



Landlord Guide

Introduction

Provincial governments across Canada recognize the need to balance the interests of homeowners and home renters. Secure and safe housing is considered a basic human necessity. Tenants in Canada have the right not to be evicted without cause and rights to ensure that the housing they are renting is clean and safe. This is called security of tenure.

In British Columbia, the law that covers the relationship between landlords and tenants is set out in the *Residential Tenancy Act* and the *Manufactured Home Park Tenancy Act*. These acts set out the rights and responsibilities of tenants and landlords in BC. Other provinces have their own laws, and the law in BC is therefore not the same as in another province.

Being a landlord in British Columbia brings many legal and financial obligations. As a landlord you are running a business and you should approach being a landlord in a professional and business-like manner. Whether you rent out many suites in an apartment building or one suite in your basement, you are bound by both provincial and regional laws and regulations.

The *Residential Tenancy Act*, the British Columbia Building and Fire Codes, and municipal property and health standards all affect how you run your business. Furthermore,

Secondary suites, such as basement suites, including those that contravene municipal zoning bylaws, are covered by the same residential tenancy laws as apartments in large buildings. Landlords who rent out suites in their homes do not have any more say in the lives of their tenants just because they live in the same building and sometimes share the same facilities, such as laundry or a yard. It is important that all landlords consider this before renting out a suite in their home.

rental income is taxable and must be reported to Canada Revenue Agency. If your tenant pays you rent in cash, you must issue a receipt. That is the law.

The more you know about the law the better off your business will be. Tenant turnover costs landlords money. Happy tenants are less likely to move and are more likely to take care of your investment.

The *Residential Tenancy Act* clearly states “this Act cannot be avoided.” This means that, as a landlord, you cannot impose conditions on tenants or have them agree to conditions that conflict with the *Residential Tenancy Act*.

The decision to become a landlord is one that should be taken very seriously.

There is no such a thing as an “amateur” landlord. If you rent out one unit or one hundred units, you are running a business as a professional landlord, and you need the knowledge and skill to do so.

The **Residential Tenancy Branch** is the government office that helps with problems between landlords and tenants. Residential Tenancy Branch staff give information about the law to tenants and landlords in B.C. They can help you by explaining the law to you, and in some cases, by calling your tenant on your behalf. The Residential Tenancy Branch also holds **dispute resolution hearings** for landlords and tenants when they cannot resolve disputes on their own.

A dispute resolution hearing is like a landlord-tenant “court”. You and your tenant explain your problem to a person who is employed by the Residential Tenancy Branch and who acts like a judge. That person decides what to do about the problem, based on your evidence and what the law allows. The resulting decision is legally binding and the order can be enforced by the courts.

The landlord business is huge in British Columbia as one third of people in the province rent their home. To be successful in this business it is important to know your rights and responsibilities.

This short guide will summarize:

- your responsibilities as a landlord;
- discrimination;
- condition of the rental unit;
- the tenancy agreement;
- repairs;
- rent increases;
- entering the rental unit;
- evicting your tenant; and
- security and pet damage deposits.

Your responsibilities as a landlord

As a landlord you must make sure that the unit you are renting out—whether it is a suite in your house, the whole house, a condominium, or a unit in an apartment building you own—meets the fire code and the building code for the Province of British Columbia, municipal bylaws covering items such as smoke detectors, and that the unit meets municipal standards for cleanliness and safety.

Once you decide to rent out a unit, it is important to understand **you cannot totally control what goes on within the rental premises**. For example:

- You cannot tell tenants what to cook.
- You cannot impose limits on tenants' use of electricity or water if the use is reasonable.
- You cannot tell tenants that they are not allowed guests nor ask the guests to leave unless they are damaging the property or bothering others.
- You can never cut off the power or water or interfere with any of the vital services without a court order.

- You must maintain the rental unit in a good state of repair and it must comply with health, housing and safety standards required by law. This means maintaining appliances such as a stove and refrigerator, and providing heat and essential services such as water and electricity.

