

March 6, 2026

Honourable Michael Kerzner  
Solicitor General of Ontario  
Ministry of the Solicitor General  
25 Grosvenor Street  
Toronto, Ontario M7A 1Y6

Re: Proposed Regulations under the Measures Respecting Premises with Illegal Drug Activity Act, 2025

Dear Minister Kerzner:

On behalf of the Toronto Regional Real Estate Board (“TRREB”), we submit the following comments regarding the proposed regulations under the *Measures Respecting Premises with Illegal Drug Activity Act, 2025* (the “Act” or “MRPIDAA”). TRREB represents almost 70,000 residential and commercial real estate professionals in the Greater Toronto Area and Simcoe County whose clients include homebuyers and sellers, rental housing providers and tenants. Our Members are directly affected by regulatory measures that alter the risk profile and investment climate for rental housing in Ontario.

TRREB supports the province’s objective of addressing illegal drug production and trafficking as well as enhancing community safety. However, the proposed regulatory approach must be narrowly tailored so as not to impose disproportionate liability on small landlords who neither knowingly permit nor are reasonably capable of detecting criminal conduct occurring within leased premises.

### **Economic Uncertainty and Rental Market Fragility**

TRREB submits that the proposed regulation is not advisable at this time given the current economic conditions facing Ontario and current instability facing Ontario’s rental housing market.

Ontario is experiencing sustained economic uncertainty characterized by elevated borrowing costs relative to recent historical norms, constrained development financing, increased construction and insurance costs, and a measurable slowdown in new housing starts.

Condominium pre-construction activity has declined materially, purpose-built rental projects are facing viability challenges, and small-scale investors, who supply a substantial portion of rental housing in the Greater Toronto Area, are reassessing their participation in the market. At the same time, rental housing providers are managing rising operating costs, including property taxes, utilities, maintenance expenses, and compliance obligations. Many small landlords operate with limited margins and without the economies of scale available to institutional housing providers. Regulatory risk and liability exposure are therefore significant considerations in investment decisions.

In this environment, introducing additional regulatory obligations or expanding liability under the MRPIDAA risks exacerbating investor uncertainty. Even where well-intentioned, regulations that broaden the scope of responsibility or impose ambiguous compliance standards may increase insurance premiums, financing risk assessments, and overall cost structures for rental housing providers. The cumulative effect may be to discourage the provision of secondary suites, condominium rentals, and other small-scale rental units that form a critical component of Ontario’s housing supply.

The province has consistently emphasized the importance of expanding rental housing and reducing red tape to improve housing affordability and availability. Regulatory initiatives that increase compliance complexity or potential exposure to penalties, particularly during a period of economic instability, run counter to those objectives.

TRREB submits that the timing of this regulatory proposal must be carefully reconsidered. While the goals of deterring illegal drug production and trafficking are legitimate and important, such objectives should be advanced in a manner that does not materially increase regulatory burden or undermine rental housing investment confidence at a time when Ontario urgently requires additional rental supply.

### **Proposed New Regulations under the MRPIDAA**

Notwithstanding the foregoing concerns regarding timing and economic context, if the province is intent on proceeding with the proposed regulations under the *Measures Respecting Premises with Illegal Drug Activity Act, 2025*, TRREB proposes that the regulatory framework must be carefully circumscribed to avoid unintended consequences for lawful rental housing providers.

At minimum, the regulations must first, clearly confine liability to circumstances involving actual knowledge and willful non-compliance, rather than constructive knowledge, negligence, or an undefined “reasonable measures” standard.

Second, provide a statutory notice-and-cure mechanism that affords landlords a defined opportunity to respond upon receiving formal notice of illegal activity, and shields those who cooperate with law enforcement and take lawful steps to avoid penalty.

Third, narrow and clarify the definition of “landlord” for the purposes of prescribed offences so that small-scale, private market housing providers are not disproportionately exposed to liability.

Fourth, expressly align any obligations with the *Residential Tenancies Act, 2006*, confirming that landlords cannot be expected to act beyond the procedural and evidentiary constraints imposed by tenancy law.

Absent these safeguards, the regulation risks the transfer of enforcement burdens from the state to private property owners, the creation of legal uncertainty, potential infringement on privacy rights and an increase in regulatory risk at a time when housing investment confidence is already fragile.

### **Liability Must Be Limited to Actual Knowledge**

The Act contemplates holding landlords accountable for knowingly permitting such activity. TRREB proposes that any regulation prescribing offences must explicitly confine liability to circumstances where a landlord has actual knowledge of illegal drug production or trafficking and has willfully failed to act. The imposition of liability based on constructive knowledge, negligence, or an undefined “reasonable measures” standard would extend criminal-adjacent enforcement responsibilities to private citizens who lack investigative authority.

