RENTING AN APARTMENT GUIDE

In Ontario, landlord and tenant rights and obligations are governed by the *Residential Tenancies Act 2006 (the Act)*. This legislation gives landlords and tenants specific rights and responsibilities, provides rules for increasing rent and for evicting a tenant, and creates the Landlord and Tenant Board (LTB).

The Act applies to most rental housing in Ontario. You are likely to be covered by the Act if you:

- Rent an apartment or a house;
- Rent the site that your mobile home or land lease home sits on;
- Are a roomer or a boarder and do not share a kitchen or bathroom with the owner or a close family member of the owner;
- Live in a "care home", (e.g., retirement home or rest home); or
- Live in public housing, or, if your rent is subsidized or based on your income.

Some rental housing is not covered by the Act. For example, you might not be covered if you:

- Live in a place that is used for business;
- Share a kitchen or bathroom with the owner or a close family member of the owner;
- Stay temporarily in a hotel, motel, or seasonal housing;
- Live in certain kinds of student housing;
- Stay somewhere temporarily for rehabilitation; or
- Are a member of a housing co-operative.²

Tenants are also affected by *Ontario's Human Rights Code*, which protects people from discrimination in a number of areas, including when they are looking for an apartment and when they are dealing with their landlord.³

RENTING A NEW PLACE

What is a rental agreement?

A rental agreement is a legal contract between a landlord and tenant in which the tenant agrees to pay rent for the right to live in a rental unit provided by the landlord. The rental agreement between a landlord and tenant is commonly referred to as a "lease" or "tenancy agreement." It outlines how much rent will be paid for the unit and the landlord and tenant may also promise to do certain things for each other, and to follow certain rules.

The *Act* states that a tenancy agreement can either be oral or written.⁴ However, it is generally better to have a written agreement because it creates a record of the things agreed to by the landlord and tenant. If there is a dispute later on, the written agreement may clarify the obligations held by the tenant and landlord and help to settle the dispute.

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¹ Residential Tenancies Act, SO 2006, c 17 [Act]. A copy of the Act and regulations can be found here: https://www.ontario.ca/laws/statute/06r17.

² "Renting a Place to Live" (May 2014), online: Community Legal Education Ontario http://www.cleo.on.ca/sites/default/files/book_pdfs/rent-en.pdf>.

³ For more information, refer to the Housing and Human Rights Guide.

⁴ Act, supra note 1, s 1(2).

WHAT SHOULD BE INCLUDED IN A RENTAL AGREEMENT?

Until 2017, there was no specific form of lease that had to be used, and the parties were free to draft their own version.⁵ The government, in its latest reform, has decided that there should be a standard form of lease. We await the release of a draft. If the parties decide to use a written agreement, the lease MUST set out the legal name and address of the landlord.⁶

A tenancy agreement may also include the following information:

- The date the tenant may move in;
- The amount of the rent;
- When rent is to be paid to;
- What services are included or excluded and if there are any charges for them (e.g., electricity, internet, parking, etc.); and
- The rules that the landlord requires the tenant to follow (e.g., pets, smoking, etc.).

Any rules that are included in the lease must also be permitted under the *Act* or they will not be enforceable by the LTB if there is a dispute between the landlord and tenant.⁷ If the rental unit is part of a condominium, the rules of the condominium corporation must also be observed by the landlord and tenant.

If the rental agreement is in writing, it is important to read it carefully and ensure that you understand all of the terms of the agreement before signing it.

RIGHTS AND RESPONSIBILITIES

Under the *Act*, both landlords and tenants have rights and responsibilities. A landlord must provide all new tenants with information about the rights and responsibilities of landlords and tenants, the role of the LTB and how to contact the LTB. The LTB produces a brochure called Information for New Tenants that landlords must provide to new tenants on or before the day the tenancy begins. 9

⁵ "Information for New Tenants" (31 January 2007), online: Landlord and Tenant Board

http://www.sjto.gov.on.ca/documents/ltb/Brochures/Information%20for%20New%20Tenants.html. A sample lease created by the London Property Management Association (LPMA) for their members is included in this module. The sample tenancy agreement is a copyright of the LMPA and may be used under license by it for educational purposes only. All means of reproduction of the sample lease for any purpose other than the classroom exercises are prohibited and protected by law.

