

# Most Tenant–Housing Provider Conflicts Are About Money

A neutral perspective for Ontario housing advocates, policy makers, builders, tenants and housing providers

**Note to short-attention-span reader:** *I've worked to keep this article as concise as possible, but the subject is broad and the issue is decades in the making. A sustainable solution that supports affordability for tenants AND housing providers cannot be reduced to a convenient sound bite. Reaching a meaningful conclusion required a clear, systematic rationale that properly supports it.*

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Public discussions about rental housing tend to focus on rights, responsibilities, personalities, or ethics. But behind nearly every dispute between a tenant and a housing provider lies something far simpler, far more structural, and far more common than most tenants, housing providers, politicians and government bureaucrats care to recognize or admit:

**Easily 80% or more of tenant–housing provider conflicts in Ontario are fundamentally about money: who will pay for what and when.** Both sides are reacting to financial survival.

This isn't because tenants or housing providers are greedy, nor because either group is inherently unreasonable. Rather, the economics of rental housing in the Greater Toronto Area — and in many other parts of the province — place both groups under significant and often incompatible financial pressures.

Understanding this reality is essential to understanding why disputes happen at all. No amount of goodwill, legislation, or penalties can prevent conflict when one party cannot meet a core financial obligation.

Philosophical principles and aspirational housing standards become secondary or even moot when individuals do not have a home or the security of one.

## Rent Arrears: The Most Common Flashpoint

The most frequent and most severe conflict in the rental system is rent not being paid. When a tenant falls behind:

- A housing provider's ability to pay the mortgage, utilities, insurance, taxes, and maintenance is immediately affected.
- When a housing provider seeks to enforce the agreement, the tenant's housing security is threatened.

In both cases, quality of life and financial stability are threatened and what appears as an interpersonal dispute is almost always driven by financial stress.

## **Repairs, Maintenance, and “Property Standards” Are Different Perspectives of the Same Thing -- Money**

Tenants view delayed or ignored repairs as neglect, indifference or greed disguised as “being cheap.”

Housing providers may view repeated demands as unreasonable or beyond their financial capacity. Meanwhile, municipalities — which are prohibited under Ontario legislation from using debt to fund day-to-day operating expenses — increasingly rely revenue-generating schemes such as property standards enforcement, which are often challenging even for municipal housing providers to consistently meet.

Underneath all this emotion and frustration is a simple truth:

- **Tenants** want issues resolved promptly and not at their expense because delays can affect comfort, health, security and daily living.
- **Housing providers** must balance repair costs against rapidly rising expenses: property taxes, utilities, insurance, inflation, and labour.

A repair costing \$300 to \$1,500 may appear modest to a tenant, but for many small housing providers it can represent an entire month's profit — or a negative month. What looks like a dispute about responsiveness is often about who pays, when, and from what limited resources. Tenants understandably assess a housing provider's finances by looking at gross rental income — the total amount collected each month — and may assume that this figure reflects the housing provider's true ability to absorb costs.

Housing providers, however, evaluate an entirely different number: the net operating result after all expenses, including mortgage payments, property and corporate (and many other) taxes, insurance, utilities, repairs, contractor costs, and municipal compliance requirements.

In today's high-cost Ontario environment, the gap between gross income and net profit (or savings) can be enormous for housing providers AND tenants. What may look to a tenant like substantial revenue often shrinks to a razor-thin margin once all obligations are met and paid.

**This difference in perspective fuels many misunderstandings**, and contributes to the perception that housing providers “can afford anything” when, in reality, many are operating on narrow, and sometimes negative, margins (especially rental condos).

### **Rent Increases and Affordability Gaps**

Every year, housing providers face rising operating costs: property taxes, insurance premiums, utilities, mortgage rates, contractor costs, government compliance requirements and more.

At the same time, many tenants face stagnant wages and equally rising living costs.

When rents increase, even within provincial guideline amounts, the tension is rarely about the percentage itself. It's about **competing financial pressures**:

- For housing providers: keeping the building financially viable.
- For tenants: keeping life financially survivable.

The conflict is often framed as fairness, but the underlying issue is income versus expenses on both sides.

### **Behavioural Conflicts Are Often Money Conflicts in Disguise**

Issues such as noise, cleanliness, visitors, and parking may appear behavioural. In reality, they often emerge from economic strain:

- Overcrowding reflects the need to share costs.
- Noise issues arise from shift workers living in small units, incompatible lifestyles, untrained pets, the mix of families versus individuals, etc.
- Undeclared occupants often contribute informally to rent but add housing provider costs and building wear-and-tear.
- Misuse of units for short-term rentals (e.g., Airbnb) is almost always driven by legislation avoidance and income sustainability.

