

# London Property Management Association

LSTAR Presentation –  
September 10, 2024



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# Our Purpose

- Support small and larger landlords in London & S/W ON
- Facilitate education and communicate information relevant to a constantly evolving landscape
- Network and exchange ideas with member meetings, trade show and charity events



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# Who We Are

- Led by a diverse Board of Property Management Professionals, smaller landlords, contractors and legal specialists
- We offer a shared passion for ethical property management
- 400 members and counting with 304 landlords
- Celebrating our 57<sup>th</sup> anniversary



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# How We Engage Members

- Regular member dinner meetings
- Lunch and Learn virtual education sessions
- Holiday party
- Trade Show
- Annual General meeting
- Charity Golf Tournament



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# The Benefits of Membership

- One united voice representing all landlords to debate policy issues and address concerns at various government levels
- Access to standard lease forms
- Updates pertaining to proposed and enacted legislative changes
- Committees – Education, Marketing & Communication, Municipal Affairs & Social
- Membership Tiers & sponsorship options



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# Community Involvement

- Charity Golf Tournament
- Member dinner meetings
- Holiday gathering
- Annual Spring Food Drive



# Important Information

- Website – [www.lpma.ca](http://www.lpma.ca)
- Contact us - 519-672-6999 or [info@lpma.ca](mailto:info@lpma.ca)
- Forms – All forms available in PDF Printable & Electronic Fillable formats

- Standard Lease
- Guarantee
- Assignment Agreement
- Sublet
- Rental Application

VERSION	MEMBERS WITH 1-10 UNITS	MEMBERS WITH 11+ UNITS
PRINT	\$149	\$249
ELECTRONIC	\$199	\$299
BOTH	\$299	\$399

- Move In/Out Checklist form pads also available for \$25/pad



# Questions?

- Introducing the Main event! – Laura Groshok from Cohen Highley to speak about the Residential Tenancies Act



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# Residential Tenancies and the Standard Form of Lease

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# Agenda

- *Residential Tenancies Act (RTA)*
- Standard Form of Lease
- Landlord and Tenant Board (LTB)
- N12/N13 Notices and Legislative Requirements
- Bill 97



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# Residential Tenancies Act (the “RTA”)

## The Basics:

- The RTA is “consumer protection” legislation drafted to strongly favour the rights of tenants; it is not intended or designed to be “fair”
- Ontario has the most strictly regulated residential tenancy and rent control laws in North America and the penalties for non-compliance are among the most severe in North America
- It is critical that landlords educate themselves on the basic rules that apply to their landlord-tenant relationship



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# Residential Tenancies Act (the “RTA”)

- **The Act Applies:**

- Section 3 (1) *This Act ... applies with respect to rental units in residential complexes, despite any other Act and despite any agreement or waiver to the contrary*

- **Conflicts with other Acts:**

- Section 4 *If a provision of this Act conflicts with a provision of another Act, other than the Human Rights Code, the provision of this Act applies.*

- **Provisions conflicting with Act void:**

- Section 4(1) .... *a provision in a tenancy agreement that is inconsistent with this Act or the regulations is void.*



# Standard Form of Lease

- **Section 12.1 of the RTA**
  - Mandatory for most residential rental units (condos, houses, apartment buildings, secondary suites)
  - First required for tenancies entered into on or after April 30, 2018
  - modified version required for leases entered into on or after March 1, 2021
- No penalties or fines for landlords who don't use the proper form, however, failure to use the proper form can allow tenants to break their fixed term lease early



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# Standard Form of Lease

- What if you don't use the prescribed form?
  - Tenant may demand “in writing” a signed copy that complies with the RTA from the landlord
  - If landlord doesn't provide within 21 days, Tenant may withhold rent that becomes due after the expiry of the 21 days (i.e. the next months' rent) to a maximum of one month's rent;
    - Tenant also has 30 days to give 60 days' notice to vacate regardless of lease term
    - If 30 days passes without Tenant giving notice, then bound by non-compliant lease (subject to s. 4)
  - If the landlord provides the signed standard form lease within 30 days of the date the rent was withheld by the tenant, the Tenant must repay the withheld rent; the rent is lost after 30 days



# Standard Form of Lease

- All sections of standard form lease are mandatory and cannot be changed
- Link to Standard Form of Lease:  
<https://forms.mgcs.gov.on.ca/en/dataset/047-2229>



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# Standard Form of Lease

## Section-by-Section

- **Parties to the Agreement:**
  - Landlord’s legal name
  - Consider whether “o/a” should be included
  - Registered owners of rental unit
- **Rental Unit**
  - Parking spaces is ambiguous; if numbers assigned to spaces, reference those
  - Be specific
  - Condominium rules:
    - If the unit is in a condominium, be sure to check “yes”
    - Provide copies of the declaration, by-laws and rules or provide access to those
    - Should be part of the rental application process





- **Contact Information**

- Consent for email service and receipt of notices of termination; Boards Rules of Procedure now permit service of notices of termination in this manner
- 24 hour notice of entry can be delivered via e-mail if have consent of tenant

- **Term of Tenancy Agreement**

- Typically, one year term of lease
- Renews automatically on month-to-month basis at end of term



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- **Rent**

- Typically, on the first of the month
- Combined total rent (lawful rent) will be what is used for annual rent increases
- Discounts are dealt with in a separate section and are discounts from the lawful rent
- If there is a seasonal A/C charge, it should be included here and not in Services and Facilities section



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- **Services and Utilities**

- Exercise caution here e.g. guest parking is not a “service”
- Storage facilities should be separate charge like parking and included in “rent” section
- If tenant is responsible for utilities, ensure they are provided with information for account set-up



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- **Rent Discounts**

- 2% prompt payment discount
- Specify the details in the lease itself or as part of the Additional Terms to the lease
- Use the lawful rent for rent increase purposes



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- **Rent Deposit**

- Limited to amount of lawful rent
- Should be same figure as identified in Rent (Section 5)
- No damage or pet deposits



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- **Key Deposit**

- Amount and description

- **Smoking**

- Can be prohibited (so can vaping, burning, etc. of any substance)
- Be mindful of HRC issues



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- **Tenant's Insurance:**
  - This section is misleading
  - Use additional terms to clarify what the landlord's requirements are
  - Not “up to the tenant”
  - Act is silent on insurance requirements



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- **Changes to Rental Unit:**
  - May wish to specify further restrictions (no damaging adhesives or nails, no wallpaper, etc.)
  - Reference to “reasonable restrictions” doesn’t come from the legislation
- **Maintenance and Repairs**
  - Identify process for submitting maintenance requests in Additional Terms
- **Assignment and Subletting**
  - Use Additional Terms to specify protocols, fees, etc.



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- **Additional Terms**

- Those used by the property management, rental-housing industry are approximately 15 pages
- If you have Additional Terms, they should be attached to the lease **AFTER** the Appendix to the Standard Form of Lease (keep standard document together)
- Have those signed as well and include acknowledgment of tenant relative to receipt of signed copy of lease and additional terms by tenants



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# Landlord and Tenant Board

- Statutory body that adjudicates disputes between residential landlords and tenants
- A Notice to Terminate a tenancy doesn't terminate a lease and give the landlord the authority to evict a tenant– only the Board can do that
- Majority of Notices of Termination have a prescribed notice period (rent- 14 days; interference- 20 days; purchaser's own use- 60 days, etc.)
- You must wait for the time to run on voidable notices e.g. rent and interference



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- For non-voidable notices, you can file the application for termination immediately upon service of the notice of termination (e.g. purchaser's own use or illegal act)
- Wait times at the Board are approximately 3-4 months for non-payment and up to a year for other applications from the date of filing
- Introduction of the **Tribunal Ontario Portal** in December 2021; online filing; online dispute resolution; filing documentation with the Board, etc.



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# N12/N13 Notices of Termination Legislative Requirements

- The penalties for serving “bad faith” landlords’ and purchasers’ own use forms have increased
- Tenants now have up to 2 years after they vacate to file a claim the landlord did not allow them to move back after N13 for renovations (remains 1 year for other allegations of bad faith)
- Landlords will be required to disclose history of N12/N13 notices for any rental unit in the past 2 years in application for termination
- Tenants may now claim and be awarded one full years’ rent (“general compensation”) PLUS all moving, storage etc. expenses PLUS difference between old and new rent for a year



# N12/N13 Notices of Termination Legislative Requirements

- Reminder: minimum 1 month compensation to be paid; compensation must be paid on or before the termination date identified in the notice of termination; compensation to be paid regardless of who (landlord or purchaser) is moving into rental unit
- Interpretation Guideline # 12 (Eviction for Personal Use, Demolition, Repairs and Conversion)
- File the L2 Application within 30 days of the termination date or you have to start the process over again!



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# Bill 97, Helping Homebuyers, Protecting Tenants Act, 2023

- Introduced on April 6, 2023 (First Reading)
- Act to amend various statutes with respect to housing and development
  - Planning Act
  - City of Toronto Act
  - Residential Tenancies Act
  - Municipal Act
- Goal is to increase housing supply across the province



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## Bill 97 (cont'd)

- New section 36.1: permits tenants to install and use a window or portable air conditioner in a rental unit for which the LL doesn't supply air conditioning
  - Where LL doesn't supply air conditioning
  - Where LL responsibility for supply and payment of electricity, may impose season increase



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# Bill 97 (cont'd)

- Section 50(3): N13 notices (building permit and vacant possession)
  - Notice must include a report prepared by a person with prescribed qualifications which states that the repairs or renovations are so extensive that vacant possession is required

Section 50 (3.1): failure to meet the requirements, will render notice void

- Section 53: N13 Right of First Refusal
  - If tenant gives notice they wish to have right of first refusal, LL must provide specified/prescribed notices to the tenant respecting the unit's readiness for occupancy



60 days' notice to exercise right of first refusal to occupy unit



# Bill 97 (cont'd)

- **Bad faith notices (N12):**

- New s. 57(6.1) will provide that if none of the specified persons occupied the rental unit within the prescribed period (?) after the former tenant vacated the unit, it is presumed the landlord gave the notice in bad faith and the unit wasn't occupied within a reasonable time

- **Section 206: Settlement Agreements:**

- Amended to require that the written agreement reached between the LL and T to resolve the application be in the form approved by the Board

- **Section 238: Increase maximum fines**

- Individual: \$50,000 to \$100,000
- Corporation: \$250,000 to \$500,000



# QUESTIONS?

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