Landlords do not possess search powers, law enforcement training, or statutory authority to monitor tenant activities beyond what is permitted under the *Residential Tenancies Act, 2006*. Imposing an expectation that landlords proactively detect sophisticated illegal drug production operations risks incentivizing intrusive tenant screening, over-surveillance, or premature eviction proceedings, thereby undermining tenant rights and increasing proceedings before the Landlord and Tenant Board.

Accordingly, TRREB contends that a prescribed offence framework should first, limit liability strictly to instances of actual knowledge and willful non-intervention. TRREB believes that the regulations should

expand on examples of where a landlord has “actual knowledge” to clarify the definition and scope.

Second, expressly confirm that compliance with the *Residential Tenancies Act, 2006* including the lawful pursuit of eviction upon receiving credible evidence or police notice constitutes satisfaction of a landlord’s obligations under the Act.

Third, provide a statutory opportunity to cure upon notice, such that landlords who cooperate with law enforcement and take reasonable lawful steps are shielded from penalty.

### **Definition of “Landlord” and the Need for Narrowing and Clarification**

The current statutory definition of “landlord” under MRPIDAA is expansive, encompassing: (a) owners who lease premises; (b) commercial lessors; and (c) tenants who sublet premises. The Act further provides regulation-making authority to clarify or exclude certain persons from this definition.

The Ministry of the Solicitor General (MSG) and Ministry of Municipal Affairs and Housing (MMAH) have proposed exemptions for institutional, supportive, and community housing providers, including retirement homes, long-term care homes, hospitals, correctional institutions, child and youth facilities, non-profit housing providers, municipalities, housing cooperatives, District Social Services Administration Boards (DSSABs), and other publicly supported housing arrangements.

While TRREB supports these exemptions, we submit that the proposed framework inadvertently captures the very category of housing providers most vulnerable to regulatory overreach - specifically small, private, market landlords. These individuals frequently own one or two condominium units, duplexes, triplexes, or secondary suites. They do not operate at scale, lack in-house legal or compliance departments, and are particularly sensitive to liability exposure and insurance costs.

The regulation-making authority should be exercised to further limit the definition of “landlord” for the purposes of prescribed offences. Specifically, TRREB recommends excluding individuals who own fewer than a prescribed number of rental units (for example, four or fewer units), absent proof of actual knowledge and active participation.

Second, clarifying that passive investors in condominium corporations are not liable for conduct occurring in common areas beyond their control.

Third, ensuring that tenants who sublet premises are not inadvertently exposed to criminal-adjacent liability absent clear evidence of active facilitation.

Without such narrowing, the regulatory burden will fall disproportionately on small housing providers, many of whom entered the rental market to provide secondary suites or invest in condominiums in response to government encouragement to increase rental supply.

### **Addressing Policy Objectives Without Shifting Enforcement Burden**

TRREB proposes that the objectives of the MRPIDAA are best advanced through traditional law enforcement and targeted criminal prosecution. The detection and investigation of complex criminal activity properly rest with police services and prosecutorial authorities, who possess the necessary statutory powers and expertise. Shifting enforcement responsibilities onto private landlords risks misallocating responsibility and creating legal uncertainty.

To meaningfully advance the Act’s goals, the province should prioritize enhanced police-led investigations and improved intelligence-sharing among ministries and enforcement agencies. Direct enforcement against criminal actors is more effective than expanding regulatory exposure for lawful

housing providers.

The province should also establish clear remediation standards to ensure that once illegal activity is addressed, properties are not indefinitely stigmatized. Finally, government-issued guidance should assist landlords in understanding lawful responses within the framework of the *Residential Tenancies Act, 2006*, without imposing investigative duties beyond their statutory authority. An approach focused on enforcement, remediation, and education would better protect communities while preserving stability in Ontario's rental housing market.

## Conclusion

TRREB respectfully urges the Ministries to exercise the regulation-making authority under MRPIDAA to narrowly define and appropriately limit the category of landlords subject to prescribed offences, to confine liability to instances of actual knowledge and willful non-compliance, and to provide clear safe-harbour provisions aligned with existing tenancy law.

At a time when Ontario is striving to bring additional rental housing online, regulations that expand liability and increase compliance uncertainty risk adding further red tape to rental housing providers. The province should be doing everything within its authority to reduce regulatory burden, improve the rental housing investment environment, and encourage small-scale landlords to remain in, rather than exit, the market.

The objectives of MRPIDAA can and should be pursued in a manner that does not place primary responsibility for criminal detection and prevention upon private housing providers. We would welcome continued consultation to ensure that community safety goals are achieved without compromising Ontario's urgent housing supply priorities.

Sincerely,



Daniel Steinfeld  
President  
TRREB



John DiMichele  
CEO  
TRREB

Cc: Honourable Doug Ford  
Premier of Ontario

Honourable Rob Flack  
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