across buildings

Encouragement for organizing → tenants who work as a team are more effective, reduce pressure on legal clinics, and achieve better outcomes

AGIs are a Critical Organizing Event

Mobilize Building to Organize
Fundraising Opportunity
Evaluation metrics are clear, measurable, and simple to track
Long-lasting impacts by supporting TA establishment

How to Analyze an AGI: A Step-by-Step Guide

0️⃣ **Beware of capital work in your building and begin collecting evidence**

1️⃣ **Get the AGI Application documents**
2️⃣ **Check the Basics (dates, rates, and rent roll accuracy)**
3️⃣ **Run the initial AGI calculation**
4️⃣ **Remove ineligible costs and recalculate**
5️⃣ **(Optional) Negotiate with the landlord before hearing**
6️⃣ **Prepare for the LTB hearing and mobilize tenants**

How to Analyze an AGI: A Step-by-Step Guide

1️⃣ Get the AGI Application Documents

📄 Ask landlord/management for:

- Form L5 (AGI application, which includes supporting documents)
- Up-to-date rent roll (clearly marked units affected)

2️⃣ Check the Basics

🗓️ Review:

- Are capital expenditures within the eligible time period?
- Is the rent roll accurate?
- Find the prescribed mortgage rate for the year (5-year mortgage rate on last wednesday of the month before month of AGI application)

3️⃣ Run the initial AGI Calculations

🧮 Input invoice totals into:

1. AGI Rate Calculator - This gives you the maximum legal AGI rate
2. The HPTA Capital Expenditure Template

How to Analyze an AGI: A Step-by-Step Guide

4️⃣ Remove Ineligible Costs & recalculate

🔍 Refer to Reg 516/06 / watch out for:

- Cosmetic upgrades
- Routine maintenance
- Invoices with missing/unclear info
- Incorrect “remaining useful life”
- Expenditure was on a previous AGI
- Ask for more supporting evidence (engineer’s reports)
- Rerun the calculator with eligible expenses only

5️⃣ Negotiate with the Landlord

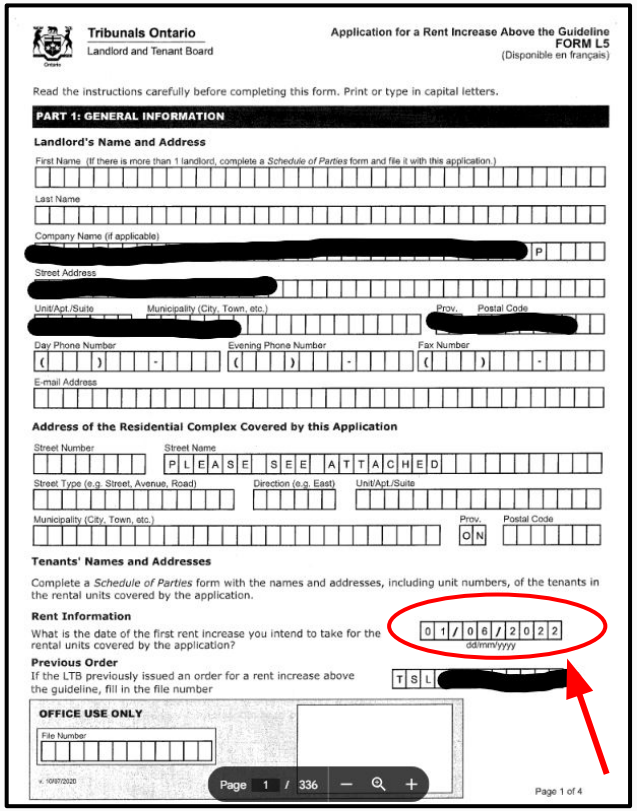
💬 You may or may not want to do this:

- Share your revised AGI calculation
- Explain why items were removed
- Legal support may help
- Many AGIs are reduced before a hearing

6️⃣ Prepare for the Hearing (If Needed)

- **30 days' notice** when hearing is scheduled
- **Call a building-wide meeting** of all affected tenants to prepare together & get signatures
- Ask the LTB to **order missing documentation** from landlord in advance
- **Consider legal support** to assist with case strategy and representation
- Attend the **Case Management Hearing**

L5 Application Example



Tribunals Ontario
Landlord and Tenant Board

Application for a Rent Increase Above the Guideline
FORM L5
(Disponible en français)

Read the instructions carefully before completing this form. Print or type in capital letters.

PART 1: GENERAL INFORMATION

Landlord's Name and Address

First Name (If there is more than 1 landlord, complete a *Schedule of Parties* form and file it with this application.)

