

# The Tenant Protection Act

Revised: October 1, 2001

This guide is a summary of Ontario's Tenant Protection Act. If you want to know exactly what the law says, you should read the Act. **Additional Information** at the end of this guide explains how you can get a copy.

# Who is covered by the Act

Landlords and tenants of most rental units are covered by most rules in the Act. A rental unit can be an apartment, a house, a site in a mobile home park or land lease community, a room in a rooming, lodging or boarding house, care home or retirement home.

Landlords and tenants of the following rental units are **not** covered by all the rules about rent and rent increases:

- new rental buildings,
- non-profit and public housing,
- residences at schools, colleges, and universities.

However, these units are covered by most other rules on such things as repair, maintenance, and eviction.

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# **About the Tribunal**

The Ontario Rental Housing Tribunal is an independent, quasi-judicial agency.

Tenants and landlords can apply to the Tribunal to resolve certain types of disputes, either through **mediation** or **adjudication**.

In mediation, a Tribunal mediator will help a landlord and tenant to resolve a dispute and reach an agreement they are both satisfied with.

In adjudication, a hearing is usually held. A Tribunal member makes a decision based on the evidence examined, and issues an "order."

The Tribunal also provides landlords and tenants with information about the rights and obligations each has under the **Tenant Protection Act**.

**Additional Information** at the end of this guide explains how to contact the Tribunal.

# **About rent**

# Rent for a new tenant

A landlord and a new tenant decide the rent for a rental unit, and the services and things the rent will include – for example, parking, cable television, heat, or hydro.

In most cases, the rent first charged to a new tenant cannot be increased for at least 12 months.

# **Rent deposit**

A landlord can collect a deposit from a new tenant. It cannot be more than one month's rent, or, if rent is paid weekly, one week's rent.

This deposit can only be used as the rent payment for the last month or week. It cannot be used for any other reason – for example, paying for cleaning or repairing a rental unit.

If the rent increases by a lawful amount, the deposit can also be increased by the same amount.

A landlord must pay the tenant six per cent interest on the deposit **every year**.

# **Post-dated cheques**

A landlord can tell a new tenant how the rent must be paid – by cash, cheque or money order.

Post-dated cheques can be suggested, but a person cannot be denied a rental unit for refusing to give them.

# **Rent receipts**

A landlord must supply a receipt for any rent payment, deposit, or other charge, if the tenant asks for one. The landlord cannot charge any fee for giving a receipt.

# **Increasing a current tenant's rent**

In most cases, the rent can be increased if at least **12 months** have passed since a tenant first moved in or since the tenant's last rent increase.

A landlord must give at least **90 days notice in writing** of any rent increase. There is a proper form for this notice available from the Tribunal.

A landlord can propose a rent increase that does not exceed the "rent increase guideline," or one that is "above the guideline."

## **The Rent Increase Guideline**

The guideline is set each year by the Ontario Government, and announced by August 31. The figure announced applies to rent increases that start on or after January 1 of the following year.

# The year 2001 guideline is 2.9 %. The 2002 guideline is 3.9 %.

A guideline increase does not need approval of the Tribunal.

In most cases, an increase above the guideline needs approval of the Tribunal before it can be charged.

# **Increase above the guideline**

A landlord can apply to the Tribunal for an increase above the guideline if:

 the landlord's costs for municipal taxes and charges, and/or utilities, have increased significantly, or

- the landlord has done major renovations or repairs, or
- the landlord has added security services.

Rent increases for repairs, renovations or security services cannot be more than 4% on top of the guideline each year. For increases in the cost of municipal taxes, charges or utilities, there is no limit on the amount of rent increase that can be approved.

A tenant can agree to an increase above the guideline if the landlord will do major renovations or repairs, buy new equipment, or add a new service for the tenant.

This agreement **must** be in writing, on a form obtained from the Tribunal. The highest increase that can be agreed to is 4% above the guideline.

A tenant has five days after signing an agreement, to change their mind and tell their landlord **in writing** they do not agree to the increase.

If there is an agreement to a rent increase above the guideline, the landlord does not have to apply to the Tribunal for approval of the increase.

# **Rent reduction**

A tenant can apply to the Tribunal to have his or her rent reduced if:

- the landlord did not keep a promise in an agreement to a rent increase above the guideline, or
- the municipal taxes or charges on the rental property decreased, or

• the landlord reduced or removed a service to the tenant without reducing the rent.

# **About maintenance**

# **Tenant obligation**

A tenant has to keep his or her rental unit clean, up to the standard that most people would consider ordinary or normal cleanliness.

A tenant is responsible for any damage to the property caused by the tenant or any guest – whether deliberate or by accident.

A tenant **should not** hold back any part of the rent if they feel maintenance is inadequate or a necessary repair has not been done. They might face eviction for doing so.

A tenant can apply to the Tribunal for an **abatement of rent** - approval to hold back rent - if their landlord has not met their maintenance or repair duties. The Tribunal order will set out the amount of rent that can be held back, and how it can be done.

In their application, a tenant can also ask the Tribunal to order the landlord to do certain repairs or maintenance.

# **Landlord obligation**

A landlord has to keep the rental property in a good state of repair.

If something is not working because of normal wear and tear, the landlord must fix it.

A landlord must obey all health, safety and maintenance standards in any provincial laws or municipal bylaws.

For example, a bylaw may require the heat to be turned on and kept to a minimum temperature between the Fall and Spring.

## **Vital services**

A landlord cannot shut off or interfere with the supply to a tenant of :

- hydro
- fuel (such as natural gas or oil)
- hot or cold water

More information about maintenance can be found in a separate guide on **Maintenance and Repair** (see **Additional Information** at the end of this guide).

# **About privacy**

A landlord can enter a unit without written notice if:

- there is an emergency, like a fire,
- the tenant allows the landlord in,
- a care home tenant agreed in writing to let the landlord do "bed checks."

A landlord can enter a rental unit without written notice, between 8 a.m. and 8 p.m. if:

- the rental agreement requires the landlord to clean the unit – unless the agreement allows different hours for cleaning,
- a notice of termination has been given by either the landlord or tenant, or there is an agreement to terminate the tenancy, and the landlord wants to show the unit to a potential new tenant (although notice is not required, the landlord must try to tell the tenant before entering for this reason).

A landlord can enter **between 8 a.m.** and 8 p.m., and only if 24 hours written notice is given to the tenant:

- to make repairs or do work in the unit,
- to allow a potential purchaser, insurer or lender to view the unit,
- to allow an inspection by an engineer or architect or similar professional for a proposed conversion under the

#### **Condominium Act:**

 for any reasonable purpose allowed by the rental agreement

# **Terminating a tenancy**

# Renewing a lease

The end of a lease does not always mean a tenant has to move out. A lease can be renewed, or a new lease made, if the landlord and tenant agree. If a new agreement is not reached, the tenant has the right to stay as a month to month or a week to week tenant — depending on how often rent payments were required under the expired lease.

In this case, all the rules of the former lease will still apply to the landlord and tenant.

However, the landlord can increase the rent by the amount allowed under the **Tenant Protection Act**.

#### If a tenant wants to leave

A tenant must tell their landlord in writing if they plan to move out, by giving a **Tenant's Notice to Terminate the tenancy**. The last day the tenant plans to occupy the unit is called the **termination date**.

A daily or weekly tenant must give at least 28 days notice. For a weekly tenant, the termination date must be the end of a weekly rent period.

A monthly tenant must give at least 60 days notice, with the termination date being the final day of a monthly rent period.

A tenant with a lease must also give at least 60 days notice. The termination date **cannot be earlier than** the final day of the lease.

A tenant and landlord can agree to end a lease early, but this should be in writing. In this situation, a notice of termination does not have to be given by either the landlord or tenant. A tenant in a care home can end a lease early, with at least 30 days notice in writing to the landlord.

# **Assignment of tenancy**

A tenant may be able to transfer their tenancy (their right to occupy the rental unit) to another person. This is called an **assignment**.

In an assignment, a new tenant takes the place of the first tenant. However, all terms of the rental agreement stay the same, as if there was no change in the tenant.

A tenant must have the landlord's approval for an assignment. If the landlord will not approve it, or fails to reply within seven days to the tenant's request for approval, the current tenant can terminate their tenancy by giving a notice of termination to the landlord.

If the current tenant has a month to month tenancy, or a lease for a fixed term, they must give at least **30 days notice** of termination. A daily or weekly tenant without a fixed term lease must give at least **28 days notice**.

The current tenant must give the notice to the landlord no later than 30 days after the request was made.

A landlord must have a good reason for refusing an assignment to a particular person suggested by the tenant.

If a landlord approves an assignment, they can charge the current tenant for the landlord's reasonable and out of pocket expenses caused by the assignment. A standard fee, or fee based on a portion of the rent, cannot be charged.

A tenant who disputes a landlord's refusal to approve an assignment, or the expenses paid to the landlord, can apply to the Tribunal to resolve the dispute.

A tenant who is a superintendent, or lives in subsidized, public or non-profit housing, **cannot** assign their tenancy.

The landlord of a care home can refuse an assignment if the potential new tenant is not eligible to be a resident of that home.

#### **Sublet**

A sublet is where a tenant with a fixed term lease moves out of the rental unit, lets another person live in it for a period of time, but returns to live in the unit before the lease ends.

In a sublet, the lease, and the landlord to tenant relationship, remain in effect. The tenant must continue to pay rent, and comply with all other tenant duties.

The tenant <u>also</u> becomes a landlord, to the subtenant, and must comply with all landlord duties.

A sublet is <u>not</u> created when a tenant takes in a roommate, and the first tenant is <u>not</u> the landlord of the roommate.

A tenant must have their landlord's approval to sublet. If a tenant has found a potential subtenant, the landlord must have a good reason for refusing to approve that person.

A tenant who is a superintendent, or lives in subsidized, non-profit or public housing, **cannot** sublet.

The landlord of a care home can refuse to approve a sublet if the proposed subtenant is not eligible to be a resident of that home.

# Termination by a landlord

A landlord can terminate a tenancy only for reasons allowed by the **Tenant Protection Act.** 

A landlord must first tell a tenant in writing when they want the tenant to move out, regardless of the reason, by giving them a Notice to Terminate a Tenancy.

A notice to terminate used by a landlord must be in the proper form, which is available from the Tribunal.

#### **Termination for cause**

Some of the reasons allowed by the Act relate to the tenant's behaviour or actions or that of their guests. These include:

- not paying the rent in full,
- often paying the rent late,
- illegal activity,
- affecting the safety of others,
- disturbing the enjoyment of other tenants or the landlord,
- allowing too many people to live in the rental unit ("overcrowding"),
- not reporting income in subsidized housing.

#### **Pets**

A landlord may evict a tenant for keeping an animal if it:

- caused undue damage,
- caused a serious allergic reaction in another person or the landlord,
- interfered with the normal enjoyment of the property by another tenant or the landlord, for example, causing undue noise,
- acted aggressively to others thus affecting their safety, or
- is a species or breed of animal that is inherently dangerous

#### "No fault" reasons

Some other reasons for eviction not based on the behaviour or conduct of a tenant are:

- the landlord wants the rental unit as their own residence, or that of their spouse or same-sex partner, or a child or parent of one of them,
- the landlord has agreed to sell the property to someone who wants all or part of the property for their own residence, or that of their spouse or same-sex partner, or a child or parent of one of them,
- the landlord plans major repairs or renovations that require a building permit and vacant possession,
- the landlord plans to demolish the rental property,

- in a care home occupied for the sole reason of receiving therapy or rehabilitation, the rehabilitation or therapy program has ended,
- a tenant of a care home needs more care than that available in the home, or no longer needs the level of care provided by the landlord.

More details about the reasons and procedures for evicting a tenant and the can be found in the guide, **Terminating a Tenancy**.

# **Additional Information**

The Tribunal also has guides on these topics:

- Filing an Application
- If a Tenant Doesn't Pay Rent
- Maintenance and Repair
- Rules About Rent
- Terminating a Tenancy
- Reasons for Terminating a Tenancy By a Landlord
- Termination of Tenancy By a Tenant
- Terminating a Tenancy in a Care Home

Our toll-free number is

1 - 888 - 332 - 3234

You can get information from this number 24 hours a day. You can talk to a Customer Service Representative Monday to Friday, from 8:30 a.m. - 5:00 p.m.

We have a web site with even more information:

#### www.orht.gov.on.ca.

You can order a copy of the **Tenant Protection Act** from **Publications Ontario**; call **1 - 800 - 668 - 9938** or **326-5300** from within Toronto, or you can purchase a copy on line at:

www.publications.gov.on.ca

A list of Tribunal offices is on the next page.