⁶ Act, supra note 1, s 12(1).

⁷ *Ibid*, s 4.

⁸ *Ibid*, s 11(1).

⁹ *Ibid*, s 11(2).

TENANTS

RIGHTS

- Security of Tenancy Tenants are allowed to live in the rental unit until they provide the landlord proper notice that they intend to move out, come to an agreement with the landlord that the tenant can move, or the landlord gives the tenant a notice to end the tenancy for a reason allowed by the *Act*. A tenant does not have to immediately move if the landlord gives them notice to end the tenancy. The landlord must apply to the LTB to get an order to evict the tenant. The tenant has the right to attend a hearing and explain why the tenancy should not end.
- **Privacy** A landlord can only enter the rental unit for the reasons allowed by the *Act*. In most cases, before entering the unit, the landlord must give 24 hours written notice. There are some exceptions, however, such as in the case of an emergency or if the tenant agrees to allow the landlord to enter.
- Negotiate with Landlords Landlords and tenants are free to negotiate tenancy agreements in the same way two parties negotiate any other contract under the common law. Parties have the freedom to negotiate the amount of rent that is paid¹⁰, the services included, and the provision of any other services at any time in the landlord tenant relationship.¹¹

RESPONSIBILITIES

Paving Rent on Time – Rent is considered late if not received by the end of the day that it is due. 12 If rent is not paid on time, the landlord may give the tenant a Notice to End a Tenancy Early for Non-Payment of Rent (Form N4). This notice gives the tenant who pays rent monthly 14 days to pay rent or to move out. 13 If the rent is not paid and the tenant has not vacated the unit, the landlord can make an application to the LTB for an order requiring the payment of the arrears and evicting the tenant if the entire payment is not received by a specified deadline.¹⁴ If a tenant is repeatedly late paying rent, the landlord may give a Notice to Terminate a Tenancy at the End of Term (Form N8) for persistently paying rent late. Daily or weekly tenants must be given 28 days' notice and in all other cases, the tenant must be given 60 days' notice. 15 The landlord can apply to the LTB for an order to evict the tenant after giving the tenant the notice. 16 If a tenant's rent cheque is returned Non-Sufficient Funds (NSF), the landlord may ask the tenant to pay for the charges the landlord's bank has invoked, plus an administrative charge of up to \$20.17

¹⁰ Although the parties are free to set the amount of rent, they cannot agree to a higher amount than any maximum outlined by legislation.

¹¹ As provided by section 17, other than as provided for in the *Act*, landlords and tenants are free to negotiate tenancy agreements in the same way two parties negotiate any other contract under common law. Section 113 of the *Act* stipulates that lawful rent for a new tenant is whatever the two parties agree upon. Section 123 provides the parties with freedom to negotiate the provision of any other services at any time in the landlord-tenant relationship.

¹² The *Act* does not define when rent becomes due. Rather, this is determined by the terms of the tenancy agreement, which is interpreted according to the laws of contract.

¹³ Act, supra note 1, s 59(1)(b).

¹⁴"If a Tenant Does not Pay Rent" (1 July 2015), online: Landlord and Tenant Board:

 $http://www.sjto.gov.on.ca/documents/ltb/Brochures/If\% 20a\% 20 Tenant\% 20 Does\% 20 Not\% 20 Pay\% 20 Rent\% 20 (EN)\% 20 Revised_Bill 140_June 15_20 15.pdf$

¹⁵ Act, supra note 1, s 44.

¹⁶ *Ibid*, s 69(1).

¹⁷ *Ibid*, s 87(5); O Reg 516/06, s 17 at para 5 [ON Regulation].

