Rent-striking the REIT: reflections on tenant organizing against financialized rental housing in Hamilton, Ontario, Canada

Emily Power
Hamilton Tenants Solidarity Network, Hamilton, Ontario, Canada

Bjarke Skærlund Risager
Hamilton Tenants Solidarity Network and Department of Geography & Planning, University of Toronto, Toronto, Ontario, Canada

Abstract
In 2018, a group of tenants from four high-rise apartment buildings in East Hamilton, Ontario, Canada, launched a seven-month rent strike against their landlord, a real estate investment trust (REIT). The tenants protested a proposed steep rent increase and demanded long-standing repairs to their apartments. While some repairs were done, and the strike involved other successful moments, the rent increase was not fought off. Written from the perspective of the Hamilton Tenants Solidarity Network (HTSN), the group that helped organizing the rent strike, this article has two aims. First, we analyse the strategy and tactics of the REIT in the context of deindustrialization and financialization in Hamilton. We break up this financialized landlord’s ‘repositioning’ strategy into five predatory tactics: cutting, squeezing, greening, rent increasing, and bullying and bribing. Second, we reflect on the experiences, successes, and failures of HTSN. Our successes include organizing tenants and training tenants as organizers; having well-executed legal, fundraising, and media strategies; making social events and political actions integral to the strike; and relying on and forging further ties with comrades and supporters. Our challenges and failures concern all the tenants we didn’t manage to involve or involve in an active way; divergent tenant strategies; relationships between tenants and organizers and within HTSN; and underestimating the stakes of going up against a REIT. We conclude by reflecting on the potential for collective organizing in the face of financialized landlords today.

Keywords
REITs, rent strike, Canada, financialization, tenant organizing
Introduction

From May through November 2018, dozens of tenant households from four high-rise apartment buildings in East Hamilton, Ontario, Canada, launched a rent strike against their landlord, InterRent REIT (Real Estate Investment Trust), and its property management company, CLV Group. The tenants had two demands: that the landlord (1) drop an application for a large rent increase; and (2) make necessary repairs to their homes. While the rent increase was not dropped or significantly reduced, the tenants did succeed in having repairs done.

This article is written from the perspective of the Hamilton Tenants Solidarity Network (HTSN), the group that supported tenants in organizing the rent strike. Formed in 2015, HTSN aims to build working-class power by organizing tenants to collectively fight against the forces of displacement in our city. With the rent strike now over—and by and large considered a loss by HTSN—we want to use this article to reflect on our successes and our shortcomings as organizers. We hope this article will be helpful to those working to organize as tenants, fight gentrification, and build neighbourhood power elsewhere.

Sections 1–4 introduce the political-economic context of the rent strike campaign, describing the rise of ‘financialized landlords’ after the 2008 global financial crisis, giving an account of the growth of InterRent REIT, and chronicling the neoliberal housing policies that laid the groundwork for financialized landlords to flourish in Canada. In section 5, we lay out the geographical and social context for the rent strike, describing the processes of deindustrialization, real estate investment, and gentrification that have contributed to a housing crisis in Hamilton. This is followed, in section 6, by a brief description of HTSN. We then turn to our experiences and lessons learnt from supporting this group of tenants to organize the rent strike and exert pressure on their landlord. We describe the actions tenants and organizers took and reflect on what went well, in section 7, and what went poorly, in section 8. In section 9 we summarize these experiences and offer some concluding thoughts on tenant organizing against financialized landlords.

1. The post-crisis financialization of rental housing

The 2008 economic and financial crisis was triggered by the collapse of the U.S. housing market and the subprime and foreclosure crisis, with ripple effects worldwide (Harvey, 2012). The post-crisis response from elite politicians has not been to adequately regulate the markets for mortgages, asset-backed securities, and other financial products, but rather to intensify neoliberal capitalism and displace the crisis onto working-class people through the use of devastating austerity measures. As a result, house prices and rents continue to soar and in many places now exceed pre-crisis levels, while people worldwide suffer from the effects of precarious housing, displacement, and homelessness.

This is not to say that the pre- and post-crisis housing situations are the same. Housing scholars have noted a shift in the processes of financialization and identified the emergence
of REITs as critical to this shift. Wijburg et al. (2018) have dubbed this new phase ‘financialization 2.0’. The pre-crisis ‘financialization 1.0’ phase was dominated by private equity funds and hedge funds engaging in ‘pure speculation’ with an overall ‘buy low and sell high’ strategy. With a short-term focus, these companies had little interest in maintaining or modernizing their properties. Following the 2008 crisis, this model has become less profitable and given way to one of mid- and long-term investment strategies centred on the modernization of the housing stock through renovations and frequent tenant turnover. These authors argue that REITs, often reconfigurations of the original ‘financialization 1.0’ actors, have been a leading force behind this new model.

August & Walks (2018) define a REIT as a ‘financialized landlord’. As a publicly-traded real-estate investment company, the mandate of a REIT is to secure a steady income-flow to its shareholders through various ‘asset enhancement initiatives’ (Waldron, 2018). This is often based on various aggressive tactics on the part of the landlord, which tenant advocates elsewhere have called ‘predatory equity’ (Fields, 2015, 2017). REITs provide a vehicle for high-net-worth individuals and institutional investors to make diversified investments in real estate—spreading their dollars, and therefore the risk, across multiple properties and multiple cities—without having to get their hands dirty by managing properties themselves. In this way, REITs are key actors in restoring faith in and ‘re-equitizing’ real estate in post-crisis contexts (Waldron, 2018). As of December 2017, REITs existed in 37 countries—which is almost twice as many as in 2007, just before the crisis erupted (Grinis & Kaspar, 2017).