Financial pressure amplifies every behavioural issue.

### **Evictions Are Almost Always Financial**

Almost all eviction proceedings originate from one or more of:

- Rent arrears
- Unpaid utilities
- Property damage
- Situations where costs exceed the housing provider's ability to absorb them

Even when behaviour is involved, the consequences — repairs, lost rent, turnover, and legal fees — are still financial burdens.

At its core, eviction is about returning possession of a property when the underlying financial obligations can no longer be sustained.

Eviction is where all money pressures collide.

### **Advocacy Narratives Are Also About Money**

Tenant-rights advocacy typically focuses on:

- Preventing rent increases
- Preventing evictions
- Removing or decreasing penalties
- Expanding supports
- Delaying enforcement
- Increasing protections

These efforts aim to reduce tenants' financial vulnerability.

Housing provider advocacy typically focuses on:

- Cost recovery
- Preventing arrears abuse
- Enforcing contracts
- Respecting property
- Respecting neighbours
- Shortening resolution timelines
- Reducing operational burdens

These efforts aim to maintain financial sustainability for housing providers.

**Summary:** strip away the rhetoric and posturing, and both sides are negotiating over who absorbs financial risk in an increasingly unaffordable housing environment. **Neither side has enough margin.**

### **Government Can't Afford Affordable Housing**

If the expectation is that government alone can build the volume of housing Ontario needs, the underlying numbers suggest otherwise.

1. Historically, approximately 95% of all housing in Canada, not only in Ontario, has been financed and delivered by the private sector. Governments have neither the capital capacity nor long-term fiscal flexibility to construct enough units, particularly units that remain affordable for both tenants and housing providers.
2. Municipalities rely on property taxes for roughly 70% of their operating revenue. Property taxes are tied to assessed property values, which in turn reflect a rental property's income after expenses. When rental income is constrained, municipal revenue is constrained as well.

For these reasons, governments face structural fiscal limitations that make it difficult for them to produce large-scale, sustainably affordable housing without significant private-sector participation.

### **Why This Matters: Misdiagnosing Conflict Leads to Misguided Policy**

When policymakers assume conflicts are primarily moral or behavioural, they create legislation aimed at symptoms instead of causes.

When more than 80% of conflicts arise from financial stress:

- Policies that ignore economics worsen tensions.
- Delays at the Landlord and Tenant Board turn small arrears into catastrophic ones.
- Rent controls that freeze revenues but not expenses create structural imbalance.
  - (Rent control for housing providers functions similarly to wage control for tenants.)
- Advocacy that assumes “bad housing providers” or “bad tenants” overlooks the systemic forces at play.

### **The Systemic Real-world Issue – Neither Side Has Enough Margin**

- Tenants lack access to sufficient rental units that are affordable within their income levels.
- Housing providers are denied the financial means to absorb rising costs.
- Small arrears quickly become major crises.
- Small repairs become stressors; large repairs become financially destabilizing.

**Conclusion: Rights and obligations clash because Ontario's residential tenancy system forces both parties into a low-margin, high-friction relationship. Conflict is the symptom. Economics is the cause. Most Ontario tenancy policies address symptoms, not causes.**

### **Corrective Policy Action: Addressing the Economic Realities Reduces Conflict**

Solutions that directly address and balance the financial pressures facing tenants, housing providers and municipal governments will reduce conflict more quickly and effectively than punitive measures, symptomatic taxes and behaviour-modifying legislation:

- Increase wages
- Better affordability supports
- More purpose-built rental supply
- Faster dispute resolution
- Rational, transparent cost-recovery processes

Not because people become more agreeable or better behaved, but because **when both sides can meet their financial obligations, conflict evaporates.**

### **About the Author**

Chris Seepe currently owns and hands-on operates six small apartment buildings totaling 70 rental units in Ontario. He's been a housing affordability advocate for a decade, published two books on "landlording" in Ontario, taught an immersive six-day landlording course for many years, has had dozens of articles published in national media, and been invited to speak at many landlord venues, realtor agencies, trade shows, and symposiums across Ontario. He was the author and driver of the petition, "We Demand Automatic Eviction Orders for Non-Payment of Residential Rent," that garnered about 45,000 mostly housing provider signatures.

### **Other Works by the Author**

*The Dark Side of Residential Landlording*: Book website: [www.darksidebook.com](http://www.darksidebook.com)

*Landlording in Ontario*: Book website: [www.landlordingbook.com](http://www.landlordingbook.com)

Purchase the print version of either book at: [www.lulu.com](http://www.lulu.com)

75+ additional clauses to Ontario's Standard Tenancy Agreement: [www.standardlease.ca](http://www.standardlease.ca)

Online *Landlording in Ontario* real estate course taught by the author – contact the author

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