



# CRUMBLING APARTMENTS IN A WARMING WORLD: TENANTS IN AN ENERGY COST CRISIS





## 02 INTRODUCTION

Climate change is getting worse and the impacts are real. While the change is being felt by everyone, low- and moderate-income tenants are disproportionately affected by an ongoing housing crisis and a worsening climate crisis.

Cold and drafty windows, lack of ventilation, inadequate heat in winters or too hot in summers, older appliances - are aspects that not only affect the environment but also deeply compromise tenants' well-being. Data from Energy Efficiency Canada (2023) shows that nationally, compared to homeowners, renters are more likely to have lower incomes, live in older housing stock and use inefficient heating equipment: While these older apartment buildings are somewhat affordable, they are least maintained and most energy inefficient. Inefficient rental housing means higher utility bills, higher rents for tenants and increased health issues especially during extreme weather events. The consequences are severe for lower-income tenants who are already paying skyrocketing rents to access a place to live.

As per the latest rental housing index based on 2021 Census,

- One third (33%), **1.6 million renter households in Canada**, spent more than 30% of their income on housing and utilities, the generally accepted threshold of affordability.
- **620,000 renter households**, 13%, were spending more than 50% of their income on housing and utilities, putting them in a crisis of affordability.

### Government of Canada Green Buildings Strategy released in 2024:

- In 2023, nearly 50% of the lowest-income households relied on inefficient heating and 36% did not have access to air conditioning.
- Approximately 14% of Canadian households (18% among low-income households) faced challenges maintaining safe and comfortable indoor temperatures due to increasing energy costs.
- 2.6% of lower-income households in Canada reported requiring medical assistance for someone in their home related to these living conditions.
- Further, it notes that Canada's residential buildings account for 47% of buildings sector emissions in Canada (excluding electricity).
  - 20% of all homes (~3 million) are more than 80 years old.
  - 50% are more than 60 years old.
  - About 2 million homes (12%) have been built in every decade since 1980.

## 03

Canada's 2030 Emissions Reductions Plan emphasizes the need for decarbonizing existing buildings to achieve the emission targets set for 2030 and 2050 which will require a huge amount of investment.

But in addition to the question of resources, the split incentive also complicates the issue. If the landlords, who are primarily responsible for doing the retrofits, are not benefitting from the changes done to the building, they lack the incentive to bring those changes unlike homeowners.

Tenants are demanding change as they are bearing the burden of housing and the climate crisis. Most of the efforts by the governments (federal/provincial/local) up until now have been geared towards cutting down carbon emissions with little attention to how those efforts have an impact on the lives of tenants. ACORN's survey (2024) in Alberta illustrates that inadequate or lack of adequate protections in such measures can be detrimental to tenants.

Given this context, ACORN Canada, a community and a tenant union of low- and moderate income people across Canada, undertook a national survey to understand the issues tenants are facing in their units, whether landlords are undertaking any energy efficiency repairs, their impact on rent increases and the impact on climate change on tenants' lives.







# METHODOLOGY

ACORN Canada sent out the online survey to our extensive database of ACORN members and tenant contacts nationally. The draft survey was reviewed by the Energy Efficiency Canada and after incorporating their input, it was sent out.

A total of 737 responses were collected during the first week of August and first week of October 2024. The responses are mostly from Toronto, Ottawa, Hamilton, Kitchener, London, Mississauga, Dartmouth, Halifax, Calgary, Burnaby, New Westminster, Vancouver, Surrey and from some from other cities including Brampton, Fredericton, Moncton, Winnipeg and others.

The survey was divided into the following sections - personal information; building type; impact of extreme heat and access to air conditioning; maintenance issues; availability of government subsidy; and energy efficiency repairs.

## Tenant profile

- Most tenants are in the age group of 25 and 64 years. 22% of tenants are in the age group of 65 and 74 years and around 9% are above 75 years.
- One-third of tenants have average household income between \$15,001 and \$29,999. Almost a quarter of tenants have household income between \$30,000 and \$49,999. Around 17% of tenants have income less than \$15,000 and a few have average household income of more than \$50,000.
- 61% of tenants identify themselves as female, 30% of tenants identify themselves as male. Very few identify themselves as non-binary or trans.
- 45% of tenants identify themselves as a person with a disability.
- 17% of tenants identify themselves as person from a visible minority.

## Building type

This section explored aspects around the buildings tenants are living in such as the type of ownership, building age, building type such as low-rise/high-rise etc. and the type of lease tenants have.

- Aprox 50% of the tenants live in units owned by private corporate landlords.
- 30% of tenants live in high-rise apartment buildings with more than 8 storeys.
- 21% of them live in mid-rise apartment buildings.



- Around 65% of tenants live in older apartment buildings - built prior to the 1980s. This is an important aspect since older apartment buildings are least maintained and energy inefficient.
- While half of the tenants have a periodic lease (lease which automatically becomes a monthly lease after the first year), one-third of the tenants have a fixed term lease.

### Utilities & rent

Tenants were asked whether utilities are covered in the rent or if they paid for it over and above the rent.

- 67% percent of respondents reported that not all utilities for their unit are included in the cost of rent. This is critical because when landlords are not responsible for utility costs, they have little incentive to undertake retrofits due to the split incentive.
- Most common type of heating system is a boiler with hot water or a steam radiator.

### Extreme heat and access to air conditioning (AC)

Tenants were asked if they were impacted by extreme heat and whether they have access to AC.

- Only 9% of tenants stated that they are not impacted by extreme heat.
- The three most dominant ways in which tenants are impacted by extreme heat - poor sleep (74%), fatigue (66%) and headache (48%).
- 44% of tenants don't have access to AC.
  - Among those who don't have AC, 46% of them stated cost as the main reason.
- Among those tenants who have access to AC:
  - 40% of tenants have floor/portable AC followed by 36% with window AC.
  - 39% of tenants pay extra to access AC. 23% of tenants pay anywhere between \$100 and \$300 extra to access AC.
  - 61% of tenants have access to AC only in one room, 22% have access to it in 2 rooms, very few have it in more than 2 rooms.

### Maintenance issues

Maintenance issues and climate change are directly linked. Uncomfortable temperatures in the units, older appliances, inadequate ventilation, older windows/doors, mould etc. are not just issues that are important from the perspective of tenants' comfort and well-being but also exacerbate the climate crisis if they are not fixed. Moreover, given the increasing intensity of extreme weather events, these issues are having extreme consequences on tenants.

- One-third tenants rated their units either bad or very bad.
- Top 5 maintenance issues identified by the tenants: too hot in summer (54%), drafty windows (33%), inability to control the temperature of the unit (33%), too cold in winter (29%) and too old or dysfunctional appliances (27%).
- Three top most health issues reported by tenants due to issues in their buildings/units - headaches, aggravation of health issues and respiratory issues.

### Access to government subsidy

Tenants were asked if they had access to any government subsidy program or if they had access to a government subsidy to install an AC or a heat pump.

- Only 15% of tenants are enrolled in any government energy subsidy program that provides help with paying energy bills.
- A negligible proportion of tenants got a government subsidy to install an AC, a heat pump or to install new appliances.

### Climate change, energy efficiency and rent increases

This section focused on whether tenants saw any energy efficiency repairs in their buildings, if they did, what kind of repairs were done, if those led to any rent increases and if they were found helpful.

- 84% of tenants are either concerned or very concerned about climate change.
- Only 19% of tenants reported any energy efficiency repairs in their buildings.



- Among those who mentioned energy efficiency repairs in their buildings:
  - Most common types of energy efficiency repairs reported by tenants include - LED fixtures, boiler replacement, new windows/doors
  - 54% of tenants said that the repairs were not helpful.
  - 34% of tenants got a rent increase notice.
- When asked if they are concerned about rent increase because of energy efficiency repairs, 32% of tenants said they were extremely concerned and 30% are somewhat concerned.

**Tenants paying the price of climate crisis: The case of AGIs/ARIs**

In Ontario and BC, landlords can pass on the cost of capital improvements on to tenants by applying for Above Guideline Rent Increases (AGIs) and

Additional Rent Increases (ARIs) respectively. As per a recent study conducted by ACORN in Ontario (draft, unpublished), many tenants in the province end up paying for capital improvements that are directly linked to promoting energy conservation such as boiler replacement, HVAC system, new windows and doors, LED fixtures etc. The report highlights that it is far easier for landlords to use AGIs and pass on these costs to tenants than explore other means. This is making housing much more unaffordable.

- Even if landlords were banned from doing rent increases in the case of energy efficiency repairs, 38% of tenants mentioned that they are still very concerned about a rent increase.



**KHADIJAH, TORONTO**

I am living in this unit since 1996. The building has changed few owners, none was better than the other. All landlords have been extremely negligent about tenants' rights. They just collected and not giving in return a home. When I moved in, I wasn't aware of my rights and just needed a place to live. My unit wasn't even cleaned when I first moved in. Whenever repairs were needed, the landlord ignored. The ceiling was all broken, the rain was pouring inside the unit. My current landlord is Golden Equity properties. Property standards didn't even want to talk to me when I approached them. My stove was rusted and was collapsing. When I asked for a new one, they didn't change it and instead accused me for not taking care of it. It was already 20-30 years. The fridge is functional but the doors are rusted. They finally had to redo the kitchen and that's when I got a new stove. I dont have AC in my unit, they sent me an invoice of \$500 for using an AC but I never had one. Utilities are in my rent. Recently, they applied for AGI to install new windows. It has helped somewhat, because earlier, the rain water used to leak and come inside the unit. No communication from the landlord, they treat us like garbage. There is no engagement with tenants.

**KARA, HALIFAX**

I have lived in this building for almost four years now. It is owned by Hazelview and is around 40 years old. When I moved in, the lease stated that it was non-smoking but that wasn't the case. I am hearing now that they are making it non smoking by the end of this year, so we will see! My electricity bill has gone up substantially. I used to pay \$75 for two months when I was in a 2-bedroom apartment, but now I am paying \$130 in a 3-bedroom apartment. The heating is covered by the landlord but it's all baseboard water heaters. They should install solar panels. There is literally no ventilation in this building. I am on the top floor and it becomes impossible to survive here without an AC. It is so expensive to run an AC, I just survive on fans. I had two heat strokes last summer. Rents are out of control; currently I am paying \$2000 for a 3-bedroom, but if I move out, I will be paying more than \$3000. Last year, my rent went up by 5% and it again went up by 5% this year. I applied for a rent subsidy but was denied. I pay more than 50% of my income on rent.

