

Smoke-Free Policies Make Good Dollars and Sense:

The Business Case for Smoke-Free Multi-Unit Housing



1. Secondhand smoke damages property and costs landlords money

Smoking in the home decreases property value by up to 29% and real estate agents and brokers overwhelmingly agree that it is more difficult to sell a home that has been smoked in.ⁱ Residual secondhand smoke pollution, also known as thirdhand smoke (THS), persists in indoor environments with its characteristic lingering odour and yellowish-brown residue. Cigarettes can burn laminate, linoleum, hardwood, and can even stain bathtubs and sinks.

Landlords report that it typically costs two to three times as much money to turn over a unit where heavy smoking has occurred as it does for a non-smoking unit. Waterloo Region Housing (WRH), with a portfolio of 2,723 units, reported \$31,300 in smoking-related maintenance costs for the period from April 2010 – December 2013, or approximately \$8,000/year.ⁱⁱ

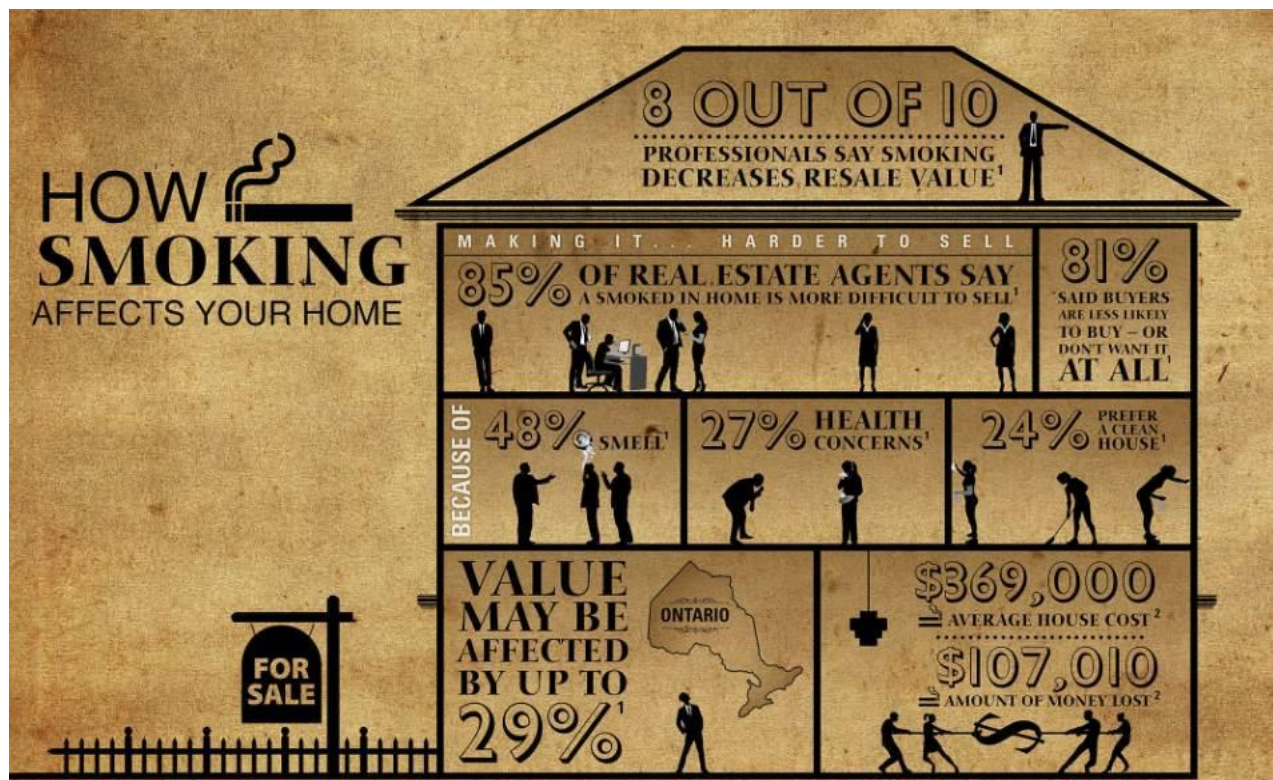


Image courtesy of Pfizer Canada Inc.