—• ***Discrimination***

Under the *Residential Tenancy Act* and BC's *Human Rights Code*, you cannot refuse to rent to someone because of their source of income (if they are on welfare or unemployment insurance), gender, sexual orientation, age, religion, race, colour, marital or family status. You cannot refuse to rent to someone because that person has a mental or physical disability, is pregnant or has children.

Refusing to rent to someone for the reasons above is considered discrimination and is illegal in BC.

Be prepared to consider **all** people who may apply to rent from you. You have the right to accept or not accept any tenancy applicants, provided your decision is for business reasons.

You can ask potential tenants for information about their ability to pay rent and for references from previous landlords. With their consent, you can also request a credit report.

—• ***Condition of the rental unit***

If the rental unit is in bad shape because the previous owner or tenant left it that way, you cannot rent it to someone else in the same condition. The law requires that the rental unit must be in good condition **before** you rent it out. All the appliances must be in good working order and the rental unit and property must be in reasonably clean condition.

Under the *Residential Tenancy Act*, written reports on the condition of the rental unit are **mandatory, that is, required by law**. This means you must complete a condition inspection report with your tenants when they move in and when they move out. If you don't do a condition inspection report when the tenant moves in, you may lose your right to subsequently claim against the security or pet damage deposit for damage to your property.

What Is A Tenancy Agreement?

A tenancy agreement is a legal contract. It lists the rights, responsibilities and rules that you and your tenants agree to. Tenancy agreements must be in writing and must include standard information on the rights and responsibilities of tenants and landlords under the *Residential Tenancy Act*. You must give a copy of the tenancy agreement to the tenant. Sample tenancy agreements are available at the Residential Tenancy Branch's website at: www.rto.gov.bc.ca Sample tenancy agreements are also available from two landlords' websites. They are: www.suites-bc.com and www.bcapartmentowners.com

—• ***Repairs***

Nothing lasts forever. A car wears out after several years, as does a rental unit. Tenants are not responsible for wear and tear if it is reasonable. **Wear and tear is your cost of doing business.**

Reasonable wear and tear refers to the natural deterioration that occurs due to aging and other natural forces, where the tenant has used the premises in a reasonable manner.

As a landlord, you must repair or replace such things as appliances owned by you and electrical and plumbing systems as they wear out or age. Tenants are responsible for repairing any damage they have caused.

When doing repairs, you should be careful and hire only qualified people—especially for repairs such as electrical and plumbing. Do not carry out repairs or maintenance procedures for which you are not qualified.

If you or a relative or a friend does electrical repairs without being qualified, this is in violation of building codes and municipal bylaws. If your tenant or their family or guests are injured as a result of bad repairs done by an unqualified person, you could be legally liable. Also, the insurance company that insures your rental unit and property usually requires that repairs are done by qualified people—so be careful in dealing with repairs that may affect the life and safety of your tenants. Do not leave yourself at risk of a lawsuit.

—• **Rent increases**

Rent increases must be given in accordance with the *Residential Tenancy Act*. A rent increase can only be given once every twelve-month period. The notice must be given three full months in advance and must be on a government form. Every year, the government sets the maximum percentage amount by which rents can be increased. If you want to go above the allowable percentage, you must get the tenant's agreement in writing, or else apply for a dispute resolution hearing for an order allowing you to raise the rent above the maximum amount set by the government. The rent increase form is available from the Residential Tenancy Branch at www.rto.gov.bc.ca.

—• **Entering the Rental Unit**

Unless there is an emergency or unless the tenants agree you may enter, you **must** give tenants written notice each time you want to enter the rental unit. The minimum notice period is 24 hours and the maximum is 30 days. Notices or permission by the tenants are also necessary if you want to do repair work

or if you want to show the apartment to a prospective tenant or purchaser. You can enter a rental unit without notice if you know the tenants have moved out and abandoned the unit.

