

BC Care Providers Association

Position Paper on The RTA Application to Independent Living

April, 2025

British Columbians have faced skyrocketing costs for food, labour, and other household goods over recent years. Operators of Independent Living (IL) are no exception. As with all business, many of these operators have been forced to increase the price of residents' hospitality packages in response to these escalating operational costs.

The maximum allowable annual increase under the Residential Tenancy Act for 2025 is three percent, which fails to account for the disproportionate inflation experienced by IL operators in providing these essential services. While this cap may be appropriate for traditional residential tenancies where building maintenance represents the primary expense, IL residences face documented increases of 27% in food costs and 37% in labour costs over five years, and an eight percent increase in insurance costs in just the past year alone.

These costs are fundamental to the integrated housing-and-services model of Independent Living, which requires, among other things, investment in commercial kitchens, dining facilities, programming spaces, and higher staffing ratios. Unlike standard residential landlords, IL operators cannot separate the provision of housing from services designed to support daily activities that define the model.

Recent escalating costs have forced operators to increase rates for these services, highlighting fundamental jurisdictional questions about the Residential Tenancy Branch's authority over Independent Living communities. The RTB has issued several contradictory rulings on this matter over recent months, fueling confusion by residents and concern within the sector. Despite the Ministry of Housing's commitment to a consultation process, the RTB continues to investigate complaints and to issue inconsistent decisions that fail to recognize the unique housing-and-services model of IL residences:

- ❖ **January 2024** – An RTB ruling found that the independent living residence is **not** a housing-based health care facility, and that the RTA applies only to the rental portion of the agreement.
- ❖ **April 2024** – An RTB decision ruled that the RTA does not apply, determining that the independent living residence qualifies as a housing based health care facility and is therefore exempt.
- ❖ **November 2024** – Another RTB ruling determined that the independent living residence is **not** a housing-based health care facility, and that the RTA applies to both the rental portion and the hospitality service package.

	Housing-Based Health Care Facility	RTA Applies to Rent	RTA Applies to Hospitality
Fully Applicable	<input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes
Partially Applicable	<input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Not Applicable	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> No

These contradictory rulings create uncertainty for operators and residents alike, demonstrating the need for legislative clarity.

Guiding Principles for Addressing Independent Living Regulation

To ensure a fair and sustainable approach to Independent Living, the following principles should guide decision-making:

- **Consistent Application of RTA:** Notably, “independent living” is not a defined term under the RTA, creating significant legal ambiguity. Unless a dispute before the RTB relates to straight forward matters of rent for shelter, or some other matter explicitly covered by the RTA, the jurisdiction of the RTB is without legislative support. The added services and integrated cost structure of providing Independent Living preclude the ability to apply RTA to this form of service-enriched living. This view was reflected in changes to the RTA, ***passed by the legislature in 2006 but never brought into force*** reinforcing legislative recognition that this housing model requires specialized treatment.
- **Recognition of Full Cost Realities:** If the RTB determines that it has jurisdiction over a dispute relating to Independent Living, then it is unreasonable to apply the RTA maximum increase to a form of service-enriched living where highly inflation-sensitive services such as food, housekeeping, and social activities are offered. Rising costs in these areas – especially food, labour, and other operational expenses – must be factored into any regulatory approach. The RTB’s traditional focus on rental pricing fails to recognize that Independent Living residences operate on a specialized business model where inflation-sensitive services are not ancillary but essential to the concept itself. Arbitrarily limiting operators’ ability to recover these documented cost increases undermines the entire Independent Living sector and ultimately harms the very seniors the legislation aims to protect. Therefore, it is our position the RTA should **not** apply to a contract transparently negotiated between Independent Living operators and residents who deliberately select these specialized living-arrangements.
- **Limits on Services Unprecedented:** It is worth highlighting that no comparable regulatory framework exists to control costs for services similar to those offered in Independent Living facilities. This regulatory framework stands in contrast to other service-based enterprises—such as hotels, restaurants, and home care agencies—which face similar inflationary pressures related to food and labour costs.

The Independent Living Framework

Independent (Retirement) Living is a purpose-built community for older adults in which residents can be supported with quality housing and, among other things, nutritious food, housecleaning and laundry services and socially engaging activities.

This integrated model results in a safer living environment as people age in place and results in fewer health problems, relieving pressure on assisted living, long-term care and hospitals and enables seniors to maintain autonomy thanks to daily living assistance services. Residents seek out this environment by choice and are made fully aware of the nature of the contracts that ties accommodation to services.

Currently, there is a 5-6% vacancy rate for this type of community in the Lower Mainland, considerably higher than the standard rental market, providing options to those who are unhappy with the cost of the services. Further, seniors opting for Independent Living communities contribute to housing affordability by releasing larger single-family homes back into the market, often replaced by four to six units of housing, helping to meet the province’s density goals.

IL operators rely on the residents purchasing both the rental suite and the hospitality service package in order to fulfill the business case for Independent Living by providing consistency and quality in staffing, service and food. The cost of the service package is impacted in ways that differ from rent. Food costs have increased dramatically in the last five years, and labour costs have also gone up considerably, given the competition for of available labour.

Restricting an IL operator’s ability to match the actual cost of goods and services by limiting the annual increases results in an unsustainable business model. The consequences are severe and widespread; quality and variety of daily living assistance services inevitably deteriorate, new community development halts completely as investors recognize the business model is no longer viable, existing communities face closure

(a reality already demonstrated by at least one not-for-profit operator's exit from the market), seniors ultimately find themselves with fewer housing choices rather than more, and our already-strained healthcare system faces mounting pressure as vulnerable seniors remain in housing situations ill-suited to their needs, potentially accelerating their transition to more intensive and costly care settings.

	Housing	Laundry & Housecleaning	Meals	Recreation
Multi-Unit Residential Housing	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> No
Seniors Independent Living	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes

In Conclusion

The BC Care Providers Association firmly maintains that the RTA should not apply to Independent Living communities, given their unique integrated housing-and-services model. It is fundamentally unreasonable and economically unsustainable to extend RTA rent increase caps to the essential daily services that define these communities. Such an approach would critically undermine the viability of the entire Independent Living sector, ultimately harming the very seniors it aims to protect by reducing housing options and diminishing service quality. While the Ministry of Housing has committed to consultation with the Independent Living sector and the Office of the Seniors' Advocate, the lack of a defined timeline for this process is deeply concerning given the urgent nature of this issue.

In light of these circumstances, the BC Care Providers Association and its members emphatically call upon the Residential Tenancy Branch to immediately suspend all investigations and enforcement actions related to Independent Living communities. This moratorium is crucial to allow for a comprehensive, evidence-based consultation process involving all stakeholders, including the Office of the Seniors' Advocate and the Independent Living sector. Only through such a thorough and inclusive dialogue can we develop a regulatory framework that truly serves the best interests of British Columbia's seniors while ensuring the continued availability of this vital housing option.

About BCCPA

BCCPA is the leading voice for B.C.'s continuing care sector. Our growing membership base includes over 450 long-term care, assisted living, and commercial members from across British Columbia. Through its operating arm EngAge BC, the organization represents independent living and private-pay home health operators.

Our members support more than 19,000 seniors annually in long-term care and assisted living settings and 15,000 independent living residents. Additionally, our members deliver almost 2.5 million hours of home care and home support services each year.