# 10 TENANT TESTIMONIALS

## KATHLEEN, OTTAWA

I have lived in this townhouse complex for three years now. My utilities are outside of the rent that I pay which is \$2,200 per month for a 3 bedroom unit. But with the AGIs, the rent will be much more, it's just that I haven't started paying the extra amount yet. Its cumulative increase, hence will affect me financially. My landlord, Fergulsea, has a lot of units in this complex. In terms of repairs, they definitely did the roof which didn't need replacing but they didn't do anything such as boilers etc. in my unit. I asked them to replace the AC in my unit because it's too old but they wouldn't replace it. Because it's so inefficient, it has to be kept running all the time and I end up paying a much higher hydro bill. There is also this old air smell for which they put some filters but I don't think that has made much difference. We got an AGI of 5.5% last year and now again 3.2% this year. They should change the AC unit but they won't and it's extremely hot with repeated heat waves.

## MARK, NEW WESTMINSTER

The main issue in the unit I am in is the lack of heat. It gets very cold in the winters and we have baseboard hot water heating which doesn't do the job. I have to use my own space heaters which costs me \$300 a month. It's very costly. I survive on CPP and old age pension and that's it. This is a 30-year old apartment, I have been living here for over 5 years now. The building used to be owned by Skyline towers and we recently got a new owner who has since been changing carpets and doing some other cosmetic changes but not really anything essential. I had a stroke a few years ago and have a nurse who comes to check on a few days in a week. I am 74 years old and it's very difficult to get by in the month.



# CONCLUSION & RECOMMENDATIONS

**As the survey reveals, while the link between tenant justice and climate justice may not always be obvious or visible, multiple issues connect the two.:**

- Tenants have little control over their living environment — including substandard housing, energy-inefficient appliances, poor insulation, outdated heating systems, old wiring that can't support air conditioning, and drafty windows and doors. This leaves them at greater risk during extreme climate events like BC's heat dome, and exposed to environmental hazards in their homes such as lead, mold, and lack of temperature control. They are also often unable to access energy upgrades — like heat pumps, insulation, or window and door replacements — that could improve their health, living conditions, and lower their energy bills.
- Older apartment buildings have a range of issues such as lack of regular repair and maintenance, energy inefficient appliances, lack of insulation, old wiring that does not allow AC, older equipment such as boilers at the end of their life, drafty windows and doors etc.
- Lack of access to AC
- Lack of energy efficiency repairs
- Unaffordable rent increases
- No government subsidy to install energy efficient heating or cooling
- No communication with tenants about energy efficiency or complete lack of tenant engagement.

This is compounded by specific housing related policy gaps, some of which are outlined below.

**Lack of rent control:** In provinces like Alberta and Saskatchewan, there is no rent control which means that landlords can raise the rent by any amount. While highly problematic to tenants facing unaffordable rent increases, this also acts as an impediment to scaling up apartment energy retrofits as energy upgrades are met with large rent increases. It's impossible to have support of low-to-moderate income people for energy retrofits if they equate to massive rent increases. .

On the other hand, provinces such as Ontario and BC have partial rent control. This means that while some residential units are covered under rent control where landlords can raise the rent only by a certain percentage in a year, they can still pass on the costs of capital expenditures on to tenants by way of AGIs/ARIs respectively. Further there is no control on rent as soon as a tenant leaves the unit, known as vacancy control.



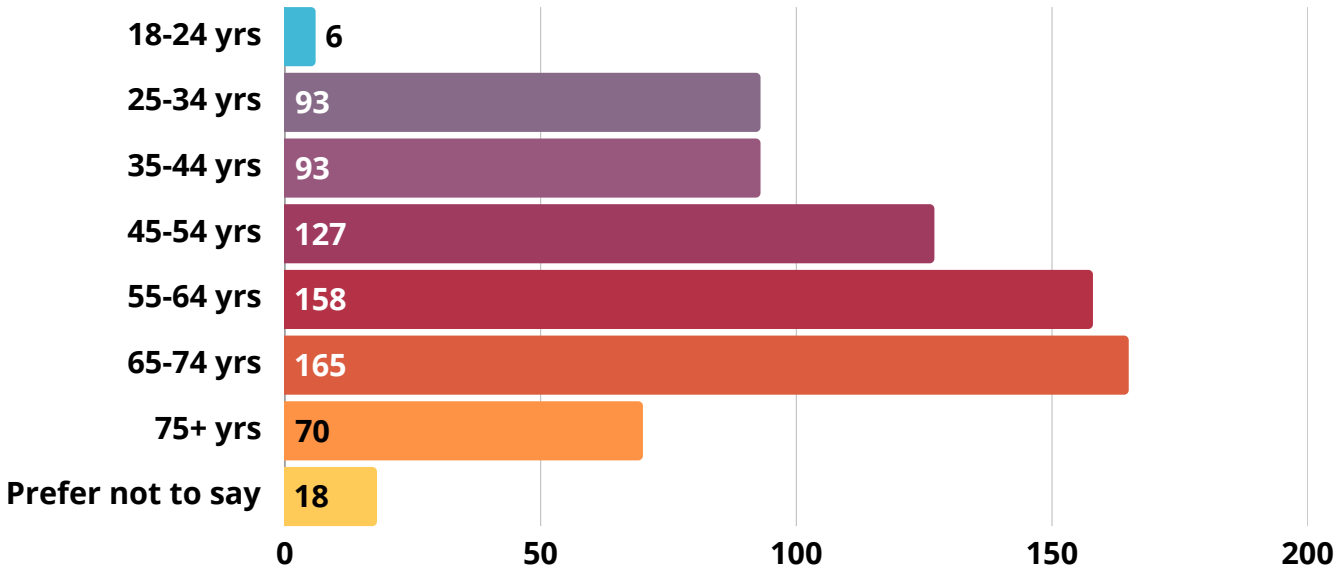
**Fixed term leases:** Moreover, in some provinces like Nova Scotia, fixed term leases are common. With fixed term leases, landlords can evict tenants after the fixed term lease is over without any reason. This has serious consequences for tenants as it violates tenants’ security of tenure. This survey shows that one-third of tenants in Nova Scotia have fixed term leases. Like the absence of rent controls in Alberta and Saskatchewan the lack of security of tenure means that tenants can pay a large price when landlords decide to upgrade their units. Therefore, layering the housing justice issues on top of the climate justice issues demonstrates the vulnerability of modest income tenants to the adverse impacts of the housing and the climate crisis. As governments and other actors intensify their efforts to combat climate change, it is critical that tenants have a seat at the table so that tenants’ needs and concerns are accounted for and housing strategies include tenant protections so as to not further worsen the housing situation.

**Recommendations for the federal government to ensure tenant protections are embedded in climate action:**

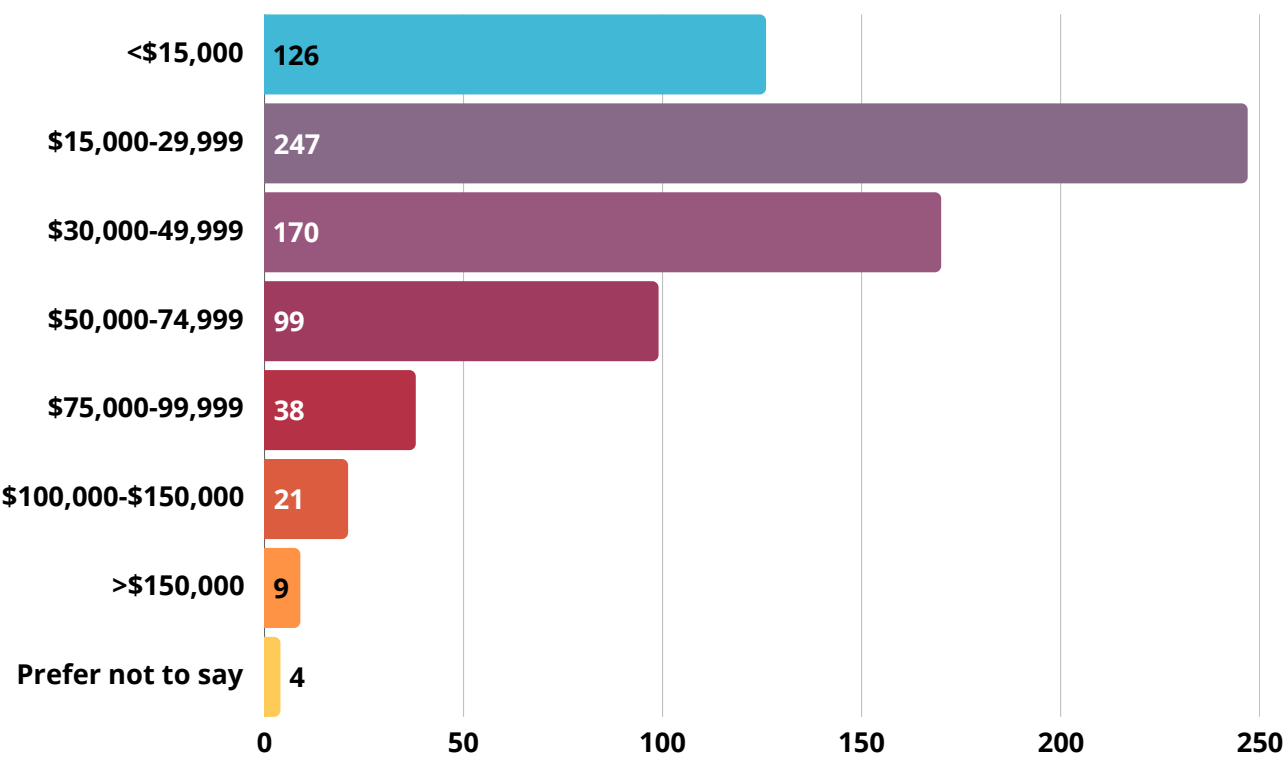
- All green infrastructure retrofit partnerships and agreements from the Canada Infrastructure Bank, Ministry of Housing, Infrastructure and Communities, or CMHC must include must include:
  - Affordability and anti-eviction covenants
  - Energy efficiency and mechanical cooling measures
  - Allowance of other improvements before energy efficiency and mechanical cooling
  - Require landlords to demonstrate benefits for tenants.
  - Signed agreements from the landlord made transparent to the tenants
  - Formal tenant participation
  - Community Benefit Agreements - Agreements signed by the financing entity, the landlord and the tenants.
- Mandate full rent control and ban Fix Term Leases.
- Federal intervention is needed through direct investment and design, to enable the adoption of Mandatory Building Performance Standards (MBPS) including tentant protections.
- Mandate all Provinces implement Energy Poverty Programs like the OESP and LEAP

