



February 13, 2023

Honourable Ranj Pillai, Premier of the Yukon
Government of Yukon
Whitehorse, Yukon

Send via E-mail: Ranj.Pillai@yukon.ca

Re: 2023 Confidence and Supply Agreement

Honourable Premier Pillai,

The Yukon and Whitehorse Chambers of Commerce would like to provide public comment on a range of new housing regulations implemented as part of the 2023 Confidence and Supply Agreement ('CASA').

To reiterate our guiding principles shared in 2022, we believe that governments should focus their efforts to:

- 1) Increase the supply of government social housing for those who need support; and
- 2) Create an environment where investments in market housing are an attractive and accessible option for the private sector and all citizens.

By creating prohibitive regulations in market housing, governments risk impairing the private sector workforce and discouraging private sector investments that are very much required to increase our local housing supply.

We would also like to share our concerns on several specific components of the CASA.

Impact on private investment:

Our most significant concern is that through this agreement, the territorial government is taking a forceful and harmful approach to navigating property rights in the Territory. We understand the CASA's intended outcomes of increasing tenants' rights throughout the Territory. However, the impact these actions will have on businesses and entrepreneurship - outside of housing the private sector workforce - is harmful because it places all property rights, including non-residential real property and personal property, into greater uncertainty.

We are concerned that this environment of weakening property rights will create a barrier to new private investment into the Territory. As a result, there may be a shift in Yukon businesses and entrepreneurs investing their capital outside of our Territory.

Impact on housing the private sector workforce:

We believe that the CASA risks impairing the private sector workforce, which is a position we shared in December 2022. However, we acknowledge that this new CASA is an improved version of ideas previously disseminated by the Yukon NDP by providing some reasonable grounds to end a tenancy. Still, landlords are able to take less risk pre-occupancy than previously. And in an environment where landlords cannot take as much risk, Yukoners will be less able to find housing if they have a higher risk profile.

Within this new framework for managing risk, tenant scrutiny will increase and Yukoners who are self-employed or starting new businesses may be put at a disadvantage regardless of the few provisions of the CASA that allow landlords to end tenancies with cause due to the extraordinarily time-consuming requirement of navigating the Residential Tenancies Office (RTO) to end tenancies under these reasonable grounds.



Currently, across Canada, we are observing average wait times for a residential tenancy dispute hearing reaching 6-12 months in provinces that have implemented similar rules, which is highly concerning.

Reference: [CBC News Article](#).

The evolving behaviour of landlords could discourage entrepreneurship and private sector employment for citizens, negatively impacting existing businesses' owners and customers. From this, we may see local businesses reducing their operating hours and service levels or closing their doors.

Impact on the middle-class:

The timing of these regulations is abysmal, given the crisis that so many homeowners and middle-class families that invested in real estate are currently navigating. One source has estimated there may be as many as 1,000 Yukon households with variable-rate mortgages getting torn apart by their monthly payments.

Reference: [Yukon News Article](#).

We want to see the government create an environment where investments in affordable or market housing are an attractive and accessible option for the middle-class for the ultimate benefit of all Yukon residents. Unfortunately, rent control and prohibitive rules around ending tenancies are a step away from that.

Suggestions:

We believe that the government should immediately increase the RTO's capacity to accommodate the increase in cases that will now be submitted to it. Furthermore, a time limit should be established on how long it takes the RTO to complete a decision, and the process should be streamlined so that the RTO can complete the required work within this time limit. We believe a decision will need to be processed and heard within a maximum of four (4) weeks from the date the notice was served, to keep rental markets running efficiently.

An industry like landlords needs a grace period to adjust their business models. Landlords are being caught flat-footed by the government by not consulting and now landlords are unable to adjust their business models to work with in the new regulations for their circumstances. A grace period is necessary to restore confidence in the Yukon's housing market as being open for business.

Without the ability to legally enforce residential rental requirements in a timely manner, we are very seriously concerned that landlords will be less willing to provide housing to Yukoners with a higher risk profile, which may negatively impact the private sector workforce and cause homelessness within the vulnerable population to skyrocket.

Sincerely,

Allison Camenzuli
Chair, Whitehorse Chamber of Commerce



Ben Pereira

Ben Pereira
Chair, Housing, Lodging and Lot Development Committee
Whitehorse Chamber of Commerce

KYLA BARKER

Kyla Barker,
Chair, Yukon Chamber of Commerce

cc:

Curry Dixon, Leader of the Opposition and Chair of the Standing Committee on Public Accounts
Kate White, Leader of the Yukon NDP