

ONTARIO ACORN

WHO IS ONTARIO'S BIGGEST RENOVICTOR?

ACORN'S INVESTIGATION CONNECTS MICHAEL KLEIN TO 21 BUILDINGS FACING RENOVICTION ACROSS 7 CITIES

INTRODUCTION

Ontario ACORN is raising the alarm on a landlord that we believe to be the province's biggest perpetrator of renovictions - Michael Klein. Through corporate record searches, ACORN has linked Michael Klein to 21 buildings experiencing mass renovictions in Toronto, Hamilton, Kitchener, Cambridge, Guelph, London and Lindsay, Ontario.

This landlord profile is an attempt by ACORN members living in buildings owned by Michael Klein to shed light on how one landlord has gamed the system to make a business out of renovictions.

First, we will provide background on what are renovictions and the scale of the crisis in Ontario. Then the report will delve into Michael Klein's predatory tactics, how he operates his business in the shadows, and which buildings are currently resisting renovictions. Finally, we will conclude with testimonies from Klein tenants, how ACORN tenant unions are fighting back, and our demands for all levels of government to step in and protect tenants.

WHAT IS ACORN:

ACORN Canada is a multi-issue, membership-based community and tenant union of low -



income and working class people. We believe that social and economic justice can best be achieved by building community power for change. Our members fight landlords and corporations through direct action. Our members also fight for new and improved laws to protect their rights.

THE PROBLEM WITH RENOVICTIONS:

Canada is losing more affordable housing than we can build. Research shows that from 2016-2021, 230,000 low-rent units (rents below \$750) were lost. This is an average of 46,000 per year (1). One of the driving forces of this loss is the rise of renovictions.

What are renovictions? Renovictions are when a landlord evicts a tenant under the guise of doing major renovations that are often unnecessary, cosmetic and/or could be done while the tenant remains in their unit. When renovictions take place, tenants are forced into a housing market that is totally unaffordable, often paying thousands of dollars more in rent or being priced out of their community completely.

In Ontario, there is no rent control on vacant units so once a tenant moves out the landlord can increase the rent by an unlimited amount. This system of vacancy de-control creates a financial incentive that makes renovictions

extremely lucrative for corporate landlords.

ACORN's Ontario Renovictions Report analyzed N13 data obtained from the Landlord and Tenant Board (LTB) through Freedom of Information requests. An N13 notice is given by a landlord to a tenant when the landlord wants to evict for major renovations, conversion to another use or to demolish the unit. Our analysis showed a 300% increase in N13 evictions filed at the LTB between 2017-2022 (2). However, it is important to point out that this doesn't capture the full picture as many landlords force out tenants through a "mutual agreement" by offering a buyout, intimidation and generally making life difficult until the tenant leaves. These cases do not ever reach the LTB.



ONTARIO'S BIGGEST RENOVICTOR: MICHAEL KLEIN

Michael Klein has made renovictions his business. He buys reasonably affordable housing on the private market, mass evicts long-term tenants and replaces them with new tenants he can charge more. In an interview with First National, Michael Klein described his strategy:

"think [of] properties that have low rent, vacancies, physical issues or problem tenants. I step in and get to work. I like to describe myself as a doctor. I bring these buildings back to life. I invest physical and financial energy to work a property back up to market value." (3)

KLEIN BUILDINGS FACING RENOVICTION

ACORN first became aware of Michael Klein in 2020 after new owners, 2 Torbolton Ltd, issued N13s to tenants living in townhomes at 2 Torbolton & 25 Leduc Dr in Toronto's Rexdale neighbourhood. Corporate records for the company list Michael Klein as the director. Soon after in early 2021, ACORN organizers noticed that the letters tenants received in Rexdale were nearly identical to letters tenants at 285 Melvin Ave in Hamilton received after their new landlord, Melvin Apartments Inc, bought their building. Again, a corporate record search revealed Michael Klein to be the director.

Through daily doorknocking and tenants reaching out to their local ACORN offices, more Michael Klein tenants have formed ACORN

21 BUILDINGS 7 CITIES

tenant unions in their buildings to fight their evictions. In 2022 and 2023, more buildings on Melvin Ave joined Hamilton ACORN to fight Klein renovictions. In 2023, tenants of 1270 & 1280 Webster St attended a London ACORN meeting in huge numbers to learn about their rights and to get organized after new ownership gave out N13s. A CBC article confirmed that Michael Klein was behind Webster Apts Inc.

