

Government Imposes Standard Lease on Ontario Landlords as of April 30, 2018

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As of April 30, 2018, landlords of most residential rental units in Ontario are required to use a standard form lease agreement created by the Ministry of Housing. This change is one of the many updates to residential tenancies law in Ontario since the provincial government passed the Rental Fairness Act, 2017 last May. The standard form lease is intended to ensure that both landlords and tenants act in compliance with the Residential Tenancies Act, 2006, which sets the rules for residential tenancies in Ontario.

Using the new standard form lease is mandatory for most private residential landlords across Ontario, including all landlords leasing apartments, condominiums, single and semi-detached homes, and secondary units such as basement apartments. The standard form lease does not apply to care homes or retirement homes, but the government has expressed an intent to develop a standard form lease for these types of tenancies in the future.

The standard form lease agreement must be used for all new tenancies as of April 30, 2018. It is not required for existing tenancies, or for tenancies that are renewed under the same tenancy agreement