Last Name

Company Name (if applicable)

Street Address

Unit/Apt./Suite | Municipality (City, Town, etc.) | Prov. | Postal Code

Day Phone Number | Evening Phone Number | Fax Number

E-mail Address

Address of the Residential Complex Covered by this Application

Street Number | Street Name: PLEASE SEE ATTACHED

Street Type (e.g. Street, Avenue, Road) | Direction (e.g. East) | Unit/Apt./Suite

Municipality (City, Town, etc.) | Prov.: ON | Postal Code

Tenants' Names and Addresses

Complete a *Schedule of Parties* form with the names and addresses, including unit numbers, of the tenants in the rental units covered by the application.

Rent Information

What is the date of the first rent increase you intend to take for the rental units covered by the application? 01/06/2022 (dd/mm/yyyy)

Previous Order

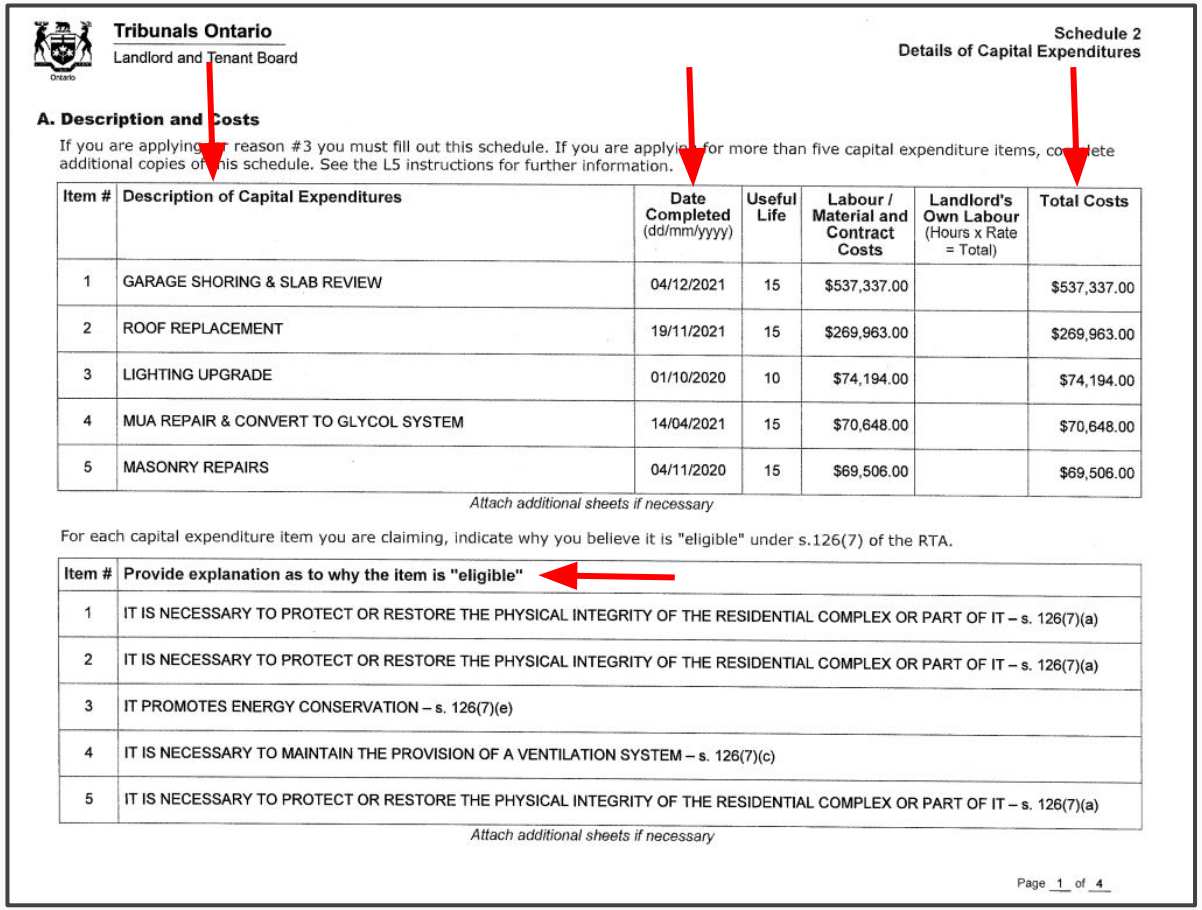
If the LTB previously issued an order for a rent increase above the guideline, fill in the file number TSL

OFFICE USE ONLY

File Number

Page 1 / 336

Page 1 of 4



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Schedule 2
Details of Capital Expenditures

A. Description and Costs

If you are applying for reason #3 you must fill out this schedule. If you are applying for more than five capital expenditure items, complete additional copies of this schedule. See the L5 instructions for further information.

