LANDLORD-TENANT LAW

- Definitions of the parties
- Types of tenancies
- Entering into a tenancy agreement
- Changing or terminating a tenancy agreement

WHO ARE THE PARTIES?

- ** What qualities would make for a "good tenant"?
- ** How would a landlord determine whether a potential tenant would be a "good tenant"?
- ** What qualities would make for a "good landlord"?
- ** How would a potential tenant determine whether the landlord would be a "good landlord"?
- ** Should the law allow landlords and potential tenants to ask, and be required to answer, personal questions?

RENTAL AGREEMENTS, LEASES, AND TYPES OF TENANCIES

A **LEASE** (Tenancy Agreement)

- is an agreement to transfer possession of property for a fixed period of time, usually in exchange for rent.
- is a written contract that details the terms of a lease

What is the offer and acceptance?

What is the consideration?

"NO PETS" POLICY

- Should landlords be allowed to have other policies that may exclude some people from renting the premises (e.g., no children, no smoking)? Why or why not?
- If landlords should be allowed to have such policies, should there be limits on the types of policies allowed, or should landlords be able to make whatever policies they want, since they are the owners of the property?
- * A landlord cannot discriminate based on race, sex, age, religion, national origin, family status, and handicap.
- CERA Centre for Equality Rights in Accommodation

RENTAL AGREEMENTS, LEASES, AND TYPES OF TENANCIES

*TYPES OF TENANCIES: See chart Pg. 564

- A. Fixed Term:
- ✓ Both the Landlord and the Tenant must agree that the Tenant's lease begin on a specified date and end on a pre-determined and specified date.
- Identifies the parties to the lease, the property to be rented, the amount of the rent, and the period of the tenancy.
- The tenant is entitled to use the property exclusively for the length of the lease.
 - ×Most leases are fixed term
- **B.** Periodic Tenancy:
- An agreement between the Landlord and Tenant of a periodic term (such as month-to-month or week-to-week) with no specified ending date.
 - A written notice is required fifteen days prior to the expiration of the term by the Landlord, and in some cases by the Tenant.

FIXED-TERM VS PERIODIC TENANCY

- 1. What are the advantages and disadvantages of each type of tenancy?
- 2. In what types of situations would a tenant prefer a fixed-term tenancy instead of a periodic tenancy?
- 3. In what situations would a tenant prefer a periodic tenancy?
- 4. Is a tenant better protected in one type of tenancy than another? How?

RENT

A tenant is responsible for delivering the rent payment to the landlord.

Rent is <u>overdue</u> the day after it should have been paid.

- **- a penalty may be charged (so much per day) until the rent payment is received
- ** Tenants may decide, for convenience, to provide postdated cheques to their landlords, but they do so at their own risk.

MULTIPLE TENANTS (YOU AND YOUR FRIENDS)

- Is it fair for a tenant to be legally responsible for another tenant's rent?
- What should a landlord be allowed to do if a tenant fails to pay rent on time?
- Should a tenant be given a "grace period" to pay additional amounts owing to the landlord before the landlord is allowed to act on the failure of the tenant to pay rent?

BAR GRAPH: ONTARIO RENT INCREASE GUIDELINES (1975–2008)

See pg. 566 (CHART)

- Why has the rate of allowable rental increases dropped significantly since the introduction of rent control in Ontario?
- Why do you think most provincial and territorial governments regulated the amount of rent increases?
- Should the rate of allowable rental increase be regulated so that all provinces and territories allow the same rate of annual increase?
- Is rent control fair to landlords?

Landlord- Tenant Act:

- +During the first year of lease: no landlord may require more than two month's rent as a security deposit.
- +During the second (or more) years of the lease: a landlord cannot ask for more than one month's rent as a security deposit.

BEFORE SIGNING THE LEASE

- * Be sure to take pictures of the apartment/house before signing the lease, **and** try to have the landlord sign a statement recognizing that damages existed before the lease was signed.
 - + You are allowed to negotiate changes to a lease including the landlord's written promise to repair damages by a certain date (Example: the move-in date)

* READ THE LEASE!!

 Don't be afraid to ask questions if you don't understand something

PART TWO: LEASE TERMS

SUGGESTED LEASE CLAUSES

(TO AVOID POTENTIAL PROBLEMS DURING TENANCY)

- Security and/or damage deposit
- Last month's rent
- Use clause (limiting how the tenant may use the property)
- Maintenance clause (spelling out who is responsible for which maintenance)
- Limitation on landlord's liability
- Limitation on assignment of the lease by tenant
- Clause putting duty on tenant for own insurance
- Clause granting attorney's fees for enforcement of the lease
- Late fee and fee for bounced checks
- A clause concerning abandoned property should be in the lease.

- Limitation on number of persons living in the unit
- In a condo, a clause stating that tenant must comply with all rules and regulations of condo
- Requirement that if locks are changed, the landlord is given a key
- Limitations on pets
- Limitations on where cars may be parked
- Limitation on storage of boats, etc. on property
- In a single family home or duplex, a landlord may put most of the duties for repair on the tenant
- Commercial leases should include clauses regarding factors related to the business use of the premise

BACKING OUT OF A LEASE

- There is no law that allows a rescission period for a lease.
 - + That is, once a lease has been signed by both the landlord and tenant(s), it is legally binding. There is no right to change your mind.

SUBLEASES

Unless stated in the lease, a landlord cannot prohibit a tenant from assigning their lease to someone else, or from subletting all or some of the premises

* Sublease: the tenant enters into a new agreement with a third party who deals only with the tenant. This occurs when the original tenant retains an interest in the lease terms and plans to move back in after some time.