Under residential tenancy law, the tenant has the right to reasonable privacy and freedom from unreasonable disturbance. This is called quiet enjoyment. A **loss of quiet enjoyment** can include:

- a landlord entering the residential premises frequently, or without notice or permission;
- unreasonable and ongoing noise;
- threatening or intimidating behaviour by the landlord or other building occupants; or
- a landlord removing or restricting services or failing to pay bills resulting in tenants losing services such as electricity or water.

You may have to pay compensation to the tenants if a Residential Tenancy Branch dispute resolution officer decides that you are responsible for a tenant's loss of quiet enjoyment. Also, if tenants can show that you are entering illegally they may seek a Residential Tenancy Branch order allowing them to change the lock and keep the only key.

Examples of Illegal Actions:

- **Cutting off your tenant's power.**
- **Seizing or removing your tenant's furniture without an order from the court and use of a bailiff.**
- **Entering your tenant's premises without proper notice, unless it is an emergency or they agree to let you in.**
- **Preventing your tenant from having visitors or guests.**

—• *Evicting your tenant*

If you want to end a tenancy you must give the tenant an eviction notice (called a **Notice To End Tenancy**.) This should be on a government form, which is available from the **Residential Tenancy Branch, a Government Agent office or an Access Centre near you, or from the website at: www.rto.gov.bc.ca**

Your tenants are entitled to stay unless you have a legal reason for ending their tenancy. If tenants fail to pay the rent, cause unreasonable damage, or bother you or other tenants, there are actions you can take to end the tenancy and require the tenants to move.

You may also evict a tenant if you or an immediate family member wants to move in; or, if you sell the rental unit and the new owner or the owner's immediate family wants to move in; or, when you have the necessary building permits, you can end a tenancy to carry out major renovations or demolish the unit. (Immediate family means parents, sons or daughters of you or your spouse—**not** any other relatives.)

If you end a tenancy for family occupancy or to renovate or demolish the unit, a Notice to End Tenancy is not effective until at least two full months later and tenants do not need to pay you the last month's rent as it is considered to be compensation for the tenants. It is intended to assist the tenants with their moving expenses as you have ended the tenancy for your purposes, not theirs. Once they have received the notice, tenants can move by giving you a minimum ten days' notice, with rent being payable only to the day they return the rental unit to you minus the last month's rent which the tenant does not need to pay.

You should also remember that tenants have the right to dispute a Notice to End Tenancy by applying for dispute resolution if they suspect the notice is not permitted by the *Residential Tenancy Act*.

—• *Security and Pet Damage Deposits*

There are no circumstances under which you can legally decide to keep any money from your tenants' security deposits or pet damage deposits. You can only keep some or all of a deposit if the tenants agree in writing, or else if you apply for a dispute resolution hearing and get a written order allowing you to keep some or all of the deposit.

A condition inspection report when your tenants move in and out is mandatory. If you don't do a condition inspection report, you may lose your right to claim against the security or pet damage deposits.

If you do not apply at the Residential Tenancy Branch to keep the deposit(s) within 15 days after the tenant has moved out and provided you with a forwarding address in writing, you may also lose your right to claim all or part of the deposit and may have to pay back **double** the amount.

Important when buying a rented property:

When you purchase a unit or house with tenants occupying it, you are bound by their existing tenancy agreement. You cannot make them sign a new agreement with new terms. If they do not already have a written agreement you cannot make them sign one. If the tenants have a fixed term tenancy agreement, they cannot be evicted if you want to move in, nor if you sell a rental unit or house and the new owner wants to move in. The tenants have the right to stay until the agreement expires or you negotiate a mutually agreeable time for the tenancy to end.

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Copies of this free Landlord Guide (in English, Chinese or Punjabi) can be ordered from The People's Law School at www.publiclegaled.bc.ca or from Legal Services Society at distribution@lss.bc.ca

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