TENANTS

¹⁸ *Act, supra* note 1, s 33.

¹⁹ This rule is not explicitly stated in the *Act*. Rather, sections 58 and 59 simply state that non-payment of rent is due cause for the landlord to give the tenant notice of termination. The *Act* doesn't create any exceptions to this rule.

²⁰ *Ibid*, s 58(1) at para 1.

²¹ *Ibid*, s 59(1).

²² *Ibid*, s 35(1).

LANDLORDS

RIGHTS

- Set the Rental Amount When the unit is vacant, the landlord can set the rental amount. The landlord can negotiate with the new tenant, including deciding what the rental amount is and what services are or are not included (e.g., hydro, parking, etc.).
- Ask for Personal Information When a tenant applies to rent a unit, a landlord can ask the applicant to provide information such as current residence, rental history, employment history, personal references, and income information (if credit references and rental history information are also requested). The *Ontario Human rights Code* has special rules about asking for information about the income of a prospective tenant, and landlords must follow them. ²⁴
- **Collect a Rent Deposit** A landlord is only permitted to collect a rent deposit if it is requested on or before they enter into the tenancy agreement.²⁵ The deposit cannot be more than one month's rent or the rent for one rental period, whichever is less.²⁶ A rent deposit can only be applied to the last month's rent before the tenancy ends and cannot be used to pay damages or anything else.²⁷ The landlord must pay interest on the deposit every 12 months equal to the rent increase guideline that is in effect when the interest is due.²⁸ The landlord can request that the tenant update the deposit amount after a rent increase in order that the deposit is the same as the amount of the new rent.29

RESPONSIBILITIES

- Maintenance and Repairs Landlords are obligated under the Act to keep the rental property in a good state of repair and obey health, safety, and maintenance standards. This could include repair and maintenance of items such as electrical, plumbing or heating systems, appliances, carpets in the unit or common areas, walls, roofs, ceilings, windows, doors, locks, lighting, garages, laundry rooms, patios, walkways, or pools. If something no longer works because of normal "wear and tear," the landlord must repair it so that it works properly, or replace it. When something is replaced, however, the landlord does not have to supply a new or better model. 30
- Providing Tenants with the Tenancy
 Agreement Landlords must provide a copy
 of the written tenancy agreement within 21
 days of the tenant signing the agreement. If
 the tenancy agreement is not in writing,
 landlords must give written notice of their
 legal name and address within 21 days of the
 tenancy commencing.
- **Heating Requirements** If a landlord provides heat, the *Act* requires the landlord to keep the heat to at least 20 degrees Celsius from September 1 to June 15.³¹ In addition, many municipalities have their own property standards or by-laws that set minimum standards for heat.

²³ *Ibid*, s 10.

²⁴ See "Human Rights for Tenants" (2011), online: Ontario Human Rights Commission http://www.ohrc.on.ca/en/human-rights-tenants-brochure.

²⁵ Act, supra note 1, s 106(1).

²⁶ *Act*, supra note 1, s 106(1).

²⁷ *Ibid*, s 106(10).

²⁸ *Ibid*, s 106(6).

²⁹ *Ibid*, s 106(3).

³⁰ This is a complex matter. See generally "Maintenance and Repairs" (31 January 2007), online: Landlord and Tenant Board http://www.sjto.gov.on.ca/documents/ltb/Brochures/Maintenance%20and%20Repairs%20(EN).pdf?20b805.

³¹ ON Regulation, supra note 17, s 4(1)-(3).

LANDLORDS

RIGHTS

- Collect a Key Deposit A landlord is allowed to get a key deposit provided: (1) the deposit is refundable, and (2) the amount of the deposit is not more than the expected cost of replacing the key(s) if they are not returned to the landlord.³² The key deposit is refunded at the end of the tenancy on the return of the key(s).³³
- Change the Locks A landlord can change the locks while the tenant is living in the unit provided they give the tenant a key for the new lock.³⁴ Once a tenant is evicted, the landlord can change the lock, even if the tenant has left property in the unit and is not required to give the tenant a key.³⁵
- Increase the Rent There are special rules that limit how often a landlord can increase the rent and by how much. In most cases, a landlord can increase the rent only once a year by the guideline that is set by the Minister of Municipal Affairs and Housing. ³⁶ A landlord must give a tenant at least 90 days notice in writing of any rent increase and this notice must be on the proper form. Non-profit and public housing units, residences at schools, colleges and universities, and certain other accommodation are not covered by all the rent rules.

