



**Ontario**  
Home Builders'  
Association

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December 9, 2022

Ministry of Municipal Affairs and Housing

**Proposal Number: 22-MMAH018**

**RE: Seeking Input on Rent-to-Own Arrangements**

**The Ontario Home Builders' Association (OHBA)**

The Ontario Home Builders' Association (OHBA) is the voice of the residential construction industry in Ontario. OHBA represents over 4,000 members including builders, developers, professional renovators, trade contractors and many others within the residential construction sector.

The OHBA is coordinating our public policy response with regards to Bill 23, the *More Homes Built Faster Act, 2022* with input from members across Ontario. OHBA is proudly affiliated with the Building Industry and Land Development Association (BILD), the West End Home Builders' Association (WEHBA) and the Greater Ottawa Home Builders' Association (GOHBA).

OHBA supports the provincial government's initiative to consider alternative financing models to provide new pathways to homeownership for a greater number of Ontarians. Flexible home ownership options such as rent-to-own arrangements can be an important addition to the housing marketplace and provide a stronger bridge for renters to transition to ownership over time.

However, rent-to-own would also have to be an attractive option to housing providers whose housing stock would need to be renewed over time or be purpose-built for rent-to-own initiatives, much like rental units are purpose-built. Housing providers in this space would need to have both the infrastructure and business planning of a landlord who retains housing stock as an asset as well as the end goal of a merchant builder who transfers possession to the homeowner.

This type of arrangement is likely to only appeal to non-profit developers who are specifically geared to supporting affordable homeownership. This would be similar to organizations who provide shared equity programs to disadvantaged populations, but OHBA cautions that any new program needs to be tied to the creation of new housing units specifically.

OHBA strongly suggests the Ministry develop a specific financial support regime to assist non-profit developers make the rent-to-own model viable in a greater number of circumstances and locations. Furthermore, we strongly encourage the Ministry to work with the federal government and the Canadian Mortgage and Housing Corporation to incentivize and streamline this type of ownership model.

Given the unique nature of the rent-to-own model of home ownership, OHBA would propose the following feedback to help ensure this model, if implemented, could be successful in specific and appropriate circumstances.



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First, housing units which are specifically structured under a rent-to-own framework should be exempt from the *Residential Tenancies Act* given that these units would inevitably be owned by the occupant. Second, the Ministry must consider how this system would work with Tarion in relation to the timeline of the rental portion of the arrangement. Finally, the Ministry must work with the federal government and the CMHC to incentivize this type of housing model in applications where it makes sense.

We thank the Ministry for the opportunity to comment on these proposals. We also recognize that there is still more work to do and OHBA may provide further comments at a later date. We look forward to continuing engaging with the Ministry in order to ensure these proposals are aligned with the goal of increasing housing attainability.