In 2024, tenants in 6 more Michael Klein owned buildings across multiple cities joined ACORN to defend their homes from renovictions.

After examining letters to tenants, N13s, media reports, paying for corporate records and land titles, and speaking with other groups (York South-Weston and Riverview Legal), we have connected Michael Klein to 21 buildings experiencing renovictions within the past 4 years. ACORN is actively organizing with tenants in 13 of these buildings:

- 994 O'Connor Dr, Toronto
- 508 Dawes Rd, Toronto
- 3 Torbolton Dr, Toronto
- 2 Torbolton & 25 Leduc Dr, Toronto
- 80 Guestville Ave, Toronto
- 1A Bansley Ave, Toronto

- 1270 & 1280 Webster St, London
- 221, 375 & 285 Melvin Ave, Hamilton
- 250 Frederick St, Kitchener
- 141 & 149 Borden Ave N, Kitchener
- 201 & 195 Lindsay St S, Lindsay
- 94 Beck St, Cambridge
- 4, 6, 8 Brant Ave, Guelph

These buildings hold approximately 680 units impacted by renovictions. According to Statistics Canada, the average household size in Ontario is 2.6 people. That means if Michael Klein's attempts to clear out these units for unnecessary renovations are successful, 1,768 low income and working class people will be displaced and their affordable homes will be lost forever. Hearings for some of these buildings are around the corner, taking place this October and December.



All these addresses share similar characteristics:

- They had been recently bought by a new company. In the majority of cases, tenants are informed that the new owner is either a numbered company or the name is simply the building address incorporated. However, when you pull the records from the Ontario Business Registry, Michael Klein is listed as the director of these companies.
- Existing rents are well below average market rent as many tenants have lived there for many years and are protected by rent control. However, newer tenants paying higher rents are sometimes excluded from the N13 evictions. For example, in Lindsay tenants who are paying \$1,600/month or more haven't been given eviction notices while those paying closer to \$1,000/month have.
- Tenants facing eviction are low-moderate income. They are usually seniors, people with disabilities, immigrants or newcomers, low waged workers and families.

So how can one landlord - particularly one that most people have never heard of - be responsible for destroying so many affordable homes and upending so many peoples' lives? Keep reading to learn about Michael Klein's renoviction playbook.

PREDATORY TACTICS

Not long after Klein buys a building, tenants receive a misleading letter that is nearly identical across several buildings. Each letter says "...we have no choice but to terminate your lease effective [insert date on N13 notice to vacate]. Attached you'll see the appropriate N9

and N13 forms issued by the Landlord and Tenant Board." An N9 is a 'Tenant's Notice to End the Tenancy.' This purposely misleads tenants into believing that they must leave their home by X date (as opposed to waiting for a hearing at the LTB) and forgo their right to return after renovations at the same rent (provincial law in Ontario that is rarely enforced). These letters also include a low ball buyout offer ranging between \$4,000-\$5,000 if tenants move out early. In several of the N13s the reasons listed for renovations are also nearly identical and the timeline provided is either 6-9 months or 7-10 months.

Other tactics Klein is notorious for include:

- Refusing to do repairs and pest treatment.
 For example, the Hamilton Spectator reported that Hamilton tenants who were Syrian Refugees sued Michael Klein for neglecting bedbug infestations.
- Offering tenants financial incentive to forgo their right of first refusal and move out. This starts small (\$4,000-\$5,000) but in some cases can increase over time. In Toronto, tenants living at 2 Torbolton and 25 Leduc Dr were pressured to leave after being offered \$20,000+. However, tenants ended up paying much higher rents elsewhere and this money will run out after just a few years.



- Increasing fees previously included in their lease. For example, in both London and Kitchener tenants' parking fees skyrocketed to \$250+ /month and were threatened to have their vehicles ticketed and towed if not registered at this new price. Hamilton tenants had laundry fees increase.
- Intimidating tenants by persistently knocking on doors and harassing tenants saying they'll never win at court and to give up their right to return.
- Once tenants start organizing collectively (often through ACORN), management then interferes with tenants' right to organize tearing down flyers on tenants' rights, disrupting peaceful protests, and calling police on tenants and their guests. In London, management handed out trespassing notices to a CBC journalist during a protest organized by ACORN members living at 1270 & 1280 Webster St. At this same protest, one of Klein's employees shoved a senior tenant which was captured by CTV News.