The scholarly work cited above provides us with insights into the growing dominance and newly aggressive behaviour of financialized landlords in today’s housing markets. However, this process of hyper-gentrification is far from inevitable. Reports from tenants in many cities show the ways neighbours are fighting to hold onto their homes, throwing a wrench in investors’ plans and ensuring that financialization remains a ‘fragmented and incomplete project’ (Fields, 2017, p. 589). We aim to contribute to this conversation by reflecting on our own experiences supporting tenants in resisting a financialized landlord in Canada.

2. The rise of REITs in Canada

In Canada, the legal framework that made REITs possible was a neoliberal response to the early 1990s recession. Government housing policies created the conditions for financialized landlords to flourish, through state withdrawal from social housing provision at the national level, deregulation of tenant protections and rent control at the provincial level, and the emergence of a ‘race to the bottom’ urban entrepreneurialism at the municipal level (August & Walks, 2018).

Federal spending for social housing froze in 1993 and the responsibility for funding and maintaining the social housing stock was delegated to the provinces. In Ontario, this responsibility was further delegated to municipalities under Conservative Premier Mike Harris in 1995. Reliant on property taxes as the only method of revenue generation, municipalities lack the funds to maintain existing units, let alone build new units. In effect,
very little affordable rental stock has been created in the past 25 years. Last year, Liberal Prime Minister Justin Trudeau announced that Canada’s national housing strategy would be reinstated with renewed funding from the federal government, but this plan has been widely criticized as insufficient (Hulchanski, 2017; McIntyre, 2017; Swanson & Sagaii, 2017).

In addition to a decline in affordable rental supply, the deregulation of rent control and the erosion of tenant protections have exacerbated the housing crisis. The same Mike Harris Conservative provincial government that had cut funding for social housing, also undermined rent control by rewriting the 1992 Rent Control Act, later replaced by the 1997 Tenant Protection Act. (This was further watered down in 2006 to become the Residential Tenancies Act.) Harris introduced vacancy decontrol, which allows landlords to increase rent however much they like between tenancies. This has incentivized landlords to push long-standing tenants out, vacate units, and bring new tenants in, in order to capitalize on the rent gap between ‘underperforming assets’ and their ‘market value’.

Harris also introduced Above Guideline Increase (AGI) legislation, which allows landlords to increase rent above the guidelines set by the Province of Ontario in order to pass on the cost of certain building investments to sitting tenants. The Landlord and Tenant Board (LTB) specifies which ‘capital expenditures’ can be passed on to tenants through AGIs. Eligible expenditures are limited to ‘extraordinary or significant renovations, repairs, [or] replacements’ that restore the physical integrity of the complex, provide access for persons with disabilities, improve security, or promote energy or water conservation; or to offset ‘extraordinary’ municipal taxes (Landlord and Tenant Board, 2018). It has become standard practice for REITs and other financialized landlords to apply for AGIs to pass on the cost of millions of dollars worth of renovations to their tenants. While ‘curb appeal’ renovations and other cosmetic upgrades are not eligible expenditures, landlords nevertheless regularly include these items in their AGI applications. This often includes renovations of the lobby and common areas, painting the building exterior, replacing metal balcony railings with glass panels, and landscaping the grounds. It is incumbent upon the tenant to prove to the LTB that cosmetic renovations were not necessary in order to contest the AGI rent hike. This is difficult for the average tenant to do since it requires meticulous documentation prior to renovations, an in-depth understanding of AGI legislation, paying expensive legal fees, and forfeiting days of work in order to attend the rent increase hearing. Most cases go uncontested. When tenants do attend court, negotiated settlements are quickly pushed through in ‘case management hearings’ by ‘mediators’, appointed by the Landlord and Tenant Board, who encourage tenants to accept small concessions from the landlord. Tenants may be lucky to shave off a small percentage from the total rent increase proposed. Few cases go to a full hearing where the landlord’s application is reviewed by an adjudicator. Even then, it is rare for tenants to get a significant reduction to the AGI. AGI legislation was written to benefit landlords, and tenants have little chance of defeating rent increases in the courts.

In theory, there is rent control in Ontario, but vacancy decontrol and AGI legislation provide major loopholes that landlords regularly exploit to close rent gaps and increase rents to market rates. These loopholes are key elements in the predatory equity strategy of
InterRent and other financialized landlords in Ontario, integral to the ‘repositioning’ of buildings in their portfolios and to guaranteeing a steady return for investors. It is no coincidence that REITs first emerged in Ontario in the late 1990s at the same time the government stopped building affordable rental stock, vacancy rates declined, and rent control laws were eroded (August & Walks, 2018). This created a nightmare scenario for tenants and a dream scenario for financialized landlords.

3. The growth of InterRent REIT: From mining gold to mining rent

InterRent was started in 1997 by G. Michael Newman with the purchase of a nine-unit apartment building in downtown Toronto (InterRent, 2006a). In order to raise capital, Newman engineered a ‘reverse takeover’ of a publicly-listed company. InterRent purchased shares in two resource extraction companies, Golden Hart Exploration Inc. and Belore Mines Ltd., amalgamated into Beaufort Hills Resources Inc. Newman had Beaufort purchase all shares in InterRent and renamed the company InterRent Properties Ltd. With access to investor capital, InterRent’s portfolio of properties grew quickly.