RESPONSIBILITIES

- Enter the Unit without Notice The *Act* only allows a landlord to enter a tenant's unit under specific circumstances.³⁷ In most cases, the landlord must first give the tenant 24 hours written notice, stating when they will enter and for what reason. There are exceptions, such as in case of an emergency or if the tenant agrees to allow the landlord to enter the unit. The tenant is not allowed to refuse if the *Act* permits the entry or the landlord may give a notice of termination.³⁸
- Shut Off or Deliberately Interfere with the Supply of a Vital Service Landlords cannot shut off or interfere with vital services such as heat, electricity, fuel, gas, or hot or cold water that the landlord must provide under the tenancy agreement. However, a landlord is allowed to shut-off services temporarily if this is necessary to make repairs.
- Take a Tenant's Personal Property A landlord cannot take a tenant's personal property for refusal to pay rent while the tenant is still living in the unit.
- Lock out a Tenant A landlord can only lock out a tenant if they have an eviction order from the LTB and the Sheriff comes to the rental unit to enforce it.
- Insist that Rent is Paid by Post-Dated
 Cheque or Automatic Debit A landlord
 can suggest a preferred method of payment,
 but a tenant cannot be refused a rental unit or
 evicted for refusing to pay rent by that means.
- Collect a Damage Deposit The landlord cannot collect a deposit to satisfy any damages caused to the unit during the tenant's tenure, nor apply the rent deposit.³⁹ If damage is caused to the unit, the landlord can give the tenant a notice asking that the damages be paid. If the tenant does not pay, the landlord

³² ON Regulation, supra note 17, s 17 at para 3.

³³ Ibid.

³⁴ Act, supra note 1, s 24.

³⁵ If a landlord recovers possession the rental unit, he or she may change the locks and deal with any abandoned property according to the directions in the *Act, supra* note 1. Section 39 governs recovering possession of a unit; sections 41 and 42 deal with abandoned property.

³⁶ *Act, supra* note 1, ss 116-117. ³⁷ *Act, supra* note 1, ss 25-27.

³⁸ *Ibid*, s 36.

³⁹ Ibid, s 106(1). See also "A Guide to the Residential Tenancies Act" (31 January 2007), online: Landlord and Tenant Board

http://www.sjto.gov.on.ca/documents/ltb/Brochures/Guide%20to%20the%20Residential%20Tenancies%20Act%20(EN).pdf?20b805 (see the "About Rent" section).

may apply to have the LTB determine if there are damages and what should be done about
them. ⁴⁰

TERMINATING A TENANCY

The *Act* has rules on how both tenants and landlords can end a tenancy.

Tenants:⁴¹

If a tenant wishes to terminate their tenancy, they must provide the landlord with at least 60 days' notice of their intention to move out at the end of the tenancy. A tenant cannot terminate the tenancy prior to the end of their lease without the landlord's consent. If the landlord does not consent, the tenant may assign the unit to a new tenant with the landlord's consent. Here, the tenant would have two options: they could either *sublet* or *assign* the tenancy to another tenant. Under a **sublet**, the original tenant remains fully liable to the landlord whereas in an **assignment** all of the tenant's obligations remain the same and are passed on to the new tenant. Although a landlord cannot reject the idea of subletting, the landlord can refuse to consent to the new tenant if they have a good reason. If the tenant sublets or assigns the unit without the landlord's consent, the landlord may file an application with the LTB to evict both the tenant and the unauthorized occupant. If the landlord does not file within 60 days of discovering the unauthorized occupant, the unauthorized occupant will become a tenant.