WHO IS MICHAEL KLEIN?

Challenging your eviction is incredibly difficult when you don't have a real way to communicate with the owner of the building. Tenants are only provided contact information for the property manager or super. However, they are not the ones who make the decisions about renovations and tenants' notices to vacate.

Michael Klein has been able to hide behind multiple numbered companies and new businesses he creates with varying head office addresses listed on corporate records. These head offices have ranged from units in one of Klein's other apartment buildings, PO boxes to unrelated businesses. Only one address that some tenants have been provided is an office building, however, there is no signage. Moreover, when ACORN members living in Klein buildings drove from Hamilton, London and Toronto to verify if this was their landlord's actual office so they could secure a meeting, the office shut down and tenants were barred from entering.



An online search identifies several 'Michael Klein's involved in Canadian real estate. However, the Michael Klein responsible for these mass evictions is also associated with the following businesses:

- Family Properties
- Diamond International Management

Property management of Klein's buildings is typically (though not always) done by Rahul Brahmbhatt, however, many tenants are now reporting that more of the business is being taken over by Shaya Klein - Michael Klein's adult son.

So who is Michael Klein? The short answer is no one seems to know for certain. Which is concerning for the public given how much affordable housing he has destroyed but primarily for his tenants - don't they deserve to know who is kicking them out of their homes?

TENANT TESTIMONIES

SHARON HODGSON, LONDON ACORN



"I live at 1270 Webster St in one of 140 units in two buildings in North London. Last April, I found a notice outside my door saying that my lease was being terminated due to the building being in poor repair. A new owner [Michael Klein] had bought the building the previous month and had delivered these N13 notices to random tenants. Within 30 days of that notice, I saw ads on Kijiji of our units being offered at double the rent... I had never been evicted, and had never been homeless, and now I was facing the possibility of both."

PAULEEN KSONZENA, HAMILTON ACORN



"My time at 285 Melvin Ave is the longest I've ever lived anywhere: 16 years. This isn't just their property, this is my home. After Michael Klein's Family Properties renovicted dozens of my friends and neighbours, this building is a stranger to me. I no longer have a support system 10 steps away. I am overwhelmed with feelings of loss, depression, isolation, and anxiety. I am 78, and I have spent a lot of time wondering which birthday might be my first birthday as a homeless senior."

CYRIL PENNEY, TORONTO ACORN



"Since my mother was threatened with eviction at 3 Torbolton Dr, I have watched her mental and physical health decline. She is suffering everyday with the anxiety of not knowing if she'll be able to afford another home. She is the best tenant a landlord can have. The Family Properties website says that when you rent with them, "you're not just a resident, you're family." I'm curious, would Michael Klein kick his own mother to the curb?"

ACORNA DEMANDS

Michael Klein's serial renovictions put thousands of tenants' housing at risk. ACORN is fighting back the best way we know how - through community organizing. Countless direct actions have been organized by ACORN tenant leaders outside their buildings to protest the evictions. Recently 60+ tenants in Klein owned buildings came together for a virtual meeting. creating solidarity across buildings and cities. While ACORN will continue fiaht Michael Klein's renovictions one by one if we have to, it's the job of governments to protect tenants from bad actors taking advantage of an ineffective system.

While Michael Klein may be Ontario's biggest renovictor, he is certainly not the only one. It is also very likely that the buildings we've listed are not the only ones Klein has tried to flip. The Family Properties website lists many other buildings in Klein's portfolio.

ACORN is calling on ALL levels of government to end the renoviction crisis by:

- <u>Municipal:</u> Passing strong antirenoviction bylaws similar to Hamilton.
- <u>Provincial</u>: Introducing Vacancy Control to cap rent increases when a tenant moves out, as a result, removing the financial incentive to do renovictions. Apply rent control to all buildings, not just those built prior to 2018. Ban renovictions.
- <u>Federal:</u> Implementing a public registry
 of ownership so that tenants know who
 their landlords are and can hold them
 accountable. The federal government
 can require provinces and territories to
 implement a renoviction ban and full
 rent control, including vacancy control.
 This can happen as part of the
 blueprints for the Renter's Bill of Rights
 that the federal government negotiates
 with provinces and territories.

