

WHAT ARE THE COSTS ASSOCIATED WITH LIVING IN A RETIREMENT HOME?

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The variation in cost is in part attributable to the diversity of retirement homes, which can house as few as six older adults to as many as hundreds of residents. As well, the available amenities, location of the home and size of the unit can impact the starting rent.

Retirement homes are governed mainly by two pieces of legislation: the *Residential Tenancies Act, 2006* (“RTA”) and the *Retirement Homes Act, 2010*. Pursuant to these Acts, retirement home landlords are required to provide tenants with a

When deciding whether a retirement home is right for you, it’s important to know what it’s going to cost now – and down the road.

Retirement homes are privately owned, usually for-profit businesses that rent units to older adults who pay rent and can purchase care services. Unlike long-term care homes (also known as nursing homes), retirement homes do not receive government funding from sources such as the Ministry of Health and Long-Term Care.

The cost of retirement home living can vary widely, from around \$1,500.00 per month up to \$10,000.00 per month. According to research by the Canada Mortgage and Housing Corporation in 2015, the average monthly rate for a retirement home in Toronto was \$3,134.00.¹

written tenancy agreement, which must set out the amount of rent, and the cost of meals and each care service, if any, that the tenant is paying for.

Retirement home tenants have the right to consult with a third party before signing a tenancy agreement and may cancel the agreement by giving written notice to the landlord within five days of signing the agreement.

Before entering into a tenancy agreement, the retirement home landlord must provide you with a care home information package, or “CHIP”. The CHIP must include an itemized list of the different types of accommodation and care services provided in the retirement home and their prices, as well as a statement that a resident may purchase or apply for care services, other services, programs or goods from external care providers (such as the local Community Care Access Centre, for example).

¹ Canada Mortgage and Housing Corporation, “Seniors’ Housing Report”, online: (2015) at p. 3
<http://www.cmhc-schl.gc.ca/odpub/esub/65991/65991_2015_A01.pdf>

Rent Increases

The rules relating to rent increases in a retirement home are the same as for other types of rental housing. These rules are set out in the *RTA*.

Retirement home landlords must provide tenants with at least 90 days' written notice of a rent increase before it can take effect.

In general, retirement home landlords can raise rent once every 12 months by an amount set yearly by the government; this increase is referred to as the annual guideline increase (for 2016, the annual guideline increase is 2%). You can call the Landlord Tenant Board at 1-888-332-3234 to find out current or past annual guideline increases.

If a retirement home landlord wants to raise rent by more than the guideline amount or more than once annually, the landlord must make an application to the Landlord and Tenant Board and receive a decision allowing them to do so.

Some retirement homes are exempt from guideline increases; for example, certain non-profit housing and newer units (i.e. if no one lived in the building before November 1, 1991 or if the unit was not occupied for any purpose before June 17, 1998). Landlords in these cases must still provide 90 days' notice of a rent increase and can only raise the rent once annually.

Care Services Increases

"Care services" in the *RTA* means health care services, rehabilitative or therapeutic services or services that provide assistance with daily living. This includes, for example, nursing care, bathing assistance, and assistance with dressing and personal hygiene. Recreational or social activities, housekeeping, laundry, and assistance with transportation are considered care services only if they are provided along with another care service.

Retirement home residents have the right to apply for publicly funded care services and to be informed about how to apply for those care services by the retirement home. Residents can also purchase services from private agencies of their choice.

Retirement homes are restricted in what they can classify as care services. It is important to review your tenancy agreement carefully to ensure that certain fees or services are not misclassified. ACE has encountered cases where landlords have inappropriately included items, such as maintenance fees and telephone bills, as care services.

Unlike rent, increases to care services can be made more than once annually, as long as the tenant receives at least 90 days' written notice and the tenant has previously received a written tenancy agreement and CHIP, which meet the requirements under the legislation.

More troubling, however, is the fact that the *RTA* does not explicitly limit the amount by which a landlord can raise care services. This means that if a landlord increases care services by an amount that is unaffordable, older adults who rent from retirement homes may be at risk of "economic eviction", that is, being forced to move because they can no longer afford to stay in their home.

ACE believes this is an unacceptable gap in the legislation and will be making submissions to the Minister of Municipal Affairs and Housing for legislative change. If you are also concerned with this issue, we suggest you contact your MPP to demand change.

Until the law is remedied, it is important to know that care services purchased from a retirement home may be increased more than once annually and by any amount.

Retirement home residents have rights. If you believe that your landlord has inappropriately included items such as care services in your tenancy agreement or unlawfully increased your rent or care services, seek legal advice at ACE or your local community legal clinic.