In the late 1990s and early 2000s, InterRent focused on building ‘a portfolio of small, four to ten unit, two-storey converted multi-residential properties within the GTA’s [Greater Toronto Area’s] downtown core’ (InterRent, 2006a, p. 39), buying Victorian single-family homes that had been converted into apartments—a strategy typical of ‘first-wave’ gentrification (Hackworth & Smith, 2001). In the mid 2000s, as prices rose in Toronto and InterRent’s access to capital grew, InterRent sold its Toronto holdings and started buying buildings elsewhere in Ontario: Ottawa, London, Kingston, and Hamilton. InterRent started targeting mid- and high-rise buildings ‘that have generally been under-managed but are structurally sound’ and therefore have ‘significant repositioning, or upside potential’ (InterRent, 2006a, p. 39). Importantly, ‘[t]he common elements within all buildings’ pursued by InterRent is ‘the “working class” demographic target market of its [existing] tenant profile’ and buildings nevertheless ‘generally located in middle-class residential neighbourhoods with good public transportation access’ (InterRent, 2006a, p. 40). In December 2006, InterRent Properties Ltd. converted into InterRent REIT. At the same time, InterRent acquired Silverstone Equities, ‘the owner of 479 residential suites in Ontario’ (InterRent, 2006b, p. 1), for a combined portfolio of properties worth CA$100 million.

Since its conversion into a REIT, InterRent has rapidly grown its portfolio and revenues. As of 2018, InterRent owns 9,299 units in 80 properties in 15 cities across Ontario and Quebec worth more than CA$2 billion (InterRent, 2019). InterRent continues to purchase buildings for repositioning in Ontario and Quebec and has announced plans to expand into Western Canada. Furthermore, InterRent is angling to become a development company, adding ‘another line of income growth to combine with our repositioning line of business’ (CEO Mike McGahan quoted in InterRent, 2017b, p. 1) by ‘developing new purpose built apartments on new sites’ and ‘intensifying on our present sites’ (InterRent, 2017a, p. 4).
4. InterRent’s repositioning strategy: a mass displacement program

InterRent refers to properties in its portfolio as ‘stabilized’ and ‘non-stabilized’, ‘repositioned’ and ‘non-repositioned’. A building is considered stabilized when InterRent has owned it for two years. A building is considered repositioned when the majority of units have been ‘turned over’ to higher paying tenants and the cost of renovations has been recouped. It is within the first two years of ownership that InterRent carries out ‘the bulk of the work’ to reposition the building (InterRent, 2018, p. 19). Testifying to the mid- and long-term strategies of ‘financialization 2.0’ outlined above, InterRent warns investors looking for quick returns that ‘the full results of the repositioning efforts often take 36–48 months to be fully reflected in the operational performance of a property […] depending on how significant the capital requirements are and the rate of tenant turnover at the property’ (InterRent, 2018, p. 19).

As of 2017, 55 per cent of InterRent’s apartments were deemed repositioned (InterRent, 2018, p. 5). More than half of all tenants living in InterRent apartments have therefore been forced to absorb steep increases in rent or, more likely, have been displaced from their homes. Average monthly rents for InterRent units increased 23.3 per cent in four years, from CA$965 in 2014 to CA$1,190 in 2018 (InterRent, 2019). This represents a 4.3 per cent compound annual increase, far exceeding the guideline increases set by the Province each year in accordance with the Ontario Consumer Price Index (e.g., 1.5 per cent in 2017 and 1.8 per cent in 2018 and 2019) (Province of Ontario, 2019). Wages and social assistance rates have not increased apace and InterRent tenants are feeling the squeeze.

Building on August & Walks (2018), InterRent’s repositioning strategy can be summarized into five tactics: (i) cutting, (ii) squeezing, (iii) greening, (iv) rent increasing, and (v) bullying and bribing.

4.1 Cutting

InterRent saves on property management and maintenance costs by removing on-site superintendents, cutting office hours, and purposely neglecting to make repairs to ‘legacy’ tenants’ units, in an effort to make living conditions unbearable and force tenants to move out of frustration. InterRent tenants we are supporting have reported frequent interruptions of service with little advance notice from property management staff, including water shut-offs, laundry room closures, and out-of-service elevators, in addition to noise early in the morning and late at night during lengthy construction projects.

4.2 Squeezing

InterRent attempts to ‘squeeze’ (August & Walks, 2018) ever more money out of tenants through ‘ancillary revenue streams’ by charging extra for items that were previously included in monthly rent (e.g., a parking spot, utilities like water and electricity, use of an air conditioning unit, use of the laundry facilities, storage lockers), requiring tenants to purchase rental insurance, and encouraging tenants to purchase their cable and telecom services
4.3 Greening

InterRent cuts back on utility costs by installing energy efficiency features, purportedly with the goal of ‘creating a more environmentally sustainable portfolio of properties’, but more importantly, to ‘provide a higher yield’ (InterRent, 2018, p. 9). These ‘green initiatives’ include: water-saving toilets (that tenants report needing to flush multiple times), high efficiency boilers, energy star appliances, and LED lighting. InterRent can recoup the upfront cost of installing green features by passing it onto tenants through an AGI application. In the short term, these green upgrades allow InterRent to save money on energy costs. In the long term, InterRent shifts energy costs almost entirely onto tenants by installing sub meters for each of the apartments that the company purchases. Tenants are forced to pay for electricity, heat, and water in addition to rent, where before they were included. InterRent claims that submetering is done because it ‘heightens awareness about energy consumption with our customers and promotes energy conservation’ (InterRent, 2018, p. 9). Heightening awareness or not, InterRent makes sure to let its shareholders know that the ‘REIT has been successful in increasing rent levels while at the same time passing on hydro submetering charges to new tenants’ (InterRent, 2018, p. 47).