**Section 1: Tenant Information**

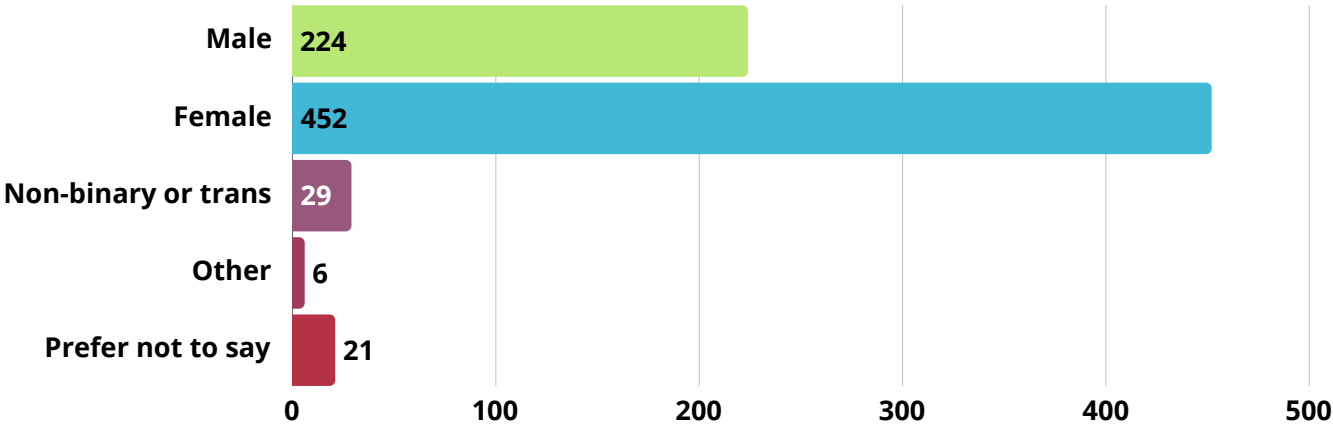
i. Age (N=730)



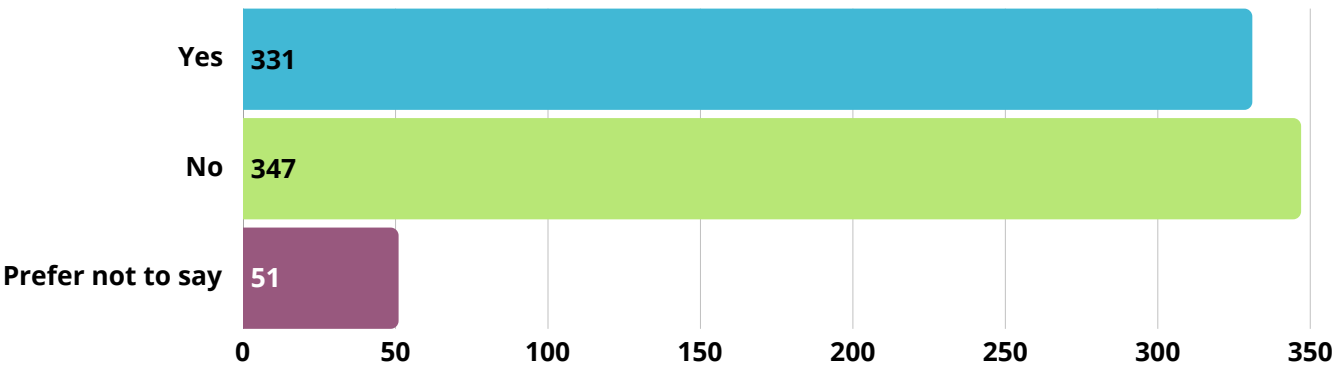
ii. Average Household Income (N=714)



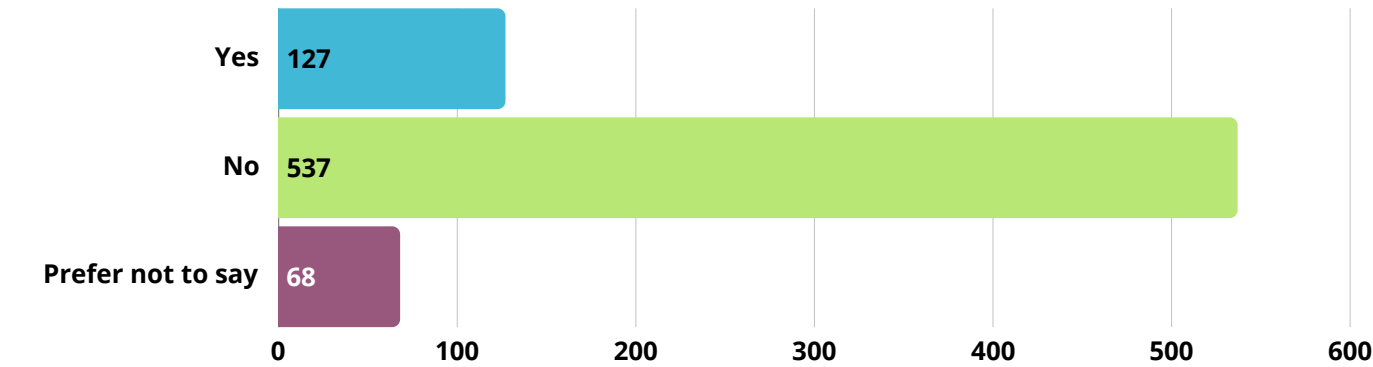
iii. Gender (N=732)



iv. Do you identify as a person with disability (N=729)



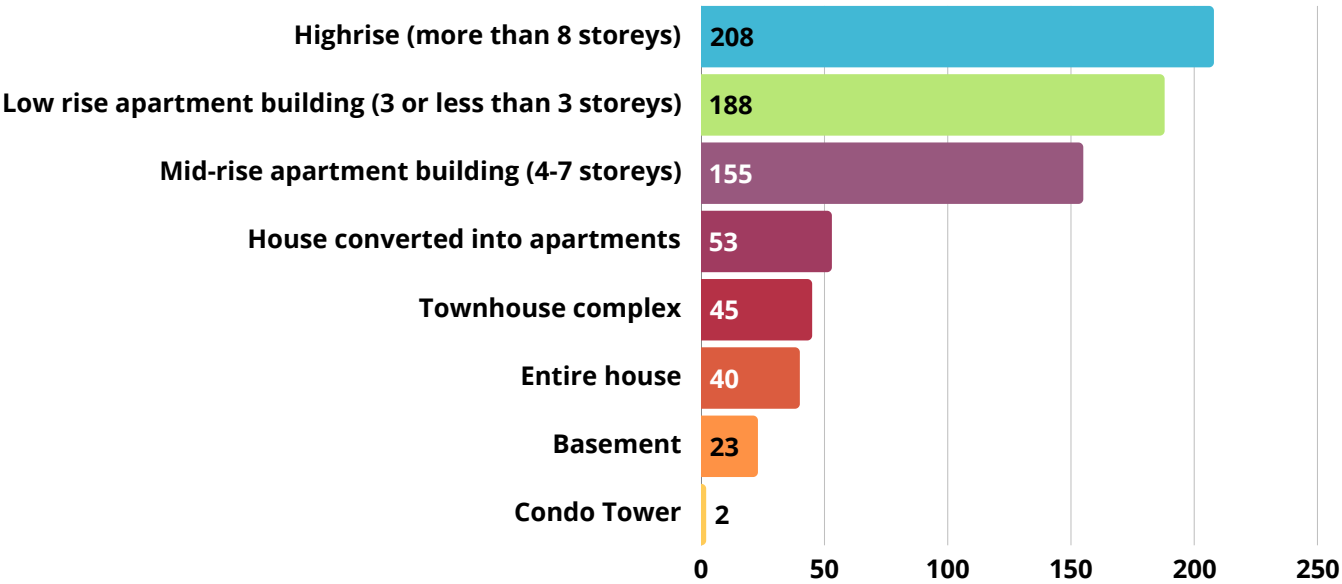
v. Do you identify as a person from visible minority? (N=732)



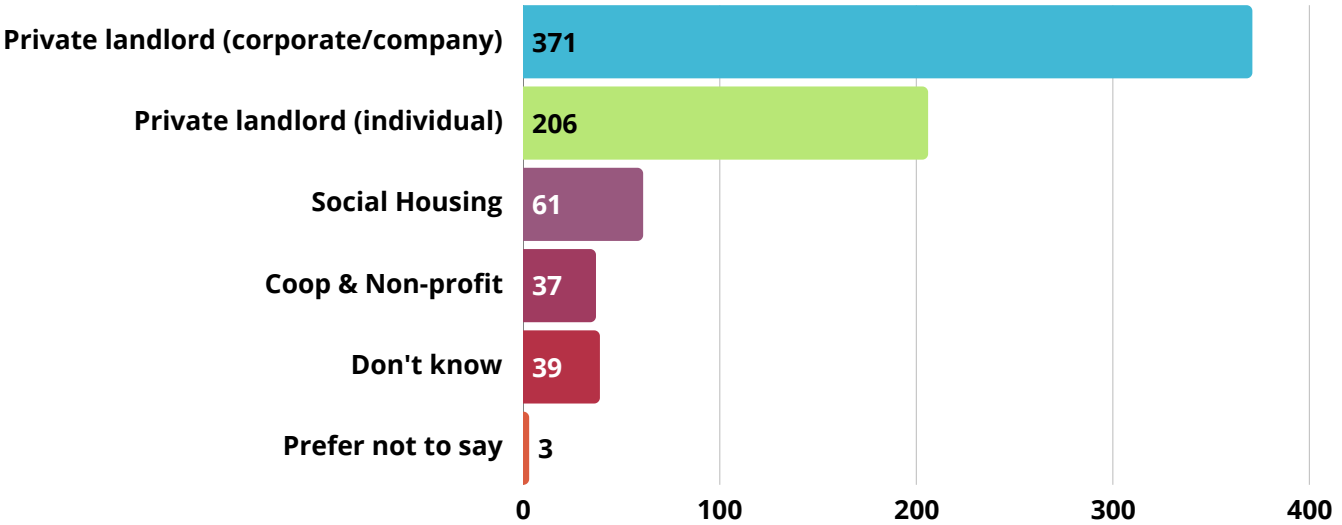
Section 2: Building Type

This section explored aspects around the buildings tenants are living in such as the type of owner of the buildings, how old these buildings are, building type such as low-rise/high-rise etc. and the kind of lease tenants have:

i. High rise vs. Low-rise/house (N=714)