HOW TO SUPPORT

- SIGN/SHARE OUR ONLINE ACTION GENERATING EMAILS TO MICHAEL KLEIN TO STOP THE RENOVICTIONS
- CALL YOUR LOCAL REPRESENTATIVES IN SUPPORT OF ACORN'S DEMANDS
- JOIN ACORN'S E-NEWSLETTER TO STAY UP-TO-DATE AND TO BE NOTIFIED OF UPCOMING ACTIONS ON RENOVICTIONS
- ARE YOU A RENTER OR LOW-INCOME/ WORKING CLASS PERSON? BECOME AN ACORN MEMBER
- DONATE TO SUPPORT TENANT ORGANIZING

LINKS AND REFERENCES

LINKS

- Online Action: https://acorncanada.org/take_action/send-a-message-to-ontarios-biggest-renovictor/
- Newsletter: https://acorncanada.org/newsletter/
- Become a member: https://acorncanada.org/join-us/
- Donate: https://acorncanada.org/contributions/

REFERENCES

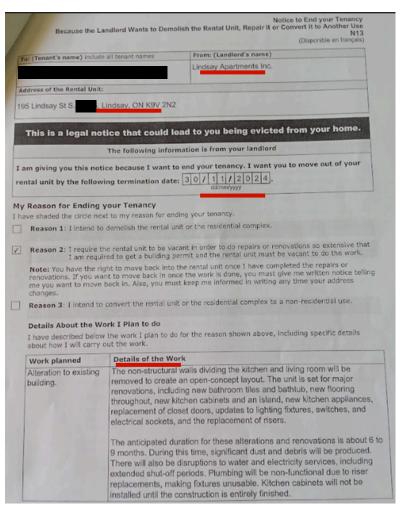
- (1) https://chec-ccrl.ca/wp-content/uploads/2022/10/Updated-Analysis-on-Housing-Erosion-from-2021-Census-Steve-Pomeroy.pdf
- (2) https://acorncanada.org/resources/renovictions-in-ontario/
- (3) https://www.firstnational.ca/fr/pr%C3%AAts-commerciaux/ressources-et-observations/article/perspectives-d-un-emprunteur-michael-klein-diamond-international

SAMPLE OF NEWS ARTICLES

- https://www.thespec.com/news/ontario/we-had-no-bedbugs-in-syria-say-refugee-families-in-hamilton-highrise/article_a6b1552a-8e47-56e9-8363-494a30bf65ad.html
- https://www.thespec.com/news/hamilton-region/people-are-panicking-renoviction-looms-for-east-hamilton-tenants/article_70ba9401-b5aa-5d29-826c-625b0957dc5d.html
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- https://www.thestar.com/news/gta/midtown-lowrise-tenants-band-together-to-fight-renovationevictions/article_b88bed2e-7389-5860-8949-d5e40664bb7f.html
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- https://kitchener.ctvnews.ca/250-frederick-street-ownership-tied-to-alleged-reno-victions-in-london-hamilton-1.6863938
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- https://london.ctvnews.ca/tenants-rally-turns-ugly-on-webster-street-1.6396129
- https://www.toronto.com/news/i-m-not-moving-most-rexdale-townhouse-tenants-are-fighting-owner-s-eviction/article_00e830ea-02c9-54fa-8f79-4ba52503f12b.html