4.4 Rent increasing

The principal way InterRent aims to ‘grow the rental revenue base’ is ‘by removing undesirable tenants and implementing policies and processes to attract more desirable tenants’ (InterRent, 2014, p. 3). InterRent prices ‘legacy’ tenants out of their homes through a ‘continued roll-out of guideline increases and AGIs’ (InterRent, 2018, p. 46). To attract this more affluent tenant base, InterRent focuses on ‘ensuring that properties are well maintained, landscaped and decorated so as to be visually appealing (“curb appeal”)’ (InterRent, 2018, p. 47). As mentioned, InterRent can pass on the cost of these upgrades to the existing tenants via an AGI. Taking advantage of vacancy decontrol, the REIT counts on ‘moving to market rent on suite turnovers’ once these ‘legacy’ tenants leave (InterRent, 2018, p. 46). Furthermore, ‘as part of the ongoing effort to drive rents’ InterRent has introduced ‘a more stringent screening and credit review process when selecting new tenants’ and ‘marketing geared to the right tenant profile’ (InterRent, 2018, p. 47). Typically, prospective tenants must provide a credit check, proof of income, proof of tenant insurance, and references from past landlords.

4.5 Bullying and bribing

While this is not something InterRent is explicit about in its reports to shareholders, tenants HTSN is organizing with frequently report predatory tactics employed by InterRent
and its property management company, CLV Group. These include being offered financial incentives up to CA$3,000 to terminate their leases and receiving numerous and often bogus legal forms and eviction notices—formal and informal—that frighten tenants who may not know their rights or have a strong command of English. Tenants also report increased harassment and diminishing security, with property management staff giving seemingly endless excuses to enter tenants’ units, often failing to give proper notice, or failing to keep appointments when notice is provided, and neglecting to lock the door when they leave. Some racialized and immigrant tenants, who might speak English as a second language, have experienced being yelled at and spoken down to by property-management staff and having a particularly difficult time getting repairs in their apartments.

5. Hamilton, Ontario: where real estate is the new steel?

Hamilton has the unfortunate honour of being InterRent’s third-largest market, one of the first that InterRent targeted in its early expansion plans. The city is located on the southwest side of Lake Ontario, one hour’s drive west of Toronto; with a population of 530,000, it is a mid-sized city and the tenth largest in Canada. Hamilton is known as Steeltown or Steel City, a reference to its past as a manufacturing giant. Up until the 1970s, the manufacturing sector employed over half of the city’s residents (Webber & Fincher, 1987, p. 240). As a result of globalization and deindustrialization, top employers have left and unemployment has grown. Blue-collar workers struggle to find jobs in Hamilton’s new education, health care, and ‘creative class’ industries. The level of income inequality and neighbourhood polarization in Hamilton has grown more rapidly than in any other major city in Canada in recent decades (Harris et al., 2015, p. 9). The City’s Planning and Economic Development Department has encouraged urban renewal by soliciting advice from the likes of urban planning guru Richard Florida, hosting ‘Try Hamilton!’ tours for young entrepreneurs, setting up a ‘Hamilton Consulate’ to lure investment from Toronto, and offering millions of dollars in grants and loans to create a ‘business friendly’ development environment, while doing little to preserve affordable housing.

As rent and house prices rise in Toronto, and Hamilton is absorbed into the GTA housing bubble, the situation has worsened. Nearly half (45 per cent) of Hamilton renter households are paying unaffordable rents (i.e. spending 30 per cent or more of their income on housing costs) (Advocacy Centre for Tenants Ontario, 2018, p. 8). The City of Hamilton recently reported that ‘rents in Hamilton are increasing faster than any other major urban centre in southern Ontario’ (City of Hamilton, 2018b, p. 4). In particular, City staff note that ‘East Hamilton has transitioned from being a relatively affordable area to live to one of the most expensive areas in the city’ with renter households now paying 39.4 per cent more on rent than six years ago. This makes East Hamilton the part of the city that has experienced the highest average annual rent increase in this period (City of Hamilton, 2018b, p. 4).

InterRent bought four high-rise apartment buildings in the Riverdale neighbourhood of East Hamilton in 2015 for CA$50.9 million. In a press release celebrating the acquisition of what the landlord would soon rename the Stoney Creek Towers, InterRent pointed to public
investment in local transit infrastructure as the reason for the purchase (InterRent, 2015). Metrolinx, the Province of Ontario’s transit agency, is building a train station that will bring East Hamilton into the Greater Toronto Area commuter shed. The City of Hamilton is also building a light rail transit line that will connect East Hamilton with downtown. InterRent hopes to capitalize on the broader gentrification of the neighbourhood spurred by these major transit investments. The City’s planning department recently announced a new urban plan for the area that will rezone most of the land to ‘stimulate renewal, redevelopment, and intensification’, and transform East Hamilton into ‘a strategic entryway into the City’ (City of Hamilton, 2018a, p. 3).

Riverdale has long been a destination for poor and immigrant families, with a large stock of affordable rental units, access to settlement services, walking distance to schools and parks, and many affordable stores. It is known as Hamilton’s ‘Arrival City’, with close to half the population being immigrants and identifying with a visible minority group. Of Riverdale West’s residents, 84 per cent are renters and a third live in poverty\(^1\) (Social Planning and Research Council of Hamilton, 2018, p. 4). Located on the periphery of the city in the pollution path of the steel mills, Riverdale has been an area of state disinvestment and neglect, until its recent ‘discovery’. Riverdale residents are now under pressure to defend their homes and their neighbourhood, or risk being displaced.