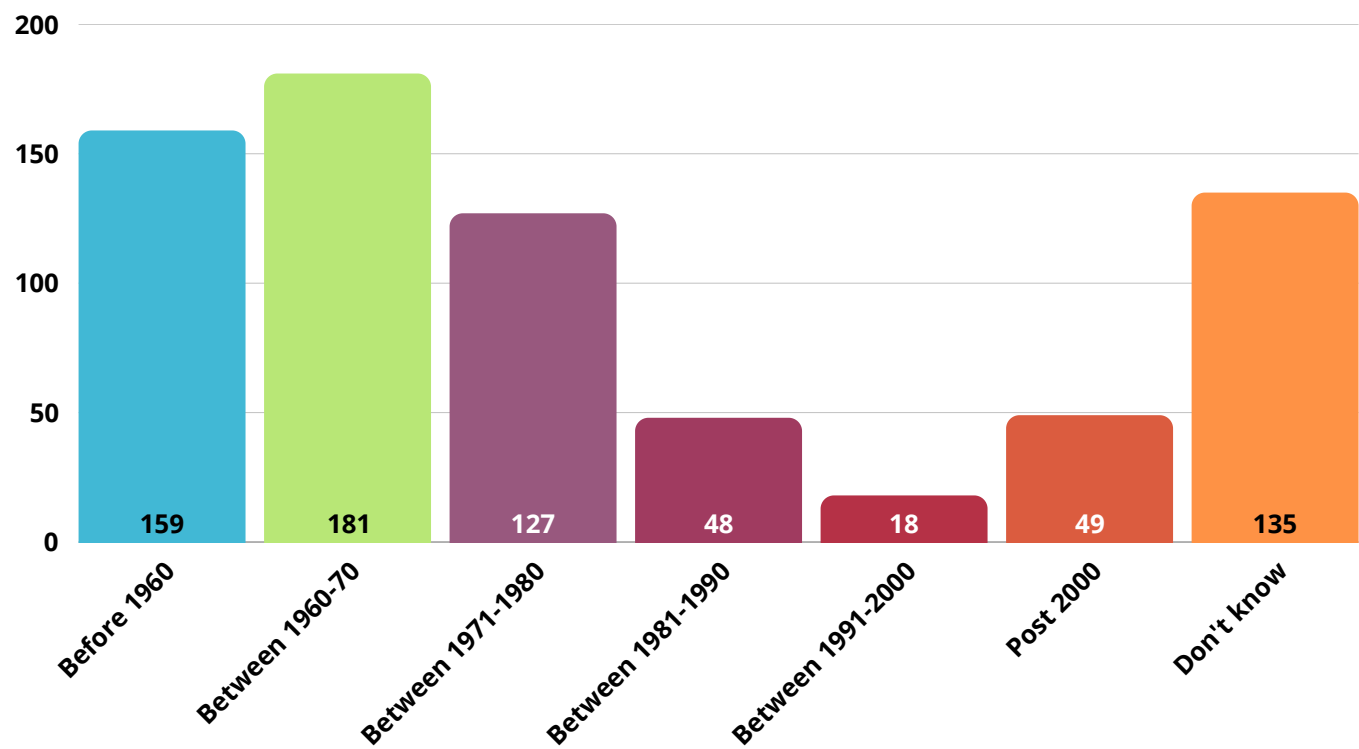


ii. Private landlord vs. others (N=717)

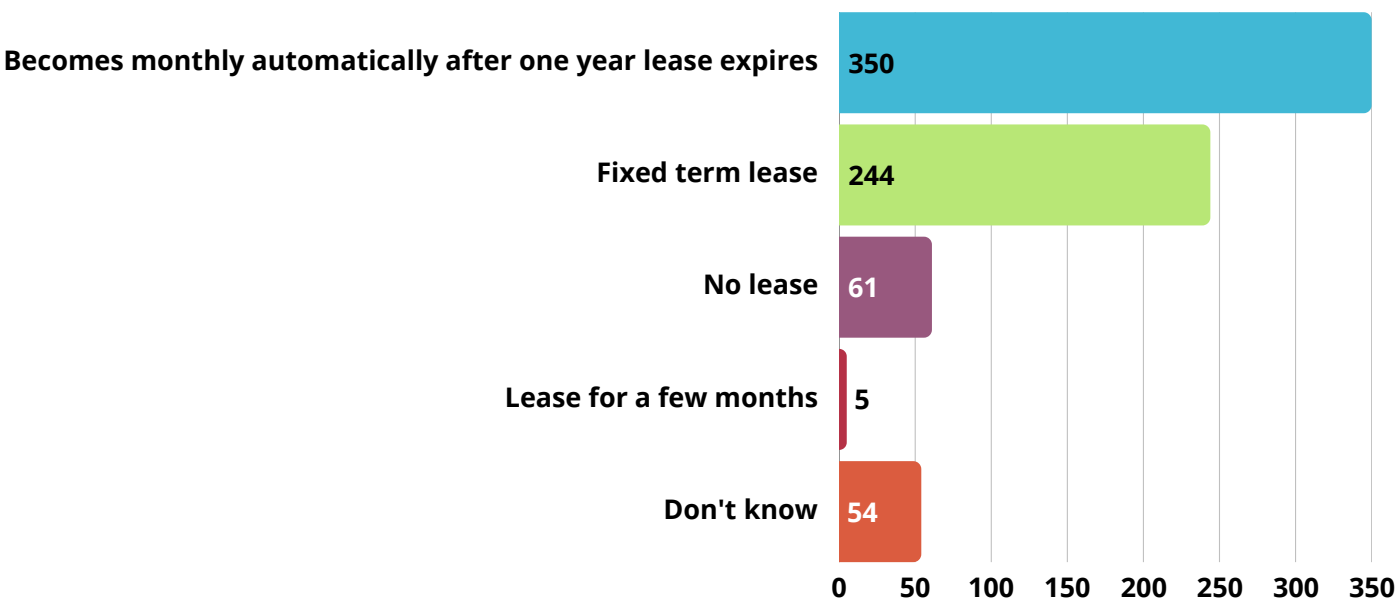




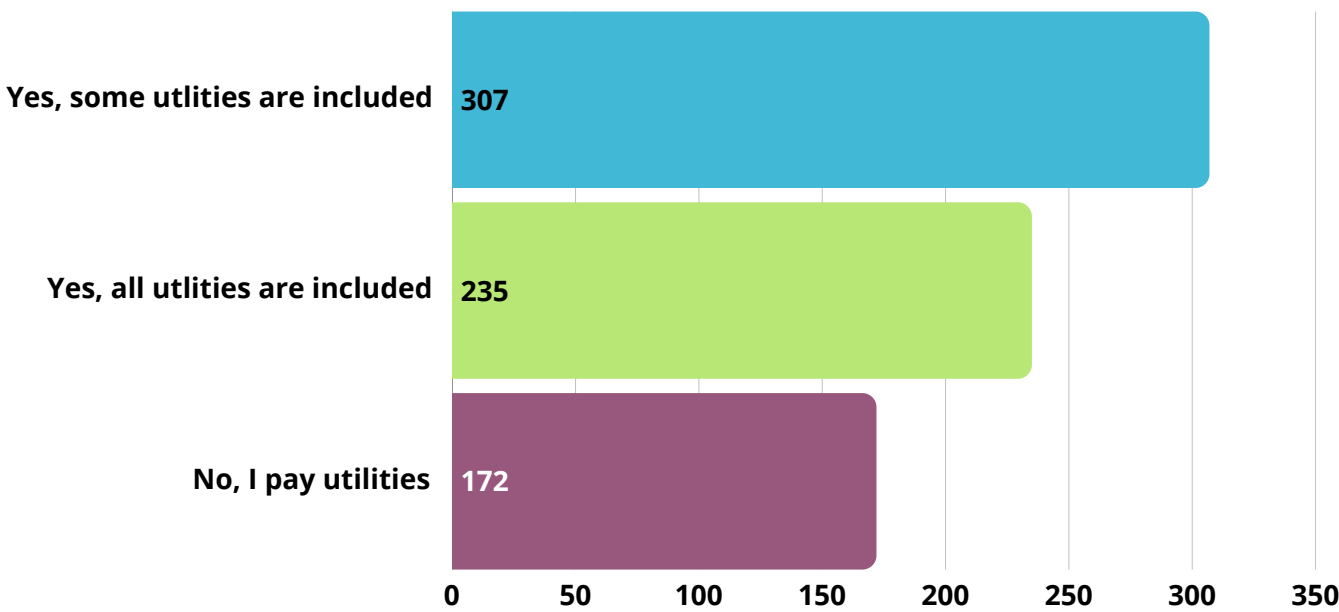
iii. How old is your building? (N=717)