Advantages and Disadvantages of Subletting

Why do you think the law allows tenants the right to sublet premises to others?

What factors do you think would make it reasonable for a landlord to refuse permission to sublet?

Why might landlords not agree with this law that allows tenants the right to sublet?

YOU BE THE JUDGE - Pg. 572

Should Raymond have to pay the six months' rent that was owing while the apartment was vacant?

RAISING THE RENT

- The landlord can raise the rent only during a periodic tenancy, not a fixed-term lease.
 - × For example, if you have a week-to-week tenancy, then you will get one week's notice.
- Under a fixed tenancy, the landlord is prohibited from raising the rent mid-lease.
 - + Any changes to the terms would have to be in writing, signed by the landlord AND the tenant(s).

PART THREE **DURATION OF THE LEASE**

LANDLORD DUTIES

- The landlord's duties are not only to his or her tenants, but also to the tenants' visitors.
- The landlord retains control of the stairways, passages, roadways, and other common facilities.
 - + The landlord has the responsibility to maintain their safety in use.

Landlord Duties Continued

- * It is recommended that tenants notify their landlord in writing of any defects.
- During the time of the lease, the landlord cannot escape liability if s/he knows, or has reason to know, of a defect. Particularly, if the defect was such that it could have been discovered by reasonable inspection by the landlord.

CODE VIOLATIONS

Common housing codes requirements to look out for:

- + Both hot and cold water must be provided
- Working system and thermostat (65+ degrees during heating season)
- + Keep the floors, stairs, porches, handrails, windows, screens, and doors in good repair
- + A working fire alarm, fire extinguishers, and an emergency exit that leads to the outside of the building

WARRANTY OF HABITABILITY

- A residential tenant is automatically given a warranty by the landlord that the place is safe and livable, and will remain so during the term of the lease. (does not need to be in the lease)
- This warranty ensures that the services necessary to the life, health, and safety of the tenant will be provided.
- * A breach of this warranty means conditions must be *truly* unlivable. For example, a lack of cooking gas is *not* sufficient, but no heat is sufficient.

TENANT'S RIGHTS AND DUTIES

* RIGHTS

- + To have guests, so long as s/he complies with her or his duties.
- + To have guests stay with him or her as long as the tenant is abiding by the rules.
- + To receive cable television from any company of his or her choice.
- These rights cannot be waived.

* DUTIES

- + To follow all regulations set forth by the requirements of all municipal, county, and Commonwealth codes.
- + To not permit anybody (including the tenant) to destroy or damage any part of the property
- + To not permit any person to disturb the peace.

LANDLORD'S ACCESS TO THE PREMISES

- Landlords may reserve the right to access the apartment/house for reasons such as:
 - + Inspecting the premises
 - + To supply agreed services
 - + Upon agreement with the tenant, to repair, decorate, or improve the dwelling unit.
 - + To exhibit the residence to potential purchasers, tenants, contractors, etc.
 - + Usually the lease should provide a notice period for such visits, 24 hours for example, except in the case of a maintenance emergency.

VIOLATIONS BY THE TENANT

- RENT DUE DATE: the most common violations made by tenants are late rent payments
 - + It is important to clarify when rent payments are due.
- VACATING EARLY: If the tenant breaks the lease terms by moving out early, a landlord may do one of three things:
 - + End the lease and take back possession of the property
 - + Take possession of the property for the account of the tenant, and hold the tenant liable for the difference between rent due under the lease and the rent eventually received
 - + Sue the tenant for the full rent as it comes due, leaving the unit vacant.

VIOLATIONS BY TENANTS (CONTINUED)

- DAMAGE TO THE PREMISES: if intentional damage is done to the property, a landlord may terminate tenancy.
- LEASE VIOLATIONS: if a tenant violates leasing terms, a landlord may terminate tenancy.
- *** BOUNCED CHECKS**

PART FOUR **AFTER THE TENANCY**

PROPERTY ABANDONED BY TENANT

Generally, a tenant does not lose his or her personal property by not removing it from the leased premises after the termination of the lease.

TERMINATING THE TENANCY -TERMINATION AT END OF THE LEASE TERM-

- When the lease is over Landlords must notify the tenant in writing that s/he must vacate the property in the time frame given in the notice.
 - + If the lease is for more than one year, the landlord must notify the tenant to vacate after 30 days.
 - + If the lease is for one year or less, the landlord's notice must specify that the tenant vacate after 15 days.

TERMINATING THE TENANCY -EARLY TERMINATION BY TENANT-

- * If the property is damaged or destroyed, the tenant still has an obligation to pay rent.
- * If the landlord fails to comply with the lease, the tenant may be able to move-out early.
 - + This, however, depends on if the premises are livable or not.
- When a tenant vacates early, it actually is giving the landlord the opportunity to end the lease, and not the tenant.

TERMINATING THE TENANCY -EARLY TERMINATION BY LANDLORD-

- There are only two reason as to why a landlord could end a lease early:
 - + Nonpayment of rent
 - The landlord must first demand the rent before ending leasing terms
 - + Forfeiture of the lease for violation of its terms
 - The violation itself will not necessarily be considered grounds for ending a lease, but the damages the landlord sustained.

Eviction Notices

× YOU BE THE JUDGE - Pg. 573

Why does it take so long for a landlord to terminate a tenancy agreement with an eviction notice?

Complete: Review Your UnderstandingPg. 574, # 1 – 5