6. HTSN and the rent strike

The Hamilton Tenants Solidarity Network (HTSN) is a volunteer, grassroots group composed of tenants. While we have a larger base of supporters, a core group of nine organizers was involved in the recent rent strike campaign. People of various political stripes are part of the group, but we are broadly anti-capitalist and anti-authoritarian. Our goal is to build independent working-class power, with a focus on densely populated neighbourhoods that have a high concentration of renters. We support tenants in organizing with their neighbours to collectively respond to disrepair, harassment, rent increases, and eviction at the hands of their landlords. We provide the tools for tenants to set up committees in their buildings, on their block, and across their neighbourhood. We encourage tenants faced with common struggles to take matters into their own hands, rather than putting their faith in the courts or deferring to politicians or social agencies to act on their behalf. We emphasize direct action, mutual aid, and solidarity.

HTSN was formed in 2015 in the wake of a failed campaign to organize tenants in a rapidly gentrifying neighbourhood in downtown Hamilton. Local organizers realized they had arrived too late—after the landlord had already pushed half of the ‘legacy’ tenants out—and that it would be useful to form an organization that would take a more proactive approach in future. HTSN kept an eye on the different real estate companies buying

\(^1\) I.e., below the Low-Income Measure, After Tax (LIM-AT) threshold set by Statistics Canada according to household size. In this census period, CA$22,133 for 1 person, CA$31,301 for 2 persons, CA$38,335 for 3 persons, CA$44,266 for 4 persons, CA$49,491 for 5 persons, CA$54,215 for 6 persons, and CA$58,558 for 7 persons (Statistics Canada, 2017).
apartment buildings in Hamilton, with the goal of organizing tenants at an early stage. Soon after HTSN learned that InterRent had purchased the Stoney Creek Towers in 2015, organizers met with tenants and facilitated a joint ‘Know Your Rights’ workshop with the local legal clinic focusing on harassment, buyouts, and AGIs. HTSN anticipated InterRent’s repositioning strategy for the Stoney Creek Towers based on the REIT’s track record. Organizers supported tenants by coordinating early campaigns for accessibility ramps to be built and for repairs to made in tenants’ units, intervened when the landlord sent bogus legal notices and took action when the landlord offered tenants cash incentives to move. The Stoney Creek Towers Tenant Committee was established and meetings were held regularly. HTSN built up relationships and established a strong basis of trust with many tenants.

In late 2017, tenants received notices of coming rent increases. In early 2018, they received notice of InterRent’s application for an AGI to pass on the cost of CA$3 million worth of renovations to the tenants. InterRent applied for the maximum AGI permitted, for two years (3 per cent annually). Combined with the guideline increases permitted by the Province of Ontario, this translates to a rent hike of more than 9 per cent in total. For tenants who have lived in the buildings for more than five years and are paying between CA$700 and CA$800 in monthly rent, this means an extra CA$40 every month and CA$500 every year, on average. Furthermore, tenants understand that this is the first of many AGIs that InterRent is likely to seek. For many tenants, the increase is unaffordable and people were eager to fight. In April 2018, tenants voted to go on strike. On 1 May 2018, the rent strike began. Rent strikers demanded that the landlord (1) drop the AGI application, and (2) make necessary repairs to their homes. During the strike InterRent continuously refused to negotiate with the tenants. The AGI hearing was commenced at the Landlord and Tenants’ Board (LTB) in early November 2018. Later that month, after a tumultuous seven months of rent strike, the tenants voted again—this time to put an end to the strike.

7. Rent strike successes

The rent strike was an intense roller-coaster ride for tenants as well as organizers with ups and downs, thrills and scares, joy and fatigue. In the remaining sections of this article, we reflect on some key components of the rent strike, beginning with our successes and then moving to the challenges and failures we’ve faced. As already stated, the main failure was not
having the AGI completely dropped, while the repairs done to the apartments was a significant win. Below, we detail the social, political, and economic dynamics between tenants, organizers, and the landlord.

7.1 Organizing tenants

Prior to the rent strike, HTSN organizers and tenants had begun mapping the four buildings (618 units in total). In the months leading up to the strike, this work intensified. HTSN spent countless hours knocking on doors with clipboards, spreadsheets, and pens in hand. The goal was to get the names and contact details of the tenants, figure out which units were subject to the AGI, if households would be interested in joining the rent strike, and invite people to come to meetings. We also noted the different languages that tenants spoke and their translation needs, and the skills they could offer to support other tenants.

Door-knocking was a crucial way for organizers and tenants to get to know each other and build trust. While almost all HTSN organizers are tenants in Hamilton, they did not live in those particular buildings and residents were rightly skeptical when organizers first knocked on their doors. This has been a practical challenge as well as a political one: at the core of HTSN’s model of organizing is an effort to educate tenants and build their skills and confidence as organizers. We continued to do rounds of door-knocking throughout the strike to encourage more tenants to join, inform them of meetings, and reassure them about the legal process involved in withholding rent.

In the lead-up to and during the rent strike, Tenant Committee meetings became more regular and attendance increased. At the peak of the strike, we had monthly mass meetings (for tenants from all four buildings), weekly lobby meetings (in each of the four buildings), and bi-weekly ‘strike captains’ meetings, with the most involved strikers from each of the buildings. Mass meetings are the most important setting for communicating information and making democratic decisions about strategy. Tenants have voted on all the big decisions, about going on rent strike in the first place, and later about the direction of the rent strike. Beyond these tenant meetings, HTSN organizers also met among ourselves regularly to strategize, debrief, divide labour, and voice our own concerns, frustrations, and questions.

As the strike progressed, tenants increasingly took over responsibility for organizing activities. In addition to conducting more outreach for the rent strike, they came to rely more on each other when they received a notice in the mail, had a repair issue they wanted the landlord to address, and for social and moral support in general. The tenants now also take a more active role in leading meetings, while HTSN organisers take a back seat and keep our interventions to a minimum. This has been a win in itself, although it’s a learning curve for everyone and still a work in progress.