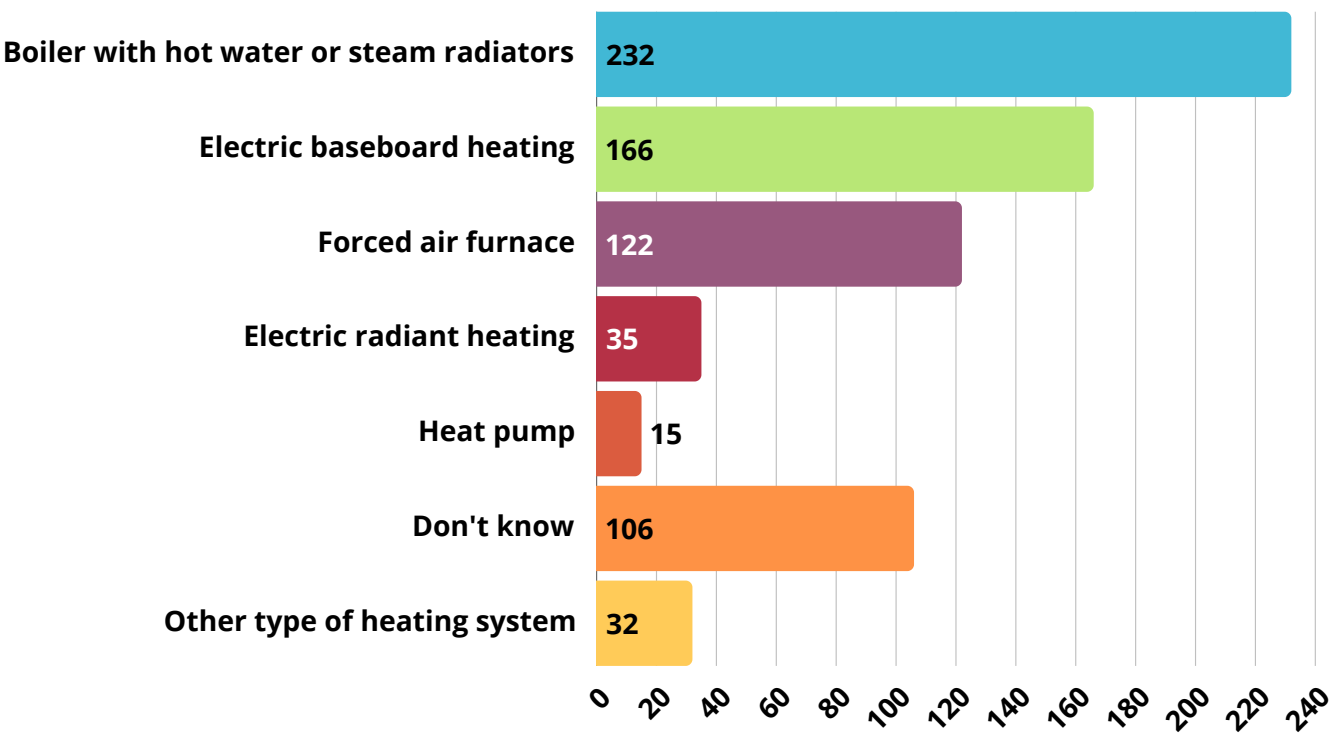
iv. Type of lease (N=714)



v. Are the utilities in the rent? (N=714)



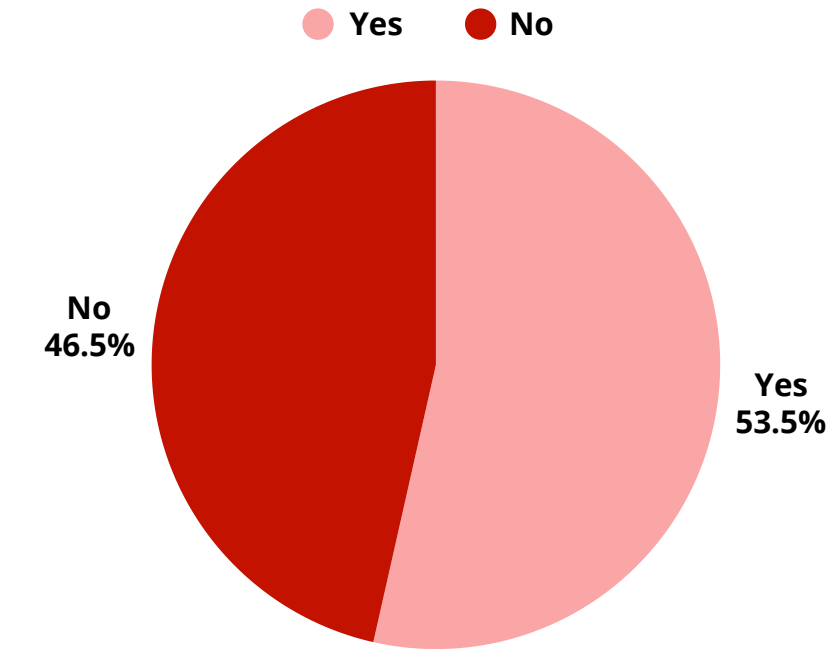
vi. Heating system in the building (N=737)



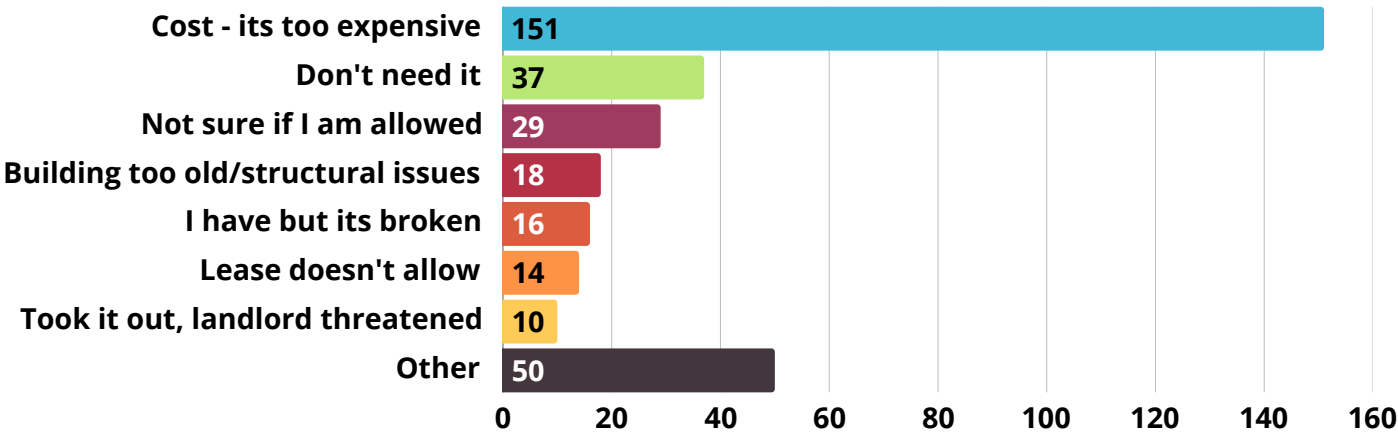
Section 3: Extreme heat protections

This section explored whether or not tenants had access to air conditioning in their unit. This includes how it is made available to them, and whether or not they pay additional charges for access to cooling in their unit:

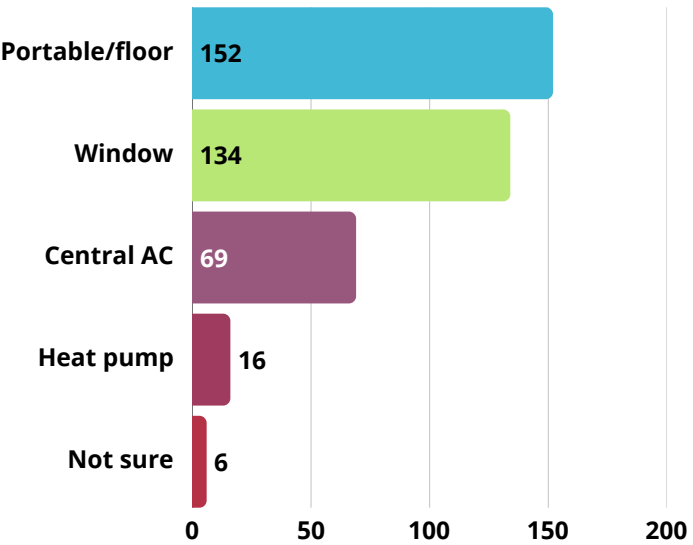
i. Do you have AC in your unit? (N=703)



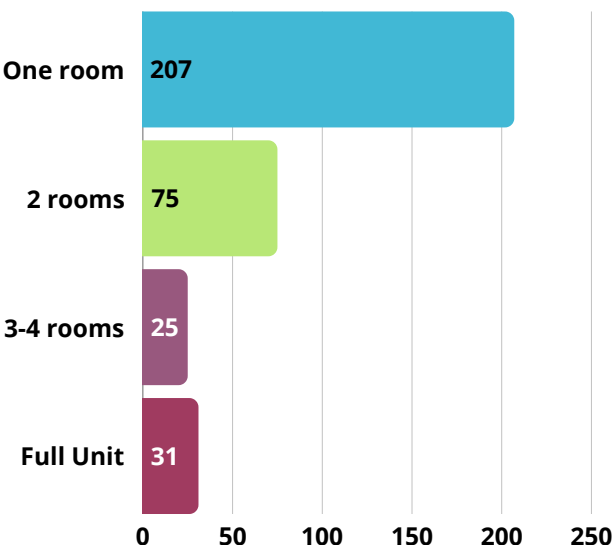
ii. Reason for not having AC (N=325)



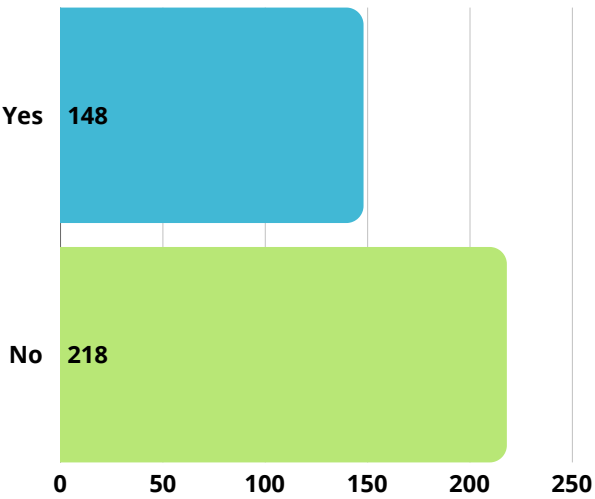
iii. For those who have access to AC  
a. Type of AC (N=377)



