

## THERE IS MORE TO RENTING THAN PAYING RENT

Rents are increasingly expensive. But renters face additional barriers to maintaining housing, many of which are influenced by public policy.

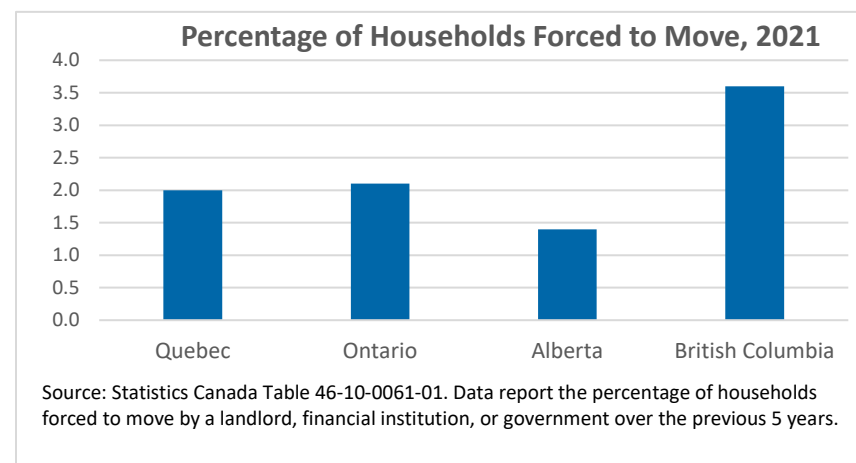
Over the past two years, rental prices in many Canadian cities have increased by 50% or more. This has had detrimental effects on affordability and has most harshly impacted individuals and families with low income and tight budgets. As we have described in [other research](#), high rents force households with low income to live in crowded conditions, sacrifice spending on all but the most basic of necessities, and increase their reliance on food banks and other charities. But there are still other challenges.

Landlords require proof from a prospective tenant that they are capable of paying rent not just today but also in the future. This is particularly difficult for people on low income, because this implies submitting evidence of employment status and history, as well as copies of tax returns from previous years, good credit history and providing copies of bank account activity. These requirements set in motion a vicious cycle in which it becomes extremely difficult to recover housing once it is lost. A loss of housing as a result of a temporary financial set-back can become long-term or even permanent despite the person resolving the financial setback. The difficulty in regaining housing once it is lost is why the prevention of homelessness must be a priority of public policy.

**The percentage of tenants forced to move out of a rental property is dramatically higher in British Columbia than in other provinces.**

There are many reasons why people lose housing. Most are related to job loss and poverty resulting in people unable to afford rising rents. But another reason is when a tenant is forced to move due to [eviction](#).

The figure shows data on the percentage of renters forced to move out of their residence by a landlord, financial institution, or government. [Research](#) shows that a higher rate of “no-fault” evictions is behind the reason for the much higher percentage



of renters being forced to move out of their rental properties in British Columbia.

Why would the rate of evictions in BC be nearly twice that of elsewhere? No-fault evictions result from the behaviour of tenants or the need for landlords to either renovate an old property, sell it, or use it for themselves. There is little reason to believe that the behaviour of tenants or the need for renovation is significantly greater in BC than elsewhere. Rapid rent increases across the country suggest there is also little reason to believe the rental market is noticeably more heated in BC than elsewhere, causing greater property owner turnover.

This leaves the possibility of significant provincial differences in the regulatory system in which landlords and tenants resolve conflicts. This explanation finds support in recent [evidence from the US](#), that seemingly minor policy changes, affecting how people with low income interact with the housing market, have significant effects on the severity of the housing crisis they face and the number of people experiencing homelessness. As is so often the case, public policy solutions to problems like homelessness may sometimes be hidden in the details of regulations, rules, and restrictions.