Prior to Bruce County Housing Corporation passing its no-smoking policy in 2011, staff had noted increasing costs associated with tenant smoking—on average \$300 to \$450 more per unit for cleaning, priming and painting. In some extreme instances, appliances even had to be replaced because of smoke damage.ⁱⁱⁱ

As the Haliburton Community Housing Corporation (HCHC) knows from experience, sometimes smoking-related costs can skyrocket. After a long-term tenant died, HCHC was shocked to discover that it would cost more than \$25,000 to repair damages in the unit from over 10 years of chain smoking. Because of excessive odour and staining from THS, this involved removing and replacing the drywall and insulation from the walls and ceiling. The housing provider also lost three months of rent while the work was underway. In contrast, HCHC expenditures to turn over a unit typically cost between \$1,250 and \$1,500.^{iv}

2. Smoking increases the risk of fire

Smoking remains the number one cause of fatal residential fires in Ontario.^v The Housing Services Corporation (HSC) reports that in 2013, 21% of the fires at properties insured through its group insurance program were caused by smoking, with damages at \$2 million. A smoke-free building reduces the risk of fire, fire and water damage, and injuries and deaths by eliminating lit cigarettes and cigars from the interior of buildings. Housing Services Corporation's insurance application asks if housing providers have a no-smoking policy in place, and non-smoking is now a factor in its premium allocations.^{vi} As well, some Ontario tenants enjoy a 5% discount on their content and liability coverage if their housing provider has a no-smoking policy for the property.^{vii}



Thirdhand smoke damage to the ceiling of a unit following a decade of chain smoking. Photo courtesy of Haliburton Community Housing Corporation.

3. There is increasing demand for smoke-free housing

The vast majority of Ontarians don't smoke and prefer smoke-free environments, especially their own homes. An increasing number of Canadian households, including those where smokers live, do not permit smoking indoors. When asked which they would choose, 80% of Ontarians reported that all other things being equal, they would select a building where smoking was prohibited.^{viii} Market rate landlords and social housing providers alike are realizing that smoke-free is an important amenity to offer tenants, and at last count over 100 had adopted no-smoking policies.^{ix}

4. Smoke-free does not mean increased vacancies or higher turn-over rates

Concerns regarding increased vacancies or higher turn-over rates are largely unfounded and for the most part do not reflect actual outcomes. For example, one American study (n=118) that surveyed landlords' attitudes and behaviour found that 96.3% of respondents with smoke-free policies reported no increased turn-over rates compared with 50% of landlords without policies who expected increased rates.^x A 2011 study on the effects of smoking and THS pollution on rental properties found that units previously occupied by smokers were vacant for a median of 62 days compared to 34 days for non-smoking units.^{xi} Perhaps most telling of all is that over 100 social housing providers and market rate landlords in Ontario have adopted no-smoking policies, and to date none of these policies has been revoked.

5. No-smoking policies are enforceable

Social norms are changing, with more tenants than ever before specifically seeking smoke-free housing. Tenants who breach a no-smoking policy are the exception, not the norm. In Ontario, a no-smoking policy is not considered a "material" term of a lease. However, landlords who go before the Landlord and Tenant Board (LTB) to enforce a no-smoking policy can cite breach of reasonable enjoyment of another tenant, substantial interference with the right, privilege or interest of the landlord, damage or safety. Enforcement of no-smoking policies is largely complaint driven. Data from Waterloo Region Housing indicate that the vast majority of smoking-related complaints are handled internally and very few end up before the LTB. Smoking related case law from the LTB demonstrates that landlords can successfully enforce their no-smoking policies even when they do not directly witness tenants or their guests smoking in non-smoking units.^{xii}