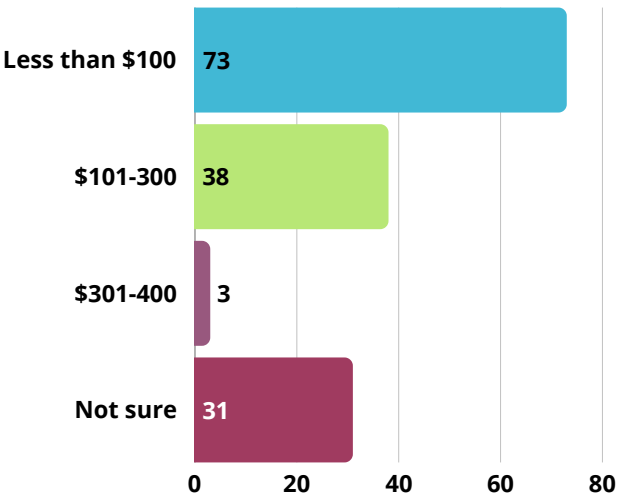
b. How many rooms have AC? (N=338)



c. Do you pay extra for AC? (N=378)



d. How much do you pay for AC? (N=145)

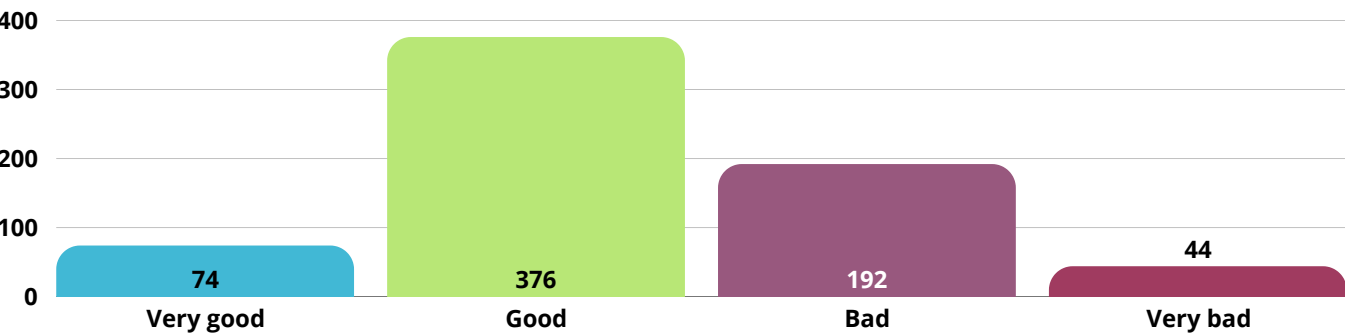




Section 4: Maintenance issues

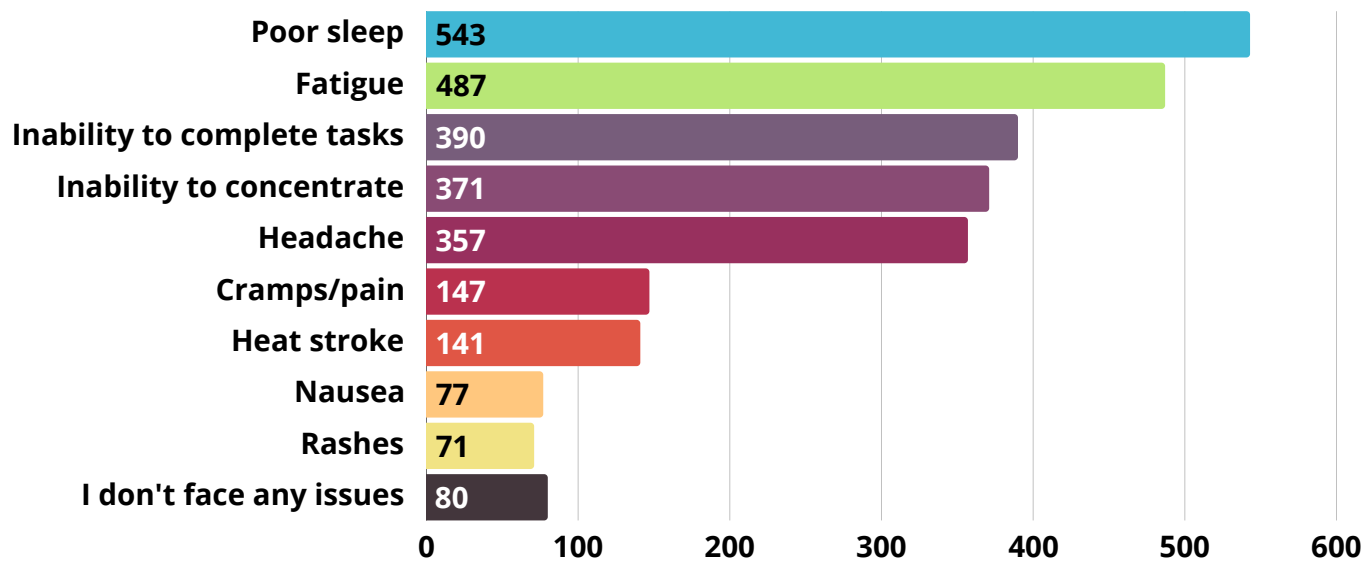
This section asked tenants to self report the conditions of their unit and what kind of maintenance issues they experienced in their unit and/or building:

i. How would you rate the condition of the unit? (N=686)

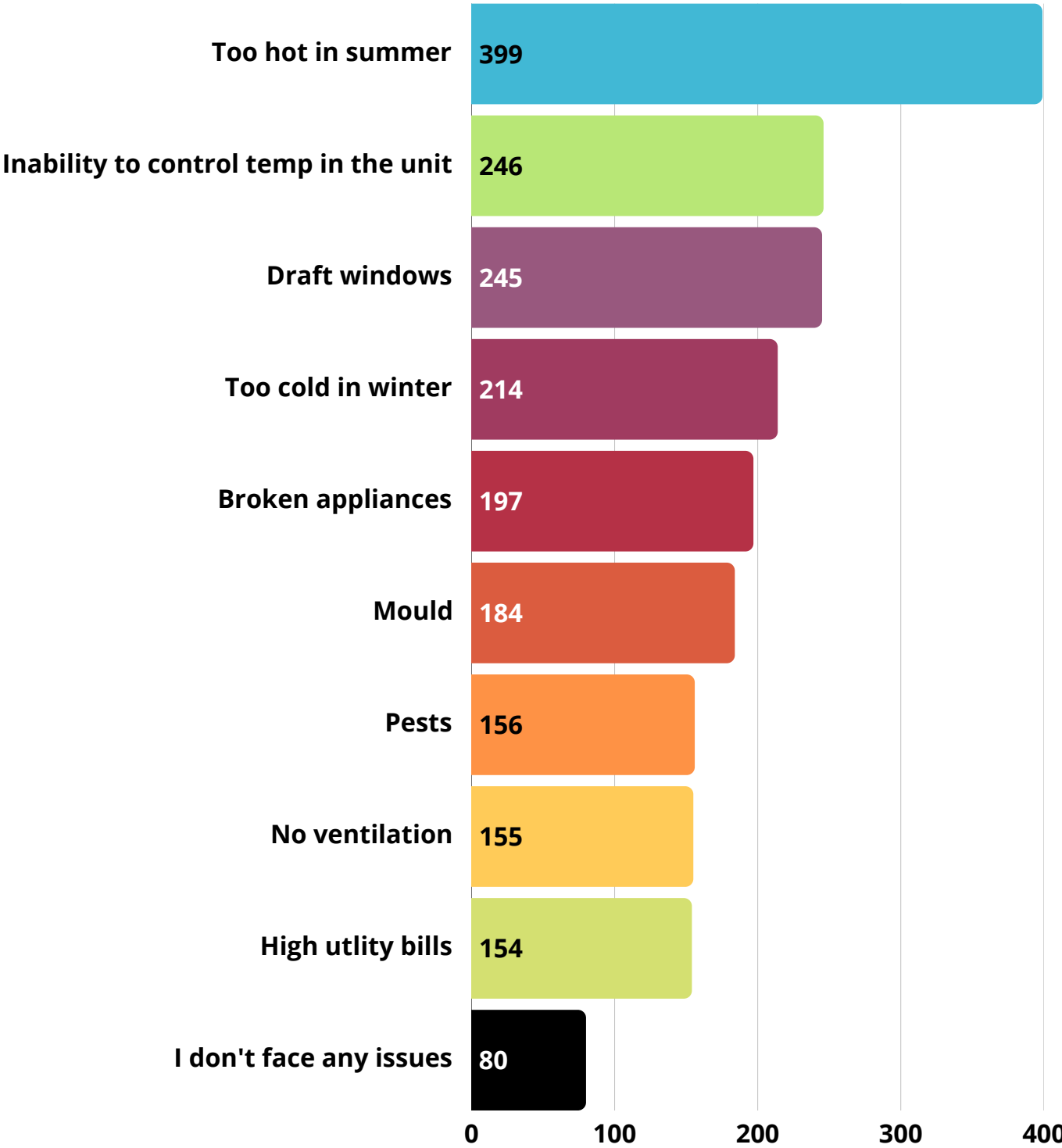


According to The Canada Green Buildings Strategy (2024), 2.6% of lower-income households reported requiring medical assistance for someone in their home due to temperature related living conditions.

i. Health issues due to maintenance issues in the building.  
(Checklist question - Tenants could choose more than one option)



