



Landlord and Tenant Fact Sheet

RTB-125

Selling a Tenanted Residential Property

When a rental property is being sold, both the landlord and tenant have rights and responsibilities under the *Residential Tenancy Act (RTA)*.

Showing the property

s. 29 RTA

Before showing the rental unit, the landlord must have the tenant's agreement or give the tenant proper written notice that states the date, time and reason for entry. The tenant must receive the notice at least 24 hours, and not more than 30 days, before the time of entry.

Ideally, a tenant and landlord agree on a schedule of viewing times to include in a single notice. Otherwise, the landlord must give the tenant notice each time before showing the rental unit. When notice has been given, the landlord can show the rental unit even if the tenant is not home. A landlord may enter common areas of the property at any time without giving the tenant notice.

The landlord must keep in mind that a tenant is entitled to reasonable privacy and freedom from unreasonable disturbance. A notice indicating showings will take place daily from 9 a.m. to 9 p.m. for a three-week period would be unreasonable.

A lockbox cannot be used without the tenant's permission.

Purchaser wants to live in the unit

When the new owner, or a close family member of the new owner, intends to live in the rental unit, the Two-Month Notice to End Tenancy can be served before the purchaser takes possession of the property, but only after all the conditions of sale have been removed (service of the notice should not be a condition of sale). The new owner must make the request in writing to the

landlord before notice can be served. A "close family member" is defined in the RTA and includes the father, mother or child of the landlord or the landlord's spouse. If a family corporation owns the rental unit, then a close family member would include an individual who owns, or whose close family member owns, all the voting shares.

Purchaser wants to use the rental unit for another purpose

The tenant can be served a 2-Month Notice to End Tenancy after the title of the property has been transferred and all required government permits and approvals are in place when the purchaser intends to:

- Demolish the rental unit or do major repairs or renovations that require the building or rental unit be empty.
- Convert the rental unit to a strata property unit, a non-profit co-operative or society, or a not-for-profit housing co-operative under the *Cooperative Association Act*.
- Convert the rental unit to non-residential use, such as a shop.
- Convert the rental unit into a caretaker's premises.

Giving notice on a periodic tenancy

For a month-to-month tenancy, or a periodic tenancy with a different period, the landlord must give the tenant a Two-Month Notice to End Tenancy. The tenant is also entitled to financial compensation equal to one-month's rent (s. 51, RTA).

A tenant can end the tenancy earlier by giving the landlord at least 10-days written notice and paying the rent up to, and including, the planned move-out date.

If the tenant has already paid a full month's rent, the landlord must rebate a pro-rated portion of the rent. The tenant is also still entitled to the full compensation (s.50, 51 RTA).

The property seller (or landlord) must pay the tenant compensation equal to one month's rent on or before the last day of the tenancy. This requirement applies whether the tenant vacates before or after transfer of the property title. RTA s. 51 gives the tenant the option to withhold the last month's rent. If the tenant has already paid the last month's rent and chooses to give 10-days written notice and vacate the premises early, the landlord must pay the tenant a pro-rated amount and ensure the tenant receives compensation equal to one-month's rent.

Fixed term tenancies

If the tenancy agreement requires the tenant to move out at the end of a fixed term, the landlord does not need to give the tenant any notice to end the tenancy. The tenant must vacate the premises on the end date and is not entitled to any financial compensation. The landlord cannot require the tenant to move before the end date.

Where the tenancy is for a fixed length of time, the Notice to End Tenancy cannot take effect before the end date specified in the tenancy agreement. The tenant also cannot end the tenancy earlier than the end date. However, the landlord and tenant can come to an agreement to end the tenancy earlier.

If the tenant is not required to vacate at the end of the fixed-term, the landlord must give a full two-month's notice. The tenant is also entitled to financial compensation equal to one-month's rent.

If the two-month notice takes effect after the end of the fixed term and the tenancy converts to a month-to-month tenancy, the tenant can give a 10-day notice that is effective after the fixed term's end date. The tenant is also entitled to financial compensation once the tenancy is month-to-month.

Additional compensation

If the purchaser does not use the rental unit within a reasonable period or for the reasons

given in the Notice to End Tenancy, the tenant may apply for dispute resolution asking for additional compensation equal to two months' rent. At the hearing, the purchaser may have a valid defence if they can demonstrate there was an honest intent to occupy, renovate, convert or demolish at the time the notice was issued. The purchaser, rather than the seller, must pay the tenant this additional compensation if the two-month's notice was given at the purchaser's written request, even if the tenancy ended before title was transferred.

Security & Pet Damage Deposits

The purchaser becomes responsible for a tenant's security deposit or pet damage deposit, even though the deposits were being held in trust by the seller. The purchaser and seller may wish to address the transfer of deposit monies in the contract of sale or the closing settlement.

Debts associated with residential property are important. Parties should ensure that their lawyer consider such matters carefully and address them fully in the contract of sale and purchase, or deal with them fully at closing.

For more information...

Office Locations:

Burnaby: 400-5021 Kingsway

Victoria: Suite 101 – 3350 Douglas Street

Kelowna: 305-478 Bernard Avenue

Any Service BC-Government Agents Office

Hours: 9:00 am – 4:00 pm, Monday - Friday

(Closed on government holidays)

Public Information Lines:

1-800-665-8779 (Toll free)

Vancouver: 604-660-1020

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