6. Prohibiting smoking is neither illegal nor discriminatory

It is legal for a landlord to include a no-smoking policy in the lease; this has been confirmed through decisions made at the LTB. Smoking is not a disability, nor is it a protected ground under the *Human Rights Code*. It is not considered discriminatory for a landlord to dictate where smoking can or cannot take place. The Ontario Human Rights Commission has stated that a landlord may have little or no obligation to accommodate a tenant's need to smoke when to do so would amount to undue hardship, such as negatively affecting the health and safety of other tenants.^{xiii}

For more information on adopting, implementing and enforcing no-smoking policies, visit www.smokefreehousingon.ca

- ⁱ Pfizer Canada Inc. *Up in smoke: Smoking in the home can lower resale value by tens of thousands*. 16 April 2013. <http://www.newswire.ca/en/story/1146741/up-in-smoke-smoking-in-the-home-can-lower-resale-value-by-tens-of-thousands>.
- ⁱⁱ Regional Municipality of Waterloo. *Waterloo Region Community Housing Advisory Committee Agenda*. February 20, 2014. <http://www.regionofwaterloo.ca/en/regionalGovernment/resources/HA2014-0220.pdf>.
- ⁱⁱⁱ Smoke-Free Housing Ontario. *Success Stories: Bruce County Housing Corporation*. February 2014. http://www.smokefreehousingon.ca/hsfo/file/files/Bruce_County_case_study-FINAL.pdf.
- ^{iv} Smoke-Free Housing Ontario. *Success Stories: Haliburton Community Housing Corporation*. http://www.smokefreehousingon.ca/cms/file/files/Haliburton_Community_Housing_Corp_final.pdf.
- ^v Ministry of Community Safety and Correctional Services - Office of the Fire Marshal and Emergency Management. *Fire Loss in Ontario 2008 – 2012: Causes, Trends and Issues*. December 2013. http://www.mcscs.jus.gov.on.ca/english/FireMarshal/MediaRelationsandResources/FireStatistics/OntarioFires/FireLossesCausesTrendsIssues/stats_causes.html.
- ^{vi} Housing Services Corporation. *Managing Risky Business: Q1/2014*. <http://www.hscorp.ca/our-programs-and-services/insurance/managing-risky-business/managing-risky-business-q12014/#benchmarking>.
- ^{vii} Personal communication with Breda Quinlivan, Administrator, Collier Place. 3 October 2014.
- ^{viii} Smoke-Free Housing Ontario. *Multi-unit dwelling second-hand smoke survey*. Ipsos Reid 2010. http://www.smokefreehousingon.ca/hsfo/file/files/Ipsos_Reid_final_report.pdf.
- ^{ix} Smoke-Free Housing Ontario. *Smoke-Free Housing Directory*. 2014. <http://www.smokefreehousingon.ca/sfho/directory.html>.
- ^x Cramer ME, Roberts S & Stevens E. Landlord attitudes and behaviours regarding smoke-free policies: Implications for voluntary policy change. *Public Health Nursing* 2011; Jan-Feb;28(1):3-12. doi: 10.1111/j.1525-1446.2010.00904.x.
- ^{xi} Matt GE, Quintana PJE, Zakarian JM et al. "When smokers move out and non-smokers move in: Residential thirdhand smoke pollution and exposure." *Tobacco Control* 2011; 20:e1.doc10.1136/tc.2010.037382.
- ^{xii} Smoke-Free Housing Ontario. *Landlord applications: Policy*. <http://www.smokefreehousingon.ca/sfho/landlords-case-law-policies.html>.
- ^{xiii} Ontario Human Rights Commission. *Policy on Human Rights and Rental Housing, 2009*. http://www.ohrc.on.ca/sites/default/files/attachments/Policy_on_human_rights_and_rental_housing.pdf.