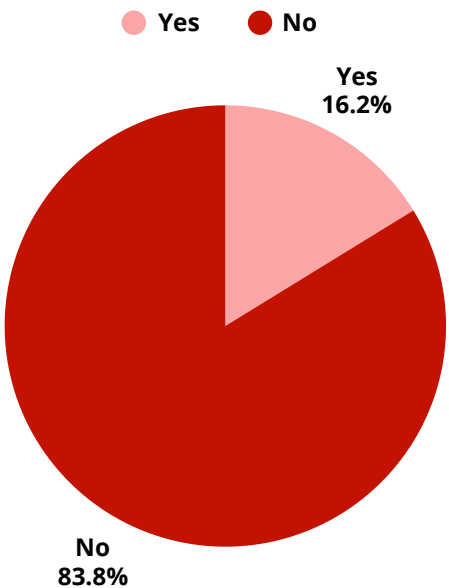
iii. Maintenance issues in the unit  
(Checklist question - Tenants could choose more than one option)



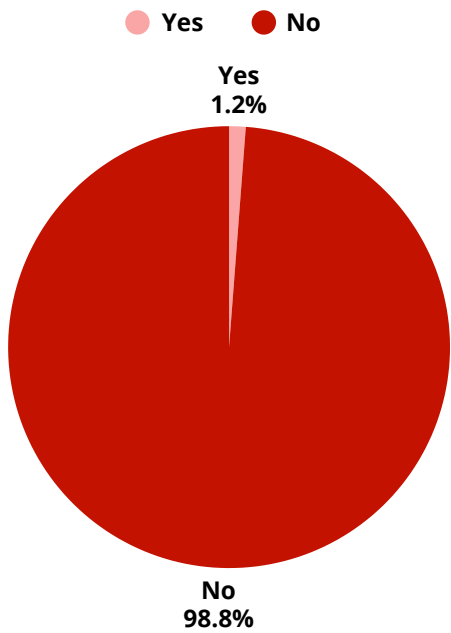
Section 5: Energy subsidy

This section asked tenants to self report their access to government subsidies for the purposes of paying costs incurred from the use and/or installation of in unit AC:

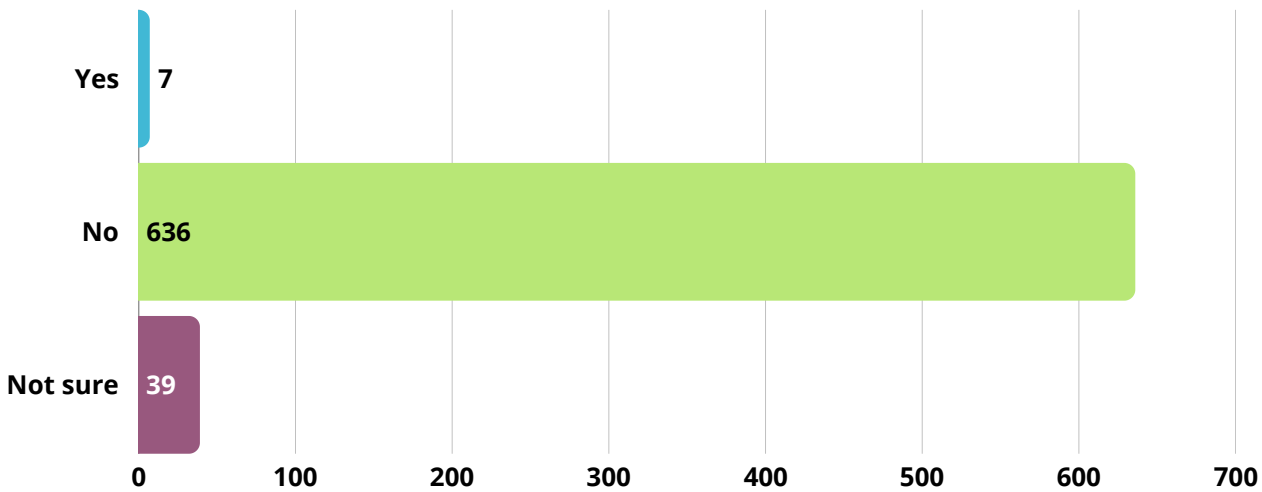
i. Are you enrolled in any government program that provides help with paying energy bills? (N=684)



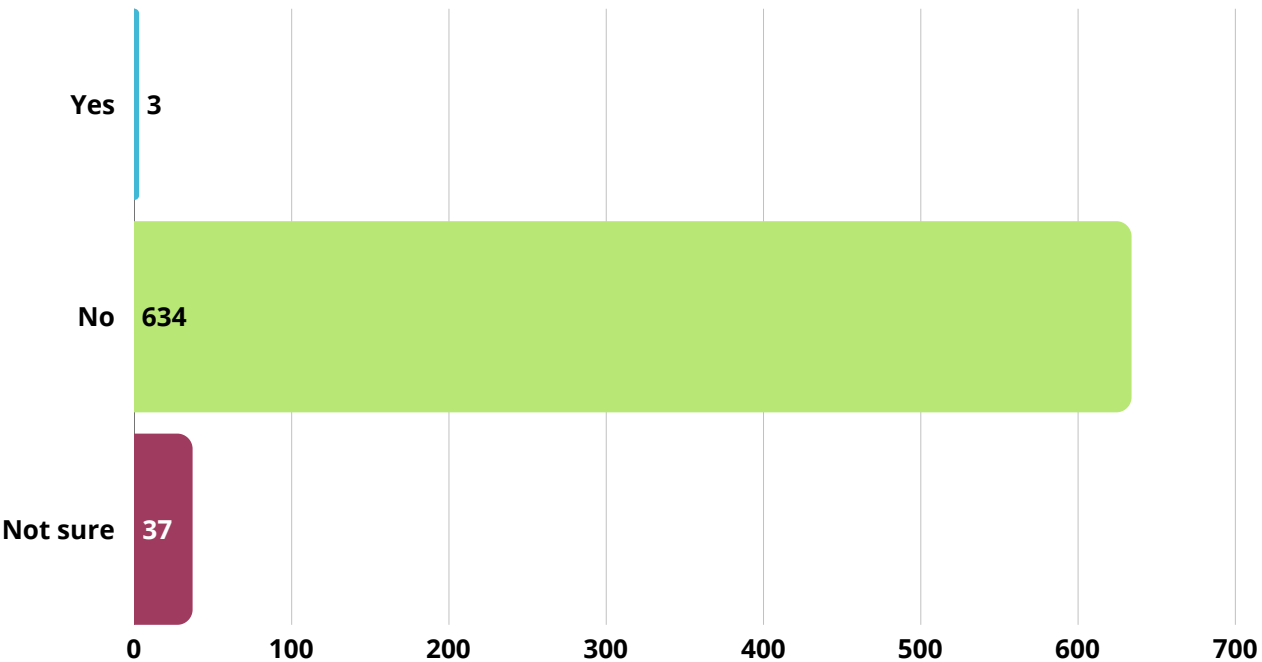
ii. Did you receive any government subsidy or help in installing air conditioners? (N=659)



iii. Did you get any subsidy or help from the government in installing new appliances? (N=682)



iv. Did you get any government subsidy or help in installing a heat pump? (N=674)

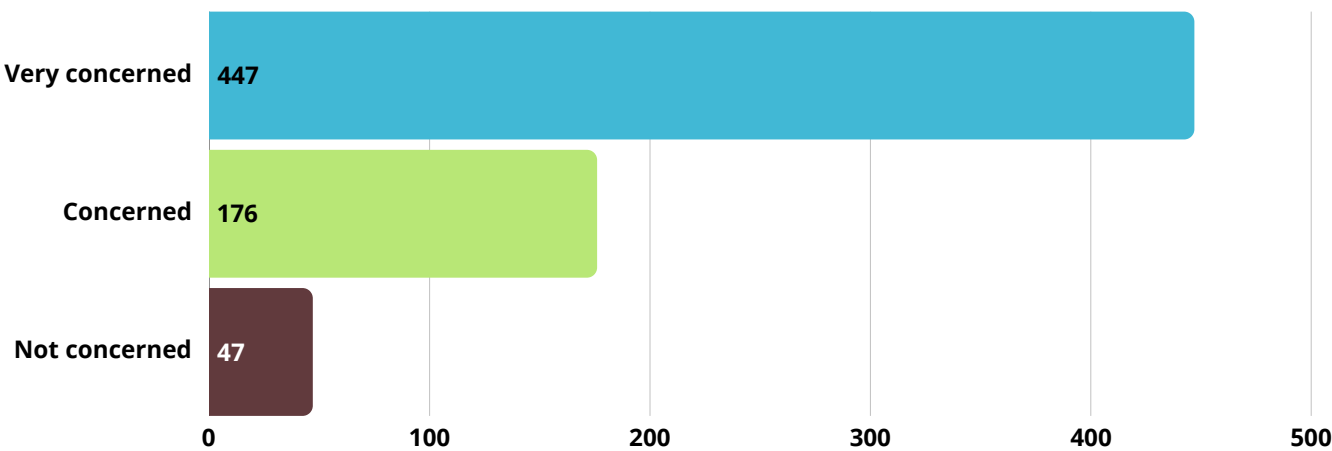




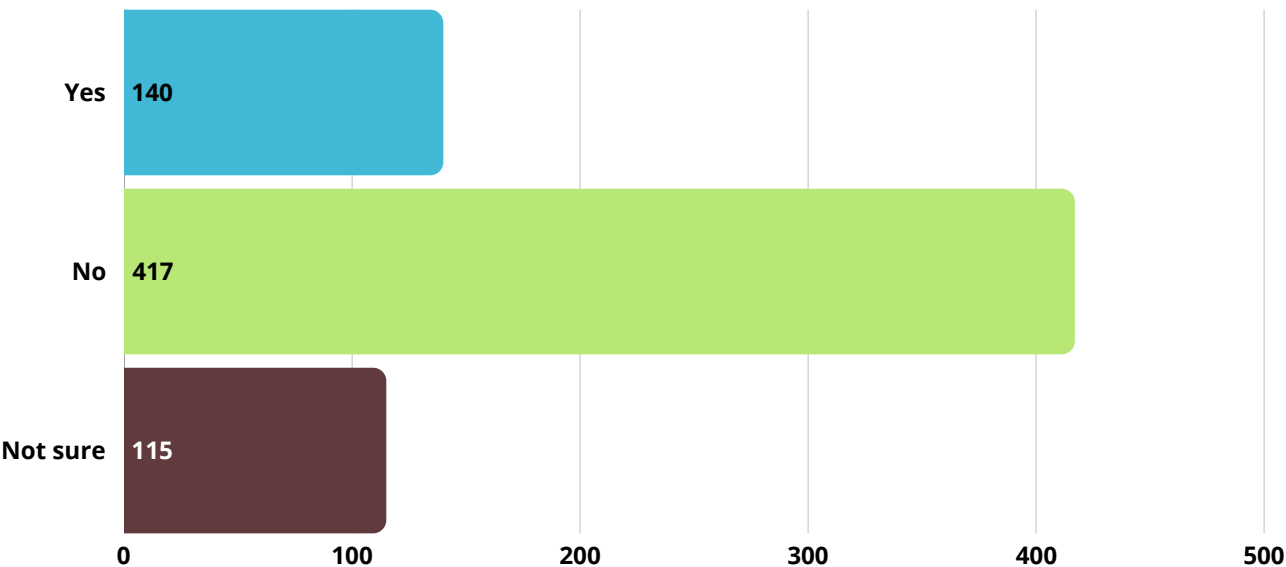
Section 6: Climate change & energy efficiency repairs