Landlord

Generally, before a landlord can apply to the LTB to evict a tenant, they must provide the tenant with a Notice of Termination that tells the tenant what the problem is.⁴⁶ For some termination notices, the landlord must wait a specific number of days to see if the tenant corrects the problem before they can file an application with the LTB. The number of days the tenant has to correct the problem is set out in the notice. If the tenant does not correct the problem or move out, the landlord can file an application with the LTB and, in most situations, a hearing will be scheduled for the parties to appear and explain themselves. Some types of applications can be made without notice to the tenant and the LTB may issue an order without holding a hearing. Contrary to popular belief, there is no restriction against evicting a tenant during the winter or any other time of the year. The landlord may evict a tenant at the end of the term, even if the tenant has done nothing wrong, or during the term where the tenant has breached a provision of the tenancy agreement.

⁴⁰ Act, supra note 1, s 89(1).

⁴¹ How a Tenant Can End Their Tenancy" (31 January 2007), online: Landlord and Tenant Board

http://www.sito.gov.on.ca/documents/ltb/Brochures/How%20a%20Tenant%20Can%20End%20Their%20Tenancy%20(EN).pdf

⁴² Act, supra note 1, s 44(1)-(4). 28 days' notice is required in the case of a daily or weekly tenancy. The termination date must be the last day of the tenant's rental period or their lease, even if more than the notice period required.

⁴³ Ibid. s 47.

⁴⁴ *Ibid*, s 95(5).

⁴⁵ Ibid, s 100(2).

⁴⁶ See different types of Notices available online at: http://www.sjto.gov.on.ca/ltb/forms/

When can a landlord evict a tenant?

Eviction for Having a Pet – A tenant cannot be evicted simply for having a pet.⁴⁷ However, a tenant may be evicted for having a pet in their unit if the pet is making too much noise, damaging the unit, or causing an allergic reaction, or the animal or species is considered to be inherently dangerous.⁴⁸ Furthermore, a condominium that has a "no pet" rule can force the tenant to remove the pet from the unit or move out.⁴⁹

Eviction for Having a Roommate – A tenant cannot be evicted simply for having a roommate. However, a tenant may be evicted if the roommate is causing a problem for the landlord or for other tenants (e.g., excessive noise, damaging the unit, overcrowding). Landlords may seek enforcement of overcrowding rules and have persons who are not on the lease removed or the rental agreement terminated early if there are too many people living in the apartment. Also, condominiums may provide in their Declaration to renters that the unit may only be used for "Single Family Use." Such Declarations may prohibit renting to unrelated parties, and these restrictions are often determined by Courts not to infringe the *Ontario Human Rights Code*.

Eviction for Landlord's Own Use – A tenant can be evicted at the end of their tenancy if the landlord "in good faith" requires the unit for:

- 1. Their own use,
- 2. The use of an immediate family member, or
- 3. The use of a person who will provide care services to the landlord or a member of the landlord's immediate family, if the person who will be receiving the care services lives in the same building or complex.⁵³

Under the latest amendments to the Act, the landlord must require possession for the purpose of residential occupation for at least one year. Also, a landlord who gives such a termination notice is required to compensate the tenant in an amount equal to one month's rent or to offer the tenant another unit acceptable to the tenant.

⁴⁸ "How a Landlord Can End a Tenancy" (1 July 2015), online: Landlord and Tenant Board .

⁵³ Act, supra note 1, s 48(1).

⁴⁷ Act, supra note 1, s 14.

⁴⁹ Under the *Condominium Act*, SO 1998, c 19, s 58, a condominium board may pass rules as long as they are reasonable and for the purpose of protecting the property, security, and welfare of residents and guests. Generally, this section allows condominiums to pass rules restricting pets so long as they are reasonable and consistently applied. See also *Durham Standard Condominium Corp No 187 v Morton*, 2012 ONSC 161, 14 RPR (5th) 300 and *Niagara North Condominium Corp No 125 v Kinslow*, 2007, 2007 CanLII 49188 (ONSC), CarswellOnt 7444 (Ont Sup Ct J).