Item #	Description of Capital Expenditures	Date Completed (dd/mm/yyyy)	Useful Life	Labour / Material and Contract Costs	Landlord's Own Labour (Hours x Rate = Total)	Total Costs
1	GARAGE SHORING & SLAB REVIEW	04/12/2021	15	$537,337.00		$537,337.00
2	ROOF REPLACEMENT	19/11/2021	15	$269,963.00		$269,963.00
3	LIGHTING UPGRADE	01/10/2020	10	$74,194.00		$74,194.00
4	MUA REPAIR & CONVERT TO GLYCOL SYSTEM	14/04/2021	15	$70,648.00		$70,648.00
5	MASONRY REPAIRS	04/11/2020	15	$69,506.00		$69,506.00

Attach additional sheets if necessary

For each capital expenditure item you are claiming, indicate why you believe it is "eligible" under s.126(7) of the RTA.

Item #	Provide explanation as to why the item is "eligible"
1	IT IS NECESSARY TO PROTECT OR RESTORE THE PHYSICAL INTEGRITY OF THE RESIDENTIAL COMPLEX OR PART OF IT – s. 126(7)(a)
2	IT IS NECESSARY TO PROTECT OR RESTORE THE PHYSICAL INTEGRITY OF THE RESIDENTIAL COMPLEX OR PART OF IT – s. 126(7)(a)
3	IT PROMOTES ENERGY CONSERVATION – s. 126(7)(e)
4	IT IS NECESSARY TO MAINTAIN THE PROVISION OF A VENTILATION SYSTEM – s. 126(7)(c)
5	IT IS NECESSARY TO PROTECT OR RESTORE THE PHYSICAL INTEGRITY OF THE RESIDENTIAL COMPLEX OR PART OF IT – s. 126(7)(a)

Attach additional sheets if necessary

Page 1 of 4

HPTA AGI Calculator

Above Guideline Rent Increase Application

Expenditures As Submitted

Calculations

Date of Application	March 1, 2022
First Rent Increase Date Requested	June 1, 2022
Increase exemption for tenants with leases commenced after	June 1, 2021
End of Applicable Period for Capital Expendtitures	March 3, 2022
Beginning of Applicable Period for Capital Expendtitures	September 1, 2020
Estimated Monthly Rent from 687 Units Covered by the Application	$1,323,293.25
Conventional 5-year Mortgage Rate V80691335 23 Feb 2022	4.790%
Monthly Interest Rate Factor	0.39524%
Schedule of Capital Expenditures	$1,346,817
Weighted Average Useful Life (in years)	15
Nominal Monthly Mortgage Payment	$10,471
Above Guideline Increase Request	0.750%
Expected L&TB Calculated Above Guideline Increase	0.791%
Rent Increase Guideline for 2022	1.200%
Expected Total Rent Increase Ordered for 2022 Renewals	1.950%
Rent Increase Guideline for 2023	2.500%
Expected Total Rent Increase Ordered for 2023 Renewals	3.250%
	inputs

Above Guideline Rent Increase Application

Expenditures As Submitted

Item	Description	Invoices (1)	Useful Life in Years (2)	(1) x (2)
1	Garage Shoring & Slab Review	537,337	15	8,060,055
2	Roof Replacement	269,963	15	4,049,445
3	Lighting Upgrade	55,146	10	551,460
4	MUA Repair & Convert To Glycol System	70,648	15	1,059,720
5	Masonry repairs	69,506	15	1,042,590
6	Thermostatic Mixing Valves	66,274	15	994,110
7	Parcel Lockers	42,563	15	638,445
8	Endotherm	46,274	15	694,110
9	Basement Corridor Renovation	44,386	10	443,860
10	Garbage Enclosure	26,117	15	391,755
11	Water Retrofit	28,796	15	431,940
12	Water Main Section Replacement	25,199	25	629,975
13	Plasma Air System	19,888	15	298,320
14	Water Leak Repairs	1,966	15	29,490
15	Garbage Room Exhaust Fan Duct	17,272	20	345,440
16	Sump Pump Replacement & Pit Repair	12,769	15	191,535
17	Garage Expansion Joint Repair	12,713	10	127,130
	Capital Expenditure Total	1,346,817		
	Weighted Average Useful Life	1,346,817	14.83	19,979,380.00