This section explored tenants' experiences and concerns related to energy efficiency repairs in their buildings, as well as broader concerns about climate change and rent increases:

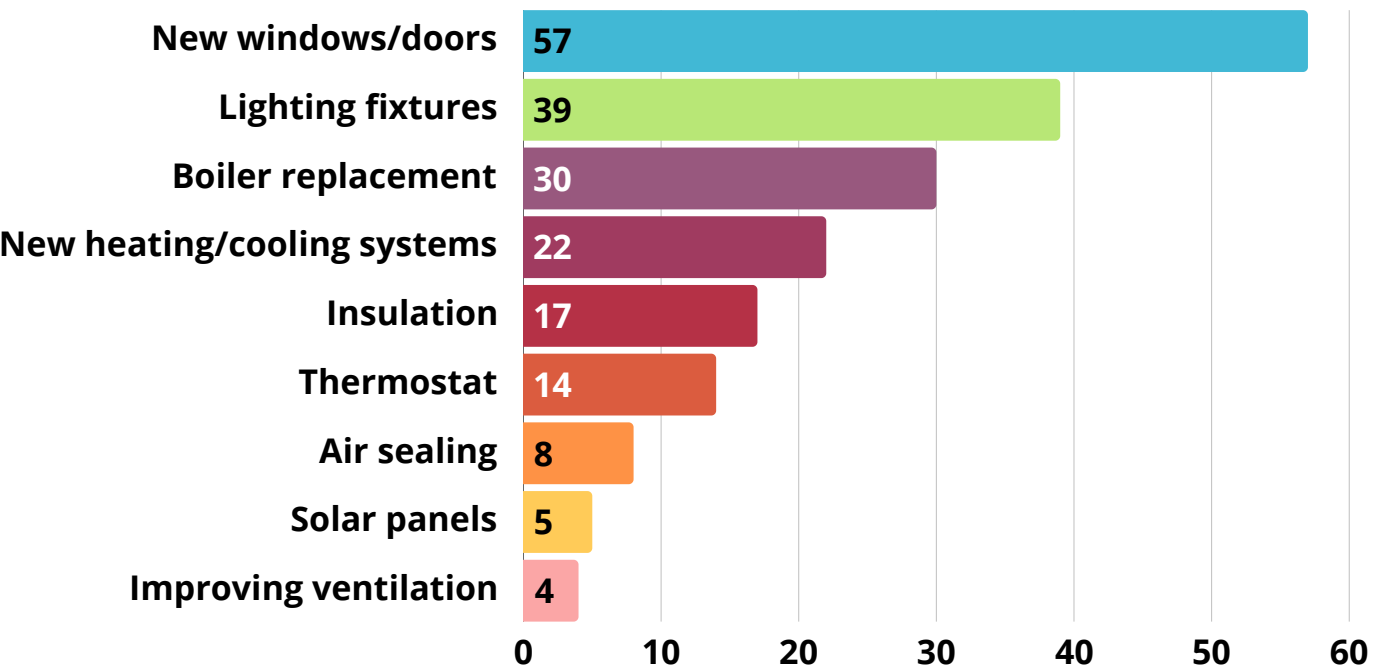
i. Are you concerned about climate change? (N=670)



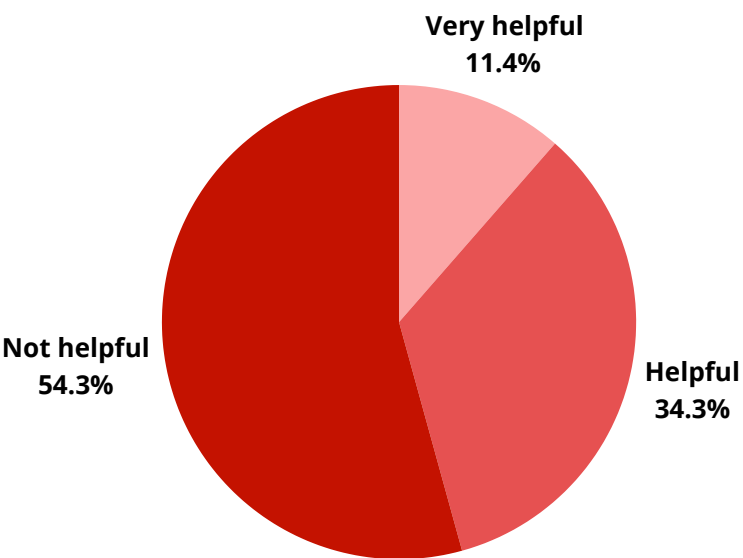
ii. Have energy efficiency repairs been performed in your building? (N=672)



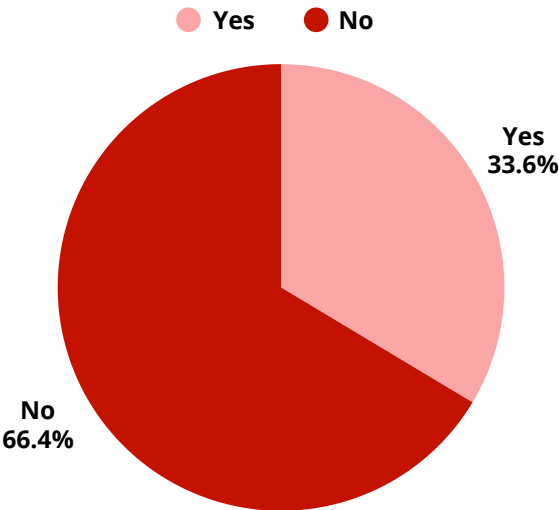
iii. What kind of energy efficiency repair work have you noticed?  
(Checklist question - Tenants could choose more than one option)



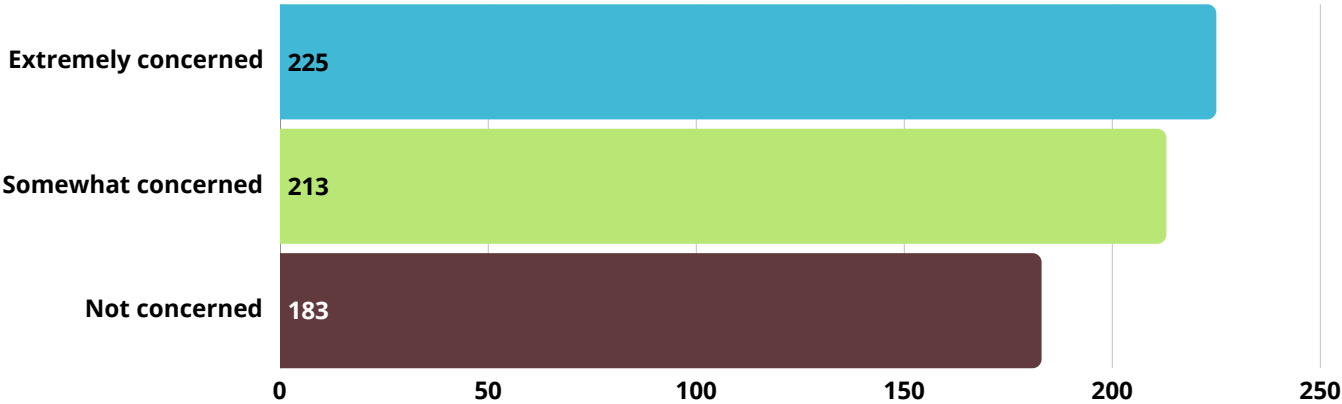
iv. Did any of the repair work to enhance energy efficiency of the building help you? (N=35)



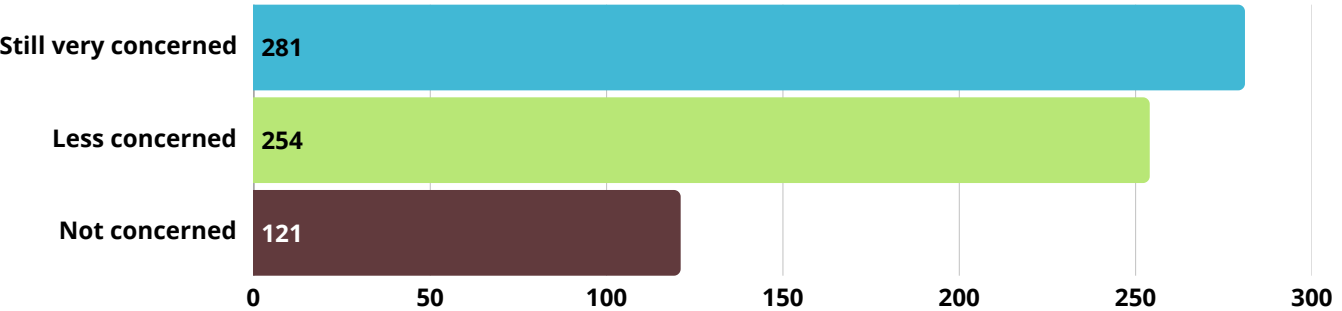
v. Did you get a rent increase notice because of any of these energy efficiency repairs? (N=125)



vi. Are you concerned about getting rent increases because of these energy efficiency repairs? (N=621)



vii. If landlords were banned from applying for rent increases due to energy efficiency repairs, would you still be concerned about rent increases? (N=656)



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