Tenants in seniors' residences say ballooning fees are forcing them out

Source: By Frédérik PlanteInvestigative Reporter



There are growing calls for the province to regulate service fees the same way it does rent to stop 'price gouging.'



John Simmons, 96, who lives at The Court at Brooklin near Whitby, Ont., said his pensions no longer cover the soaring living expenses billed by the home.

60% increase in 4 years

When John Simmons moved to a Whitby seniors' community in 2021, he and his wife paid \$2,739 a month for a large one-bedroom apartment along with hospitality services – three meals a day, housekeeping and bus transportation. By early 2025,

Simmons, now a 96-year-old widower, was paying \$4,362 a month for the same unit and services, a nearly 60-per-cent jump.

Residents of seniors' homes across Ontario have seen their monthly bills balloon over the past few years at rates most other tenants in the province could never face.

Provincial guidelines have limited rent increases to 2.5 per cent per year for most tenants since 2023. It will be even lower, 2.1 per cent, in 2026.

No cost regulation in care homes and retirement homes

But in care homes and retirement homes, the cost increases of meals and care services such as assistance with bathing are not regulated. Landlords need only to respect a 90-day notice for an increase; the amount is left to market forces. In a recent Landlord and Tenant Board decision, the adjudicator noted that *charges for care services can even be increased more than once in a 12-month period, as long as the tenant is given proper notice.*

Fee increases outpacing inflation

Since moving into The Court at Brooklin, a care home operated by Atria Retirement, a seniors' residence chain headquartered in Kentucky, Simmons's fees for hospitality services have nearly doubled, soaring to \$3,349. The increases far outpaced inflation.

Senior unable to deal with rate increases

"I haven't been able to keep up with it," Simmons said. With his pensions no longer covering his living expenses and despite financial assistance from his son, Simmons had to downsize and move into a smaller studio in the same community.

John Simmons had to downsize under pressure of rising fees at the residence, part of a seniors' residence chain headquartered in Kentucky.

Government permits steep increases

Steep increases in care service charges remain allowed in Ontario despite years of calls for more oversight by the auditor general and advocates, and an opposition party's effort to rein them in through legislation. The increases have hit both care homes like the one Simmons lives in and retirement homes, which offer more services.

No limit to allowable price increases

"Under the Residential Tenancies Act, there is no limit to the amount a care home landlord can raise the cost of care services or meals, and there is no mechanism for government oversight of these charges," Graham Webb, executive director of the Advocacy Centre for the Elderly (ACE), told MPPs in a 2017 committee hearing.

In his submissions, Webb noted that, for regular apartment tenants with services such as power included in their rent, increases are limited by the actual utility cost increases. "There's no such mechanism for care home or retirement home tenants," he said.

Push for protection stalls at 2nd reading

In December, a group of NDP MPPs introduced <u>a bill to limit increases</u> to meals and care service charges to the same rate as rent increases. The bill passed first reading but has since stalled. "As with all private members' bills, the process to reach second reading takes time," said NDP MPP Chandra Pasma, one of the bill's sponsors. "However, the government has the ability to act immediately to end these practices if it chooses to do so," she added, referring to the unregulated service fee increases.

Minister's response, 'bafflegab'

Simmons himself reached out to Premier Doug Ford directly in late 2022 after his fees were raised for the second time at a rate he found unconscionable. "This increase of 16.6% must be considered as price-gouging!!" he wrote, pleading for the premier to "find a way to initiate some form of legislation" to curb the practice.



Raymond Cho, Minister for Seniors and Accessibility.

Raymond Cho, Ministry for Seniors and Accessibility

Raymond Cho, the minister for seniors and accessibility, wrote Simmons back, thanked him for his perspective, explained that homes such as his can raise fees with proper notice and guided him to a website with information relevant to seniors in Ontario. [Website not given in the article.]

In a statement that echoed this response, *Cho's ministry did not address questions* from the Star about tenants' concerns that they're being gouged by care and retirement homes, or say whether it plans to regulate the cost increase of meals and services.

Accommodation costs in long-term-care homes, which include meals, are regulated, with a maximum \$2,979.32 monthly rate for private rooms. Ontario subsidizes long-term care but not retirement residences, where tenants pay the full cost of housing and additional services at rates set by providers. These residences are privately owned, some of them by multinational chains with a goal of maximizing profits for shareholders.

U.S.-based parent company seeks higher prices

Atria, based in Louisville, Ky., operates 29 senior housing properties in Canada, including 10 in Ontario from Niagara Falls to Ottawa.

Colin Le Brun, the general manager of The Court at Brooklin, did not respond to the Star's request for comment.

Atria said that "rate adjustments are based on a number of factors including increased operational expenses – like labor costs, benefits, taxes, insurance – and the increased cost of goods and services." The company did not directly answer questions about why they went so far above inflation.

While Atria, which is partly owned by Ventas, a large U.S. real estate investment trust, told the Star that it raises its prices to cope with cost increases, executives touted a different strategy to investors.

During an earnings call on July 31, J. Justin Hutchens, who oversees senior housing at Ventas, said the company aims to increase occupancy rates and raise rents to drive growth in this sector.

"We found a way through our data analytics to really focus in on the right price to do two things: either just get higher price or to drive volume," Hutchens, who is also a board member of Atria, said. "What's really driving the underlying trend are higher move-in rents and then continued strength in our internal rent increases. And so, that's something we'll stay very focused on, and we're trying to pull both levers."

Asked about growth opportunities in Canada specifically, Hutchens said: "Pricing has been a little bit better there as well. So we're always focused on revenue across the board, but price is an opportunity that's emerging in Canada."

Even though they also cater to seniors, Atria facilities in Ontario do not fall under the purview of the <u>Retirement Home Regulatory Authority</u> (RHRA), which oversees licensed retirement homes offering more care services such as assistance with dressing or personal hygiene.

Concerns about skyrocketing service fees exist at those homes, too.

Dan Rogall's mother, Magdalena, who lived at an Alavida Lifestyles residence in Ottawa up until she moved to a long-term-care home a few months ago, saw her monthly bill increase by about \$2,500 last year, he said. "These residences can do whatever they want on their fees," Rogall told the Star. "That needs to stop."

Residents at Alavida homes were told the soaring costs were driven in part by marketing discounts the company had taken away. Julie Smith, the general manager of the Ravines residence, where Rogall lived, did not return the Star's

calls. When the complaints surfaced in 2024, Alavida told the CBC and the Ottawa Citizen it was financially unsustainable to keep the discounts in place and it was never intended for them to be permanent.

Despite the existence of a dedicated regulator for retirement homes, the Auditor General (AG) of Ontario noted in a 2020 audit that "there are no organizations or statutes that prevent retirement home residents from being charged unreasonably high prices for care services." The AG urged the Ministry for Seniors and Accessibility to evaluate whether the RHRA should have oversight of services fees and consider related legislative amendments.

Smoke and mirrors

In a 2022 followup report, the Ministry for Seniors and Accessibility told the AG that it was in the process of conducting research and analysis before making policy recommendations and undertaking consultations. Spokesperson Oliver Ormrod said the AG will release another follow up report towards the end of the year.

[Frédérik Plante, Toronto-based investigative reporter for the Star, can be reached at fplante@thestar.ca, @fx_plante on X or @fxplante.bsky.social on Bluesky.