



Tenants create co-op to preserve affordable housing when landlord puts building up for sale

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If you live in a rental apartment building, form a tenant association as soon as possible.

That's the advice of Emily Power who, along with her neighbours, formed a tenant association in order to buy a 21-unit, three-storey, brick apartment building on Caroline St. S. in Hamilton with the goal of turning it into a co-op.

"I'd certainly encourage tenants to organize now so, if your landlord puts your building up for sale, you know your rights and can act fast," Power said when asked what advice she'd have to others living in affordable housing. "I have a degree in urban planning, and I am familiar with the process, but there was still a big learning curve."

Power said large financial organizations, like Real Estate Investment Trusts (REITs), have the knowledge, staff and financial clout to move quickly when a building comes up for sale. It's difficult for tenants to compete against that and establish a co-op, especially if they aren't already organized.

And, if the building gets sold to an investment firm, it's common that the tenants will be evicted on the premise that renovations need to be done, then the rent will be substantially increased.

Despite some back and forth on repair costs, Power said there is a conditional sale agreement with the owner and she is confident the building will be acquired and turned into a non-profit co-operative that will preserve the cost of rent at an affordable level.

"We are still in negotiations with the landlord but expect this to wrap up soon," said Power, who works as a planner/researcher. "We expect to close on the purchase and establish the co-op in early 2024."



Under the co-op structure, the tenants will have no equity in the building and will not be eligible to withdraw profit if they leave. The building will be owned by the co-op which will cover operating costs, including a mortgage, from the rent proceeds.

Power said the City of Hamilton, notably staff from the Housing Services department and Councillor Cameron Kroetsch, were very helpful in guiding the tenant association through the process.

The city is helping with rent-geared-to-income subsidies for many of the tenants, a property tax exemption, down payment assistance through the Housing Secretariat's Acquisition Assistance Fund, and a contribution to the down payment from Councillor Kroetsch's area rating reserve fund. The tenant association also received financial support from the Hamilton Community Foundation and the Community Housing Transformation Centre. Many other people in the community provided mentorship and advice, Power said.

Below are programs that can assist tenant groups, non-profit housing providers, and community land trusts in apartment acquisition:

- British Columbia's \$500 million Rental Protection Fund:
<https://news.gov.bc.ca/releases/2023PREM0002-000023>
- City of Toronto's Multi-Unit Rental Acquisition (MURA) Fund (currently funded at \$20 million per year): <https://www.toronto.ca/news/city-of-toronto-launches-21-5-million-request-for-proposals-for-multi-unit-residential-acquisition-program-to-protect-affordable-rental-housing/>
- City of Montreal's Right of First Refusal program for 300 apartment buildings:
<https://www.cbc.ca/news/canada/montreal/right-of-first-refusal-social-housing-1.5466347>



For more information, email carolinestreettenants@gmail.com. Power said the association is especially interested in hearing from tenants looking to undertake similar co-op conversions.

272 Caroline Street South Tenant Association's [FAQ](#) page.