⁵⁰ The term "roommate" is not used in the Act, supra note 1. However, having guests and other occupants visit or stay in a unit may be categorized as a tenant's right to reasonable enjoyment of the rental unit. See "Guideline 21: Landlords, Tenants, Occupants and Residential Tenancies" (6 January 2012), online: Landlord and Tenant Board

< http://www.sjto.gov.on.ca/documents/ltb/Interpretation%20Guidelines/21%20%20Landlords,%20Tenants,%20Occupants%20and%20Residential%20Tenancies.pdf>.

⁵¹ The tenant's right to reasonable enjoyment must be balanced with the landlord's and other tenants'rights. Therefore, the *Act, supra* note 1, s 64(1) permits a landlord to give a tenant notice of termination if the tenant or another occupant is interfering with the "lawful right, privilege, or interest of the landlord or another tenant."

⁵² The landlord may give a "N5 Notice," i.e., a notice to end tenancy, if the number of people living in the rental unit is more than permitted by health, safety or housing standards. See "Notice to End Tenancy For Interfering with Others, Damage, or Overcrowding" (form), online: Landlord and Tenant Board: http://www.sjto.gov.on.ca/ltb/forms/>.

Eviction to Sell the Unit – A tenant can be evicted at the end of their tenancy if the landlord has agreed to sell the rental property and the purchaser requires the rental unit for: (1) their own use, (2) the use of an immediate family member, or (3) the use of a person who will provide care services to the landlord or a member of the landlord's immediate family, if the person who will be receiving the care services lives in the same building or complex.⁵⁴ The above conditions equally apply under this process.

Abandoned Unit – A landlord should make reasonable efforts to contact the tenant to determine if they have in fact left the unit (e.g., write or call them). If the landlord believes the tenant has abandoned the unit, the landlord may apply to the LTB for an order terminating the tenancy.⁵⁵ If the landlord rents the unit to another tenant without the order, the tenant who has not abandoned the unit may take legal action against the landlord.⁵⁶ There are special rules that a landlord must follow before disposing of any property a tenant has left in an abandoned unit.⁵⁷

What should a tenant do after receiving a notice of termination?

The tenant should first read the Notice to see why and when the landlord is asking him/her to vacate. The Tenant may:

- Talk to the landlord to see if he/she can correct the problem by any other means;
- Leave the unit as directed in the Notice;
- Call the LTB's call centre to learn more about the eviction process and/or get some legal advice from a lawyer or legal clinic;
- Attend the LTB's mediation session to attempt to mediate a solution with the landlord; or
- Stay in the unit and see if the landlord files an application with the LTB. If an application is filed, the tenant can attend the hearing and explain his/her situation to the LTB and follow any order it renders.⁵⁸

FOR MORE INFORMATION

If you have any questions arising from this guide or concerns which have not been addressed, please contact a lawyer in your area for consultation. You can locate a lawyer who deals with these matters by doing an internet search or by going to <u>lsrs.lsuc.on.ca/lsrs/</u> or www.titleplus.ca.

⁵⁴ *Ibid*, s 49(1).

⁵⁵ See the Landlord and Tenant Board, online: http://www.sjto.gov.on.ca/ltb/faqs/ (see the "Abandoned Unit" section).

⁵⁶ Act, supra note 1, s 41(6); Ibid.

⁵⁷ Act, supra note 1, s 42; "Property Left Behind When a Tenant Moves Out" (4 January 2010), online: Landlord and Tenant Board http://www.sjto.gov.on.ca/documents/ltb/Brochures/Property%20Left%20Behind%20When%20a%20Tenant%20Moves%20 Out%20(EN),pdf?20b805>.

⁵⁸ See *Act, supra* note 1, ss 80-85 for rules about eviction and the Board's orders.