



Healthy Living, Seniors and Consumer Affairs

Residential Tenancies Branch

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Dear Client:

In June 2012, the legislature approved changes to *The Residential Tenancies Act*. Some of the changes came into force in June. Other changes needed regulations before they could take effect. Those regulations are now ready. The rest of the amendments to the Act and several changes to the regulations will come into force on March 1, 2013. These include:

- Clarification of the rules for ending tenancies for owner occupancy, change of use or extensive renovation
- An obligation for landlords to tell tenants what they plan to charge for rent after completing a rehabilitation scheme or extensive renovations
- A requirement for tenants to give a reason when they object to a rent increase that is equal to or less than the annual rent increase guideline
- An exception to a landlord's right to collect late payment fees
- Authority for the Residential Tenancies Branch and Residential Tenancies Commission to waive certain filing fees for clients who receive employment and income assistance benefits or the guaranteed income supplement
- An amendment to indicate that expenses relating to the enhancement of the level of prestige of a residential complex or rental unit, where those enhancements are out of character with the rest of the building, will not be included when landlords apply for a rent increase above the guideline.

For more details about each of these changes, please see the enclosed information.

There are also changes to many of the forms that the Branch provides for your use. The updated forms will be available in fill and print format on the Fees and Forms page on our website at manitoba.ca/rtb.

If you have any questions or concerns about the new legislation, please feel free to contact the Branch.

Yours truly,

Laura Gowerluk
Director

Enclosure

2013 Changes to *The Residential Tenancies Act* and the Regulations

Rules about Notice

To get information about a notice for owner occupancy, change of use or extensive renovations, landlords and tenants used to have to refer to *The Residential Tenancies Act* and the Residential Tenancies Regulation. To make it easier for clients to find out what they need to know, the information has now been combined and set out in the Residential Tenancies Regulation.

The amount of notice landlords need to give depends on:

- the reason for the notice
- the type of tenancy agreement
- the vacancy rate in the area

If the rental unit has been sold and the purchaser wants to move in:

Type of Tenancy Agreement	Vacancy Rate	Period of Notice Required
The tenancy agreement does not specify a date for it to end	3% or higher	1 month's notice
The tenancy agreement does not specify a date for it to end	Less than 3%	3 months' notice
The tenancy agreement specifies a date for it to end	Not applicable	3 months' notice

If the landlord wants to move into the rental unit or the landlord plans to demolish the rental unit, change its use or do renovations that are so extensive that the tenant cannot live in the unit while the work is being done:

Vacancy Rate	Period of Notice Required
Less than 2%	5 months' notice
From 2% to 2.9%	4 months' notice
3% or higher	3 months' notice

If the tenant is on a fixed-term tenancy agreement, the notice cannot take effect until the end date of the tenancy agreement. For example: A tenant is on a fixed-term tenancy agreement from January 1 to December 31. The landlord plans to do extensive renovations and needs the tenant to move. The vacancy rate is less than 2%. The landlord cannot ask the tenant to move out before the tenancy agreement ends. To have the tenant move on December 31, the landlord must give the tenant the notice to move out of the rental unit on or before July 31.

If a tenant has children who are attending a school that is reasonably accessible to the rental unit, the landlord cannot require the tenant to move before the end of the school year. If the tenant is on a month to month tenancy agreement, the landlord may give notice asking the

tenant to move out of the rental unit on June 30. If the tenant is on a fixed-term tenancy agreement that ends during the school year, the landlord can give the tenant notice that the tenancy agreement will not be renewed, but the tenant has the right to remain in the rental unit until June 30. For example: A tenant is on a fixed-term tenancy agreement from April 1 to March 31. The landlord plans to do extensive renovations and needs the tenant to move. The vacancy rate is less than 2%. The landlord gives the tenant notice on or before October 31 to terminate the tenancy agreement March 31. The tenant has the right to stay in the unit until the end of June.

When a landlord gives a tenant notice to move because a purchaser or the landlord wants to move into the rental unit, the landlord must show who is going to be moving into the unit on the notice to move. The person identified on the notice must move into the unit within a reasonable period of time (e.g. 2-3 months) and after moving in, must live in the rental unit for at least 12 months. If a purchaser or landlord does not move in within a reasonable time or does not live in the unit for a year, the Branch may order that person to pay compensation to the former tenant.

When giving tenants notice to move, landlords must use the forms set out in the Residential Tenancies Regulation, which are available on our website.

Estimate of Rent after Rehabilitation or Extensive Renovations

When a landlord applies to the Residential Tenancies Branch for approval of a rehabilitation scheme, the landlord must give the tenants who will be affected by the scheme a **Notice to Tenant – Rehabilitation Scheme for All or Part of a Residential Complex (Form 6)**. On the notice, the landlord must give the tenant an estimate of the rent the landlord plans to charge once the rehabilitation is complete.

When a landlord gives a tenant notice to move for extensive renovations, the landlord must give the tenant a **Notice of Termination by Landlord (For extensive renovations) (Form 11C)**. Tenants who receive notice to move because of renovations have the right of first refusal to rent their unit after the renovations are done. Tenants who want to exercise a right of first refusal must let the landlord know before they move out. To allow tenants to decide if they will be able to afford the rent the landlord will charge after the renovations, the landlord must include an estimate of the new rent on the notice to move.

If, in either case, the estimated rent causes tenants to move or discourages them from exercising a right of first refusal and the landlord does not re-rent the unit at a rent that is more than 90% of the estimated amount within two months, the tenant can apply to the Branch for compensation from the landlord for moving and other expenses. The Branch may also issue a notice of administrative penalty against a landlord in these circumstances.

Objecting to a Guideline or Less Rent Increase

To increase rent, landlords must give tenants a Notice of Rent Increase three months before the rent is supposed to go up. The notice must show whether the landlord is increasing the rent by the amount of the annual rent increase guideline or applying to the Residential Tenancies Branch for a rent increase above the guideline.

When a rent increase is at, or below, the amount of the guideline, tenants can file an objection to the rent increase with the Residential Tenancies Branch. Effective March 1, 2013, tenants who want to object to a guideline or less rent increase will be required to provide a reason for

the objection. *The Residential Tenancies Act* identifies the reasons for objecting to a guideline or less rent increase as follows:

- the landlord is not maintaining the rental unit or residential complex;
- the landlord has reduced or withdrawn a service or facility;
- the landlord is not meeting any other obligation under a tenancy agreement or the Act; or
- the tenant believes the landlord's costs have not increased.

To object to a guideline or less rent increase, a tenant must send a letter to the Branch outlining the reason for the objection. As in the past, the Branch must receive the objection at least 60 days before the rent will be increased.

Late Payment Fees

The Residential Tenancies Act allows landlords to collect late payment fees when tenants do not pay their rent or tenant services charge on time. Sometimes a tenant's payment is late through no fault of the tenant. For example, there is an unannounced mail disruption or the government agency paying the tenant's rent or tenant services charge does not pay it on time. In these situations, as long as the tenant is not responsible for the late payment, the landlord cannot require the tenant to pay a late payment fee.

For information about how much a landlord can charge for late payment fees, visit the Branch's website.

Filing Fee Waiver

Landlords and tenants who file claims with the Residential Tenancies Branch need to pay a filing fee. Landlords who file applications for an order of possession also have to pay a filing fee. Tenants and landlords who want to appeal a Branch decision about a claim or an order of possession need to pay a fee to the Residential Tenancies Commission.

As of March 1, 2013, the Branch and the Commission will have the authority to waive filing fees for certain clients. Fees will be waived for clients who can provide proof that they

- receive benefits under The Employment and Income Assistance Act; or
- receive a guaranteed income supplement under the Old Age Security Act (Canada).

When the Branch or Commission issues an order for one person to pay money to another person (e.g. a tenant to pay a landlord, a landlord to pay a tenant), the person may also be ordered to pay costs. Costs are awarded to cover expenses like filing fees, service costs and photocopying. The Residential Tenancies Costs Regulation sets out how much can be awarded. The Costs Regulation has been amended to indicate that, if the Branch or Commission waives the filing fee, costs will not include any amount to cover the fee.

Application for Rent Increase Above the Guideline – Capital Expenses

The Residential Rent Regulation lists the capital expenses a landlord may include on an application for a rent increase above the guideline. A landlord's capital expenses are those expenses incurred

- to acquire or replace appliances, furnishings or services and facilities; or
- for capital improvements or major repairs that have a lasting and long-term benefit to a residential complex.

Effective March 1, 2013, the regulation will be amended to indicate that the portion of the expenses mentioned above that relates to enhancing the level of prestige of a residential complex or rental unit will not be included. For example: A landlord who installs a new fence around a property and adds a costly decorative feature to the top of the fence "for show" will not be able to pass through the cost of the feature if the design of the new fence is out of character with the rest of the building and the added feature serves no function.