Following the end of the strike, Stoney Creek Towers tenants have begun work to set up a neighbourhood organization called Eastgate Neighbourhood Defense. Tenants plan to take the lessons they have learned in organizing their neighbours to support tenants of other buildings in Riverdale. In time, Eastgate Neighbourhood Defense aims to organize around
a range of issues affecting working-class residents of the neighbourhood—conditions in their homes, workplaces, children’s schools, and so on.

### 7.2 Preparing our defenses: Legal issues and fundraising

Another major part of the rent strike campaign was to educate ourselves about the potential legal consequences of withholding rent, educate and reassure tenants in turn, and coordinate with housing lawyers from the Hamilton Community Legal Clinic in the event that the landlord moved to evict tenants at the LTB. In Ontario, when a tenant fails to pay rent on the first of the month, the landlord can issue a warning notice. If the tenant does not pay within two weeks, the landlord can then apply to schedule a hearing at the LTB to evict the tenant for non-payment of rent. At this hearing, the tenant is often ordered to pay the rent they owe by a certain date, and if they don’t, the sheriff will knock on their door to enforce an eviction order. Up until this point, the tenant can pay the rent they owe and be off the hook—and go back on rent strike again the following month if they choose. HTSN managed to stay on top of this throughout the rent strike and no tenants were displaced as a result of withholding their rent.

We made it clear to tenants from the beginning that ‘going on rent strike’ means setting rent money aside and not spending it. Once the strike ends, or to avoid court-ordered eviction, tenants must be prepared to pay the rent they owe. We encouraged tenants to set money aside in separate savings accounts or by purchasing money orders. For those tenants who received a shelter allowance as part of their social assistance payments, we coordinated

![Figure 2](image-url)

Tenants and supporters occupy the Landlord and Tenant Board to halt evictions, forcing the adjudicator from the room. July 2018. Source: HTSN
with social workers to ensure they were aware that these folks were part of the rent strike and saving the money.

When a landlord schedules a hearing at the LTB, they must pay a filing fee of CA$175 or CA$190. If the landlord wins the hearing, this cost is then passed on to the tenant. As we did not want tenants to be financially penalized for participating in the strike, we launched an online fundraiser for a rent strike defense fund. Sympathetic Hamiltonians made donations, union locals sent cheques in solidarity, we sold hot dogs at community events, and the local labour council organized a car wash fundraiser. HTSN organizer and local hip hop artist, Lee Reed, released a gentrification-themed EP, *The Steal City*, in support of the strike. We raised over CA$20,000 from a range of supporters; almost all of which was needed to pay LTB filing fees on behalf of striking tenants.

### 7.3 Media strategy

We think it is important to engage mainstream media as this has the potential to raise the profile of a campaign, publicly shame the landlord, amplify tenants’ demands, generate community support, and introduce a radical vision of tenant resistance to a broader audience. Over the course of the rent strike we established relationships with local journalists and had favourable features on the local radio and TV news shows, as well as several front-page stories in the local paper. We garnered national news coverage when we paid a visit to InterRent’s head office and CEO’s home in Ottawa (see below).

We also produced our own media content that asserted the political nature of the organizing in a more explicit way. A videographer comrade produced amazing videos chronicling rent strike actions and satirizing the landlord. We wrote regular updates on campaign actions and more in-depth articles exposing InterRent’s practices, posted on our blog, and shared through our Facebook page and Twitter account. We launched a print newsletter called *Hamilton Tenant: A Newsletter By and For Tenants In Hamilton* (HTSN, 2018). The first issue included interviews with three strike captains, a survey of historical rent strikes, and a timeline of our rent strike campaign. This was useful for sharing news among tenants who do not use the internet.

### 7.4 Social events and political actions

While withholding rent has been at the core of the rent strike campaign, we made an effort to pair this tactic with a range of social events and political actions. Tenants celebrated the launch of the rent strike by sharing a potluck meal at the local park, marching through the neighbourhood, making speeches, and dropping a large ‘RENT STRIKE!’ banner from the top floor of one of the buildings. In the strike’s first month, tenants held a rally and delivered a large stack of work order forms to the property manager’s office, documenting a slew of longstanding maintenance issues in their apartments and demanding that they be addressed. In June, tenants travelled to the financial district in Toronto to visit the office of...
CI Financial, the largest investor in InterRent, and demanded that the company withdraw its investments in InterRent (which they didn’t do, unfortunately).

Also in June, tenants disrupted the landlord’s open house for prospective tenants by holding their own open house. They set up an information table, gave speeches, and provided tours of their units to the media to share the truth about the conditions of the buildings. In July, tenants disrupted eviction hearings at the LTB by occupying the courtroom, forcing the adjudicator from the room, and delaying the proceedings. In August, after months of being ignored by the landlord, tenants and organizers travelled by school bus to Ottawa to deliver a letter to the landlord and request a meeting—first at the company’s head office and then at the CEO’s home, a CA$2.5 million mansion. In September, tenants marched with local workers in the Labour Day parade and were invited to lead the final stretch of the march, an honour usually given to whichever union is on strike in a given year. The goal of these events and actions was to build community among tenants, boost morale, recruit more tenants to the rent strike, and put pressure on the landlord through direct action.
7.5 Relying on comrades and supporters

It has been wonderful to connect with other groups engaged in similar struggles across Canada. Tenants and organizers from Parkdale, Toronto, who recently waged two successful rent strikes, have come to Hamilton for rallies and met us in Toronto on the day we targeted CI Financial. Tenants from Herongate, Ottawa, who are resisting mass eviction at the hands of another financialized landlord, Timbercreek Asset Management, supported us when we targeted InterRent’s Ottawa headquarters and hosted us for a potluck meal in their neighbourhood. Tenants from Vancouver-based Alliance Against Displacement and the Vancouver Tenants Union wrote about the campaign and offered to organize solidarity actions. Comrades from other cities across Ontario and Quebec organized a simultaneous multi-city protest at InterRent properties in solidarity with the Hamilton rent strikers. Many people have participated in phone-zaps targeting local property management staff, InterRent executives, and various investors in the REIT. We have also relied on local comrades and supporters in Hamilton who have attended rallies at the LTB, assisted with fundraising and helped out in numerous other ways.

