Commercial Rent Reform - Quickstart Guide for Elected Officials

3-minute read | Your gateway to the CommercialRent.ca FAQ for Elected Officials.

The Problem in 30 Seconds

Small businesses across Canada face unpredictable rent increases and commercial lease volatility that force closures despite having loyal customers and profitable operations. When rent jumps 50%+ overnight, it's almost always a displacement or extinction level event. This disrupts local employment, can reduce tax revenue, and reduce economic development effectiveness.

Why This Matters to You

- **Employment:** Small businesses employ 63.8% of Canada's private sector workforce including many first-time employees in local retail stores, cafes, and restaurants.
- **Tax Revenue:** Business closures can reduce property tax revenue and create vacant storefronts.
- **Community Impact:** Residents lose local services and functional neighbourhoods and may be forced to travel elsewhere for goods and services destabilizing the tax base.
- **Economic Development:** Stable business districts attract complementary businesses and residential investment.

What You Can Do Right Now

This Week: Gather Intelligence

☐ Survey 5-10 local businesses using [this 7-question template] about rent increases and
lease renewals
$\hfill \Box$ Contact your BIA or Economic Development directors - ask about member turnover and
rent pressures
☐ Check business open/closures - track closure & relocation patterns in commercial
districts, municipal staff should be able to supply this data
☐ Identify at-risk businesses - those with lease renewals in next 12 months facing
displacement

This Month: Build Understanding

☐ Learn the 4 main lease types (Gross, NNN, Modified Gross, Percentage) - see full FAQ ☐ Map your authority - what can you do municipally vs. what requires provincial advocacy - use the BWA's Commercial Rent Impact Assessment Tool
□ Connect with property owners - start conversations about tenant turnover costs (can be up to 100k-\$200k)
☐ Research comparable communities - benchmark your rent rates and vacancy patterns. This can be done via informal or formal surveying, historical data (through CoStar), speak to your neighbouring neighbourhoods and cities
This Year: Take Action
 □ Draft a municipal resolution supporting provincial commercial rent reform □ Organize a stakeholder meeting - bring landlords, tenants, and BIA representatives together □ Propose a pilot program - test rent stabilization in 1-2 business districts □ Coordinate with other municipalities - build regional advocacy coalition

Key Policy Concepts (Full details in main FAQ)

Commercial Renter Bill of Rights provides framework with four core areas:

- Predictable rent increases (graduated rent increases, new construction exemptions)
- Standard lease terms (eliminate harmful clauses, require transparency)
- Affordable dispute resolution (tribunals, mediation programs)
- Right to offset rent (deduct costs from rent for landlord's failed responsibilities without eviction risk)

Provincial Jurisdiction:

- Direct rent regulation and graduated rent caps
- Commercial landlord-tenant tribunals
- Standardized lease requirements
- Tenant rights legislation (repair-and-deduct, lease continuity on business sale, etc.)

Municipal Tools Available:

• Zoning requirements for "right-sized retail" in new builds. Most businesses require 400-1000 square foot spaces yet new condo builds tend to be 1,500-3,000 square feet

- Development incentives prioritizing tenant stability
- BIA or local business association expansion and support programs
- Stakeholder (landlord, tenant, BIA, elected officials) convening and coalition building
- Provincial advocacy and municipal association resolutions

Next Steps

- 1. Use this week's action items to understand your local situation
- 2. Read the full FAQ for detailed Q&A
- 3. Contact Better Way Alliance for consultation and resources
- 4. Connect with other municipalities pursuing similar initiatives

Questions? Ready for deeper consultation?

Contact: Aaron Binder, Director of Communications, <u>Better Way Alliance</u> 416-677-5088 | <u>aaron@betterwayalliance.ca</u>

Commercialrent.ca is a project of the Better Way Alliance.



COMMERCIAL RENT. CA