HPTA AGI Calculator

Above Guideline Rent Increase Application

Adjusted Expenditures

Calculations

Date of Application	March 1, 2022
First Rent Increase Date Requested	June 1, 2022
Increase exemption for tenants with leases commenced after	June 1, 2021
End of Applicable Period for Capital Expendtitures	March 3, 2022
Beginning of Applicable Period for Capital Expendtitures	September 1, 2020
Estimated Monthly Rent from 687 Units Covered by the Application	$1,323,293.25
Conventional 5-year Mortgage Rate V80691335 23 Feb 2022	4.790%
Monthly Interest Rate Factor	0.39524%
Schedule of Capital Expenditures	$812,789
Weighted Average Useful Life (in years)	15
Nominal Monthly Mortgage Payment	$6,319
Above Guideline Increase Request	0.750%
Expected L&TB Calculated Above Guideline Increase	0.478%
Rent Increase Guideline for 2022	1.200%
Expected Total Rent Increase Ordered for 2022 Renewals	1.678%
Rent Increase Guideline for 2023	2.500%
Expected Total Rent Increase Ordered for 2023 Renewals	2.978%
	inputs

Above Guideline Rent Increase Application

Adjusted Expenditures

Item	Description	Invoices (1)	Useful Life in Years (2)	(1) x (2)
1	Garage Shoring & Slab Review	0	15	0
2	Roof Replacement	269,963	15	4,049,445
3	Lighting Upgrade	74,194	10	741,940
4	MUA Repair & Convert To Glycol System	70,648	15	1,059,720
5	Masonry repairs	69,506	15	1,042,590
6	Thermostatic Mixing Valves	66,274	15	994,110
7	Parcel Lockers	63,865	15	957,975
8	Endotherm	46,274	15	694,110
9	Basement Corridor Renovation	0	10	0
10	Garbage Enclosure	33,462	15	501,930
11	Water Retrofit	28,796	15	431,940
12	Water Main Section Replacement	25,199	25	629,975
13	Plasma Air System	19,888	15	298,320
14	Water Leak Repairs	1,966	15	29,490
15	Garbage Room Exhaust Fan Duct	17,272	20	345,440
16	Sump Pump Replacement & Pit Repair	12,769	15	191,535
17	Garage Expansion Joint Repair	12,713	10	127,130
	Capital Expenditure Total	812,789		
	Weighted Average Useful Life	812,789	14.88	12,095,650.00

Spotting Ineligible Claims & Formulating Arguments

📜 What Makes a Capital Expenditure Eligible? Refer to RTA, 2006 – s.126(7)

❌ Common Ineligible Capital Expenditures

- **Cosmetic upgrades** (e.g., decorative lobbies, designer fixtures)
- **Deferred maintenance** disguised as capital work
- **Double dipping** (reclaiming costs already used in a previous AGI)
- **Misclassified expenses** (operating costs claimed as capital)

🧠 How to Build Strong AGI Arguments

- **Anchor to the law**: Use RTA s.126(7) + Reg. 516/06
- **Stick to the facts**: Focus on what's in the landlord's application
- **Cross-check everything**: Invoices vs. site inspections
- **Request supporting evidence and collect your evidence (do this early!)**: Engineering reports, work orders, photos
- **Use the power of organizing**: Community presence strengthens your case
- **Think strategically**: Strong math + strong narrative = impact at the LTB

Preparing the Community

🧱 Organizing Your Building to Fight an AGI

1️⃣ Form an AGI Review Team

- Divide tasks: document review, math, strategy, outreach
- Empower people to take ownership of parts of the process

2️⃣ Call a Building-Wide Tenant Meeting

- Especially when the **30-day LTB hearing notice** is issued

3️⃣ Conduct & Present Your Findings

- Present your results in plain language to the tenant group

4️⃣ Involve Tenants in the Hearing (aligned with AGI strategy?)

5️⃣ Build Collective Morale

- AGI fights are long—but **winnable and usually result in some form of rent reduction**

6️⃣ Show Unity

- **Collect signatures** confirming that the Tenants' Association is representing residents
- Present a united front to both the landlord and the LTB

What to Expect at the LTB

Case Management Hearing (CMH) Process

1. **Arrive early** – LTB will confirm which tenants are parties to the application
2. **Breakout rooms** – Tenants and landlord start in separate rooms (use this for final prep)
3. **Opening** – LTB outlines the process and time allocated to the AGI
4. **Review of Expenditures** – Each capital item is reviewed; tenants question, landlord rebuts
5. **Tenant Position** – Once all items are covered, your rep should state:
   "We do not agree that items X, Y, Z are eligible and request they be removed. This brings the AGI to ___%."
6. **Landlord Response** – Landlord will counter your position
7. **Negotiate** – Request a private room to discuss and prepare a counteroffer with tenants

What works:

- Remember, you are negotiating with the landlord, NOT the LTB (I find them generally counter productive to negotiations)
- Calm, collective demeanor
- Clear, rehearsed arguments
- No infighting: stay united in the room
- Don't be afraid to *be wrong (or sound stupid)*
- Landlord reps often bank on disorganization—prove them wrong

THANK YOU

Ontario Renters for Fair Housing

Email: alex@ontariorenterscoalition.ca
Phone: 204-799-3774