8. Rent strike challenges and failures

8.1 Challenges in getting tenants involved

It was an ongoing challenge to convince a larger group of tenants to join the strike. The most prevalent obstacle was to overcome the widespread fear many tenants had of the legal consequences of not paying rent. For all our efforts to build trust and educate tenants about their rights and collective power, some were hard to reach.

Language barriers were a significant factor—although far from the only one. We estimate that roughly half of the tenants have a primary language other than English. The most common languages are Khmer, Urdu, Punjabi, Arabic, Gujarati, and Hindi, while smaller numbers speak Vietnamese, Farsi, Turkish, Serbian, and Spanish. We tried to identify tenants who are bilingual in these languages and English in order to help with translation. In some cases, we succeeded but in several other cases we failed, and paying for regular translation services was financially unfeasible. As a result, some communities were not able to meaningfully participate in meetings or understand what the strike was about.

Furthermore, the landlord divided the rent strikers into separate groups and issued different types of legal notices and at different times. This was frustrating as it challenged the collective nature of the strike and we had to spend many resources keeping track of each striking tenant’s legal situation and attend hearings at the LTB on many different dates. This took considerable time—time that could have been spent on recruiting more tenants for the strike, getting the tenants already on strike more actively involved, and exerting more pressure on InterRent through offensive tactics.

While tenants increasingly took over responsibility for organizing activities, as noted above, we failed to produce as many strike captains as we would have liked. Some tenants
who would have been wonderful organizers simply did not have time to go door-knocking or attend regular meetings as they worked multiple jobs and did not want to take time away from their children on evenings and weekends. Many people in the buildings also had illnesses or disabilities that limited their participation in the tenant committee. We have experimented with different meeting times and locations and tried to offer childcare whenever we can, but this still proved difficult.

The rent strike campaign was stressful, with a constant list of fires that needed to be put out. When operating under this stress, we often took on tasks ourselves for the sake of expediency rather than shifting responsibility to tenants and building their skills as organizers. This created a hierarchy and a divide between tenants and organizers familiar to housing movements elsewhere (García-Lamarca, 2017; Byrne, 2018) that we are now working towards undoing.

8.2 Divergent tenant strategies

We encountered many tenants who were opposed to the AGI but believed the best course of action was to mount a legal case at the LTB. Having worked with other tenants in the city who tried this strategy and failed time and time again, we emphasized to Stoney Creek Towers tenants that fighting the AGI in the courts was a losing battle and the only viable strategy was to exert financial pressure by collectively withholding rent. Many skeptics eventually came around and joined the rent strike, but there were some stalwarts who refused. The biggest challenge in this regard was one particular tenant who appeared to occupy a position of authority within a certain ethnic-linguistic group. This person engaged in a disinformation campaign against the rent strike and persuaded other tenants who were previously engaged to opt out. This was a significant roadblock, and in hindsight we should have done more to overcome this at an early stage.

8.3 Relationships are tested

Organizing the rent strike has meant entering into the homes and the lives of other people, tenants as well as organizers. This has been rewarding, politically and personally. However, spending many of our evenings and weekends in the intimate spaces of people’s homes had its difficulties at times. Women organizers faced challenges interacting with a handful of male tenants who interpreted our willingness to support them in the campaign as an invitation to initiate a relationship. A Muslim organizer experienced racism and Islamophobia from several white tenants; in some cases, she was able to push through this and educate people, but in other cases came up against a wall.

Most of the members of HTSN have full-time jobs, some of us have families, and it was a struggle to balance the ‘9–5 shift’, the domestic ‘second shift’, and the ‘organizing shift’—especially as the strike lasted longer than we had anticipated and required a significant amount of practical and emotional labour. This led to various rounds and degrees of burnout,
tested our relationships with each other and other people in our lives, and sometimes we failed to treat each other with respect and care.

8.4 Underestimating the stakes

HTSN underestimated how important it was for InterRent to insist on negotiating the AGI within the established LTB framework. InterRent was unwilling to set a precedent by negotiating with the rent strikers directly or by conceding to their demands. For REITs, AGIs are such an important part of their ‘financialization 2.0’ investment strategy that they appear determined to quell any movement that undermines the legal status quo.

We assumed that InterRent, a multi-billion-dollar company, would consider the CA$3 million AGI application to be peanuts in their overall profit strategy and therefore would want to get rid of the problem that the striking tenants posed in the easiest way possible: giving in to the tenants’ demands. We hoped that with enough negative media attention, InterRent would quickly concede in order to make the issue go away and save its ‘brand’. Yet, the company’s strategy was neither easy, cheap, nor quick.

We estimate that InterRent spent tens of thousands of dollars to crush the rent strike, paying for their top executives to fly back and forth between their Ottawa office and Hamilton, as well as paying lawyers to initiate and attend numerous eviction hearings, to rebut any of our attempts to negotiate the rent increase, and to intimidate tenant leaders and HTSN members with threats of eviction and a litany of ‘no trespass’ and ‘cease and desist’ notices. They also paid for an army of security guards to patrol the hallways and lobbies in the buildings around the clock, in order to crack down on tenant meetings and door-knocking. Clearly, InterRent made the calculation that these were worthwhile expenditures in the fight to win a CA$3 million AGI application. Simply the cost of doing business.

Furthermore, to InterRent this campaign was apparently not simply about one AGI at one Hamilton property. InterRent seemed intent on crushing the rent strike to set an example for the burgeoning tenant movement in Ontario and to protect their investment strategy. The company did not want to jeopardize the viability of future AGI applications at the Stoney Creek Towers or elsewhere.

It also became clear to us that the East Hamilton rent strike was part of a larger struggle from the perspective of the landlord lobby in Ontario. After two successful rent strikes against AGIs in Parkdale, Toronto, landlords across the province are clearly feeling threatened and worried that tenant organizing will limit their ability to make profits. This was evident when a communications consultant for the Federation of Rental-housing Providers of Ontario (FRPO), the largest landlord association in the province, attended a set of eviction hearings at the Hamilton LTB. There, he told a journalist that landlords are keeping a close eye on the East Hamilton rent strike because ‘the industry is concerned, in particular, with this issue in regards to the number of rent strikes that we’re starting to see’ (Moro, 2018).

---

2 It might be significant that the two landlords involved in the Toronto rent strike were not REITs.
This concern was further evident when FRPO in March 2019 hosted a well-attended seminar titled ‘How to Handle a Crisis: The Media, AGIs and Tenant Action’.

9. Conclusion

The rent strike failed to pressure the landlord to drop the AGI. While the LTB ultimately approved a reduced AGI, many tenants are still threatened with displacement. Some tenants have told us they will have to move out of their units because of the rent increase and worry they won’t be able to find another affordable apartment in Hamilton. Tenants on fixed incomes, including recipients of welfare, disability assistance, or pensions, and other low-income tenants, have said that more of their grocery budget will now be eaten up by rent. Some worry they will no longer be able to pay for medicines not covered by government health insurance. For others, the rent hike will mean that they won’t be able to afford activities like dance classes, soccer camp, or other ‘luxuries’ for their kids. Some will need to work longer hours or take on a second job to afford the increase, spending less time with their families as a result. We can see the stress that this causes tenants who are fearful of the future. Already, we can see the Riverdale community being torn apart—with every tenant who moves out of their apartment, every child who is forced to switch to a new school, every senior whose life is upended when displaced from an area with familiar supports, every immigrant dislodged from their cultural community and from the language and job training services concentrated in Riverdale. It’s brutal.

Nevertheless, many of the tenants still consider the rent strike to be a success. Tenants’ second demand for repairs was largely met. Beyond this, tenants have a renewed sense of dignity and pride in their homes, know more of their neighbours, meet regularly to discuss common concerns and plans of action, and have established a strong basis of trust and solidarity. Tenants have a better understanding of their legal rights, shared interests, and class position. They know who their landlord is—no longer hidden behind a property

---

3 The AGI hearing concluded in February 2019. In May 2019, the tenants received the LTB’s ruling on InterRent’s AGI application. As expected, the rent increase was largely approved. However, the LTB sided with the tenants in a few cases and ruled that about 25 per cent (CA$730,000 worth) of the capital expenditures (primarily regarding painting and drywall) were ineligible, i.e. not necessary but instead substantially cosmetic in nature. The AGI decision came just as we were making final edits to this article, which explains why we don’t discuss it in detail. Briefly put, the decision does not make us want to change our analysis, discussion, and conclusion in any significant way.
management company—and understand the landlord’s predatory equity strategy of exploiting tenants to enrich investors. Tenants have experienced the power of engaging in direct action against their landlord and changed the narrative of what’s possible for tenants across Hamilton.

REITs like InterRent and other financialized landlords are putting severe pressure on working-class tenants in an attempt to extract higher rents and displace them in favour of a more affluent tenant base, producing an ever-flowing revenue stream for their investors. The question is how tenants can organize collectively in this ‘financialization 2.0’ context and build the community power necessary to resist the predatory practices of financialized landlords and to defend their homes and neighbourhoods against gentrification and displacement. The tactic of the strike has traditionally been about slowing down or bringing to a halt the circulation of capital, especially at the point of production, and simultaneously raising working-class consciousness. As real estate and its financial circuits are increasingly important for 21st century capitalism, so is community organizing around tenant struggles to the broader working-class struggle. When your opponent is a REIT with the obligation to secure the highest possible return to its investors by jacking up your rent and displacing you from your home, a rent strike can be a powerful tactic with the potential to build long-lasting community power and solidarity across and beyond a particular city or neighbourhood. However, as we have come to realize, it is very hard to put financial pressure on a multi-billion-dollar REIT by withholding rent.

Despite the failure of the East Hamilton rent strike, we believe direct action has important potential for tenant organizing. However, the tactic of withholding rent may not carry the same weight against twenty-first century financialized landlords as it did in earlier struggles against traditional landlords. We believe it is important not to fetishize any one tactic but rather to keep our eyes on the broader strategy for building power from below, and continue to critically evaluate our analyses and organizing practices. We hope this article will contribute to such a critical evaluation, for tenants, organizers, and scholar-activists in our own city and elsewhere.

Acknowledgements

This article is the result of many conversations with organizers in the Hamilton Tenants Solidarity Network and the Stoney Creek Towers Tenant Committee. We owe a huge thank you to everyone involved. Thanks in particular to Cassandra Roach for comments on earlier versions of this article. Thanks as well to Martine August (University of Waterloo) for some early research notes on InterRent REIT, to the editors of *Radical Housing Journal*, and to the anonymous reviewers.

Funding details

Bjarke’s work was supported by the Independent Research Fund Denmark’s international postdoctoral programme under grant number 7023-00011B.
References