SAMPLE OF TENANTS' DOCUMENTS

N13 Notices to Vacate

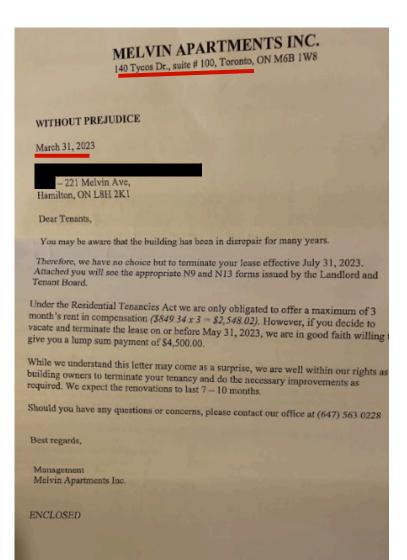


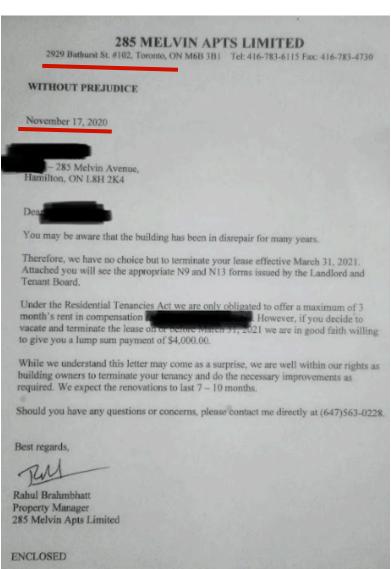
	The property and	(Disponible en frança
To: (Tenant's name) include	all tenant names	From: (Landlord's name)
		Brant Apts Inc.
Address of the Rental Unit:		
B Brant Avenue	uelph, ON N1E 1E7	Selection and beneate or to the
This is a legal not	ice that could l	ead to you being evicted from your home
N-11-11-11-11-11-11-11-11-11-11-11-11-11	The following infor	mation is from your landlord
I am giving you this noti rental unit by the followi		to end your tenancy. I want you to move out of your et 30/111/2024.
My Reason for Ending y I have shaded the circle nex		ding your tenancy.
Reason 1: I intend to	demolish the rental u	nit or the residential complex.
		cant in order to do repairs or renovations so extensive the termit and the rental unit must be vacant to do the work.
renovations. If you was	nt to move back in on	the rental unit once I have completed the repairs or ce the work is done, you must give me written notice telli st keep me informed in writing any time your address
	convert the rental uni	it or the residential complex to a non-residential use.
Reason 3: I intend to		
Reason 3: I intend to		
Details About the Wo	ork I Plan to do	o for the reason shown above, including specific details
Details About the Wo	ork I Plan to do	
Details About the Wo I have described below about how I will carry of Work planned Alteration to existing	ork I Plan to do r the work I plan to do out the work. Details of the Wo The non-structural	walls dividing the kitchen and living room will be
Details About the We I have described below about how I will carry of Work planned	ork I Plan to do r the work I plan to do out the work. Details of the Wo The non-structural removed to create	I walls dividing the kitchen and living room will be an open-concept layout. The unit is set for major
Details About the Wo I have described below about how I will carry of Work planned Alteration to existing	ork I Plan to do r the work I plan to do out the work. Details of the Wo The non-structural removed to create removations, inclu throughout, new k replacement of clo	vals dividing the kitchen and living room will be

installed until the construction is entirely finished

SAMPLE OF TENANTS' DOCUMENTS

Letters to tenants





SAMPLE OF TENANTS' DOCUMENTS

Corporate Records

Numbered company Webster St tenants in London were told to pay rent to

Transaction Number: APP-A10279801205 Report Generated on September 27, 2023, 20:16

Ontario 📆

Ministry of Public and siness Service Delivery

Profile Report

1524256 ONTARIO LIMITED as of September 27, 2023

Act Type Name Ontario Corporation Number (OCN) Governing Jurisdiction Status Inactive Date Registered or Head Office Address

Business Corporations Act Ontario Business Corporation 1524256 ONTARIO LIMITED 1524256 Canada - Ontario Inactive - Cancelled by C.T. May 17, 2002 December 01, 2008 2828 Bathurst Street, 104, Toronto, Ontario, Canada, M6B

> Transaction Number: APP-A10279801205 Report Generated on September 27, 2023, 20:16

Active Director(s)

Minimum Number of Directors Maximum Number of Directors

Address for Service

Resident Canadian Date Began

MICHAEL KLEIN

2828 Bathurst Street, 104, Toronto, Ontario, Canada, M6B 3A7

February 07, 2005

Request ID: 025309155 Transaction ID: 77283275 Category ID: (C)CC/E

Province of Ontario Ministry of Government Services

Certified a true copy of the data as recorded on the Ontario Business

Lachara Dachitt

Ministry of Government Services Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2782442

2 TORBOLTON LTD.

Corporation Type

Corporation Status

ACTIVE

ONTARIO BUSINESS CORP.

Registered Office Address

MICHAEL KLEIN 2929 BATHURST STREET

Suite # 102 TORONTO ONTARIO CANADA M6B 3B1

Mailing Address

MICHAEL KLEIN 2929 BATHURST STREET

Suite # 102 TORONTO ONTARIO CANADA M6B 3B1