

July 2, 2010

Dear Client:

The Residential Tenancies Amendment Act was passed by the Legislature in June 2009. Several sections of the new legislation did not take effect then because the branch needed to work on supporting regulations. That work is now complete and the following is a summary of the provisions that will take effect on June 30, 2010. The details of the amendments are available on the branch's website.

- **Additional notice for tenants who are asked to move** - Landlords who terminate a tenancy because they want the property for their own use may now have to give longer notice. The vacancy rate in the area the rental unit is located in will determine the amount of notice required. The most recent Fall Rental Market Report published by CMHC will be used as the source for the vacancy rate. The RTB website will publish the vacancy rate percentage. If a landlord wants the unit in order to renovate, demolish or change the use of it, the landlord must give notice based on the vacancy rate. When the vacancy rate is less than 2%, the notice is 5 months. When the rate is between 2% and 2.9%, four months' notice is required. When the rate is 3% or higher, three months' notice must be given. If a landlord has sold a property and the vacancy rate is less than 3%, they must now give a tenant in a month-to-month tenancy agreement 3 months notice.
- **Pet friendly deposit** - When a landlord gives a tenant permission to have a pet, the landlord can charge the tenant a pet damage deposit. This deposit can be a maximum of ½ of one month's rent. A landlord cannot charge a pet damage deposit for animal assistants or guide dogs. Claims against pet damage deposits can only be made for extraordinary cleaning or repairs needed because of damage by the pet or other liabilities of the tenant relating to the pet (for example, loss of rental income while repairs caused by the pet are being done). Either the landlord or tenant can request the completion of a condition report before a pet enters into the unit. A pet damage deposit cannot be requested from tenants who had pets in rental units with the landlords' consent before June 30, 2010.
- **Administrative Penalties** - The Residential Tenancies Branch may apply an administrative penalty to a person who has failed to comply with an order under section 154 of *The Residential Tenancies Act* or has failed to comply with, or contravened certain provisions of the Act. The Residential Tenancies Regulations outlines the allowable penalties with the maximum being \$5000.00. A person ordered to pay an administrative penalty can appeal the decision to the Residential Tenancies Commission.

.../2

- **Guarantee agreements** - If a landlord requires a tenant to have a guarantor, the content of the guarantee agreement and the process they must follow is now spelled out in the Act. Guarantee agreements must be in writing, contain the required information and be signed by both the landlord and the guarantor. The guarantor must get a copy of both the guarantee agreement and the tenancy agreement that it relates to within 21 days of the tenant being able to occupy the rental unit. There are also requirements for guarantee agreements that were entered into before June 30, 2010.
- **Rent increase for new tenant (complex with 3 or less units)** - When a landlord regains possession of a unit in a complex with three units or less and the landlord re-rents the units, the maximum discount allowed is now 25% of the total rent. For example: If a landlord wants to charge a total rent of \$800.00, the maximum allowable discount would be \$200.00. Both the previous rent and the new rent must be shown on the Notice to New Tenant form.

There are also changes to certain fees that tenants and landlords may have to pay:

- Moving costs are now a maximum of \$500.00
- Late payment fees are \$10.00 for the first day, \$1.00 for each day after up to a maximum of \$100.00
- NSF fees are now \$40.00
- Assignment and subletting administration fees are now \$75.00
- Abandonment administration fees are now \$75.00

There are changes to many of the forms that the Branch provides for your use. These new forms will be available on the branch's website at manitoba.ca/rtb.

As I mentioned earlier, additional information about these amendments will be available on our website very shortly. If you have any questions or concerns about the new legislation, please feel free to contact me.

Yours truly,



Laura Gowerluk
Director