



Community Services

Legislative Services

May 31, 2022
File #120203

The Right Honourable Justin Trudeau
Prime Minister
House of Commons
Ottawa, ON K1A 0A6
Justin.trudeau@parl.gc.ca

The Honourable Doug Ford
Premier of Ontario
Legislative Building, Queen's Park
Toronto, ON M7A 1A1
premier@ontario.ca

Honourable and Dear Sirs:

Re: Bidding Wars on Apartment Rentals

The Municipal Council of the Town of Fort Erie at its meeting of May 30, 2022 passed the following resolution:

Whereas Canada's housing market has not only made it difficult for many Canadians to afford to purchase a home but also to rent apartments, and

Whereas there is a disconnect between affordability of housing and apartment rentals versus wages that have not kept pace with them nor has it kept pace with inflation, cost of living expenses, the rising costs of goods & services including – food, gas and utility, and

Whereas Ontario has now become the least affordable jurisdiction suffering the worst erosion in the last 50 years, and

Whereas many Canadians continue to be locked out of the housing & rental market for many reasons including the affordability of a down payment, rising inflation rates, and the escalation of bidding wars, and

Whereas bidding wars do not stop at home purchases but have now transitioned to apartment rentals as a ripple effect of the real estate market, and

Whereas there is a profound psychological effect to those individuals who continue to be shut out of the housing and rental market as a direct result, and

Whereas both blind bids and open bids are bad for the housing and apartment market which can lead to a housing bubble, and while blind bids offer no transparency, both types create unrealistic values that helps the seller and the rental owner but hurts the purchaser and renter, and

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Whereas there are multiple sites that encourage and teach how to win at bidding wars, and

Whereas there is no comprehensive data or statistics that currently tracks prices for rentals, and

Whereas the Government of Ontario will be introducing new legislation with respect to blind bidding only which does not prohibit the seller from entering into a bidding war but, rather, would give sellers the option to "opt for an open offer process", and

Whereas the changes to the *Trust in Real Estate Services Act* provides an advantage to the seller(s) and largely weakens opportunities of the buyer and renter further adding to the disparity between the two;

Now therefore, be it resolved,

That: Both the Federal & Provincial Governments enact legislation that prevents both open and closed bidding on both rental units and residential sales, and further

That: Both the Federal & Provincial Government prohibit sales beyond the list price, and further

That: A copy of this resolution be circulated to The Right Honourable Justin Trudeau, The Honourable Doug Ford, Premier of Ontario, All Members of Parliament, All Members of Provincial Parliament, and all Municipalities for their support.

References:

<https://www.truenorthmortgage.ca/blog/how-the-blind-offer-is-hurting-the-canadian-housing-market>

<https://www.cbc.ca/news/bidding-wars-to-rent-a-house-in-ontario-tenants-and-agents-say-it-s-a-new-reality-1.6094412>

<https://nationalpost.com/news/canada/extremely-stressful-bidding-wars-no-longer-limited-to-purchase-of-houses-now-its-rentals-too>

<https://www.blogto.com/real-estate-toronto/2022/04/ontario-new-regulations-bidding-wars-homes/>

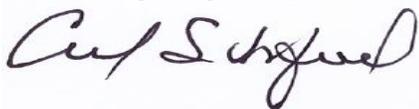
<https://www.cp24.com/news/ontario-to-allow-new-home-sales-tactic-that-would-change-the-bidding-process-1.5867054?cache=yes&clipid104062%2F7.493183>

<https://www.ontario.ca/laws/statute/s20001>

https://www.gensqueeze.ca/housing_affordability_analysis

Thank you for your attention to this matter.

Yours very truly,



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Manager, Legislative Services/Clerk

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CS:dlk

c.c. All Members of Parliament
All Members of Provincial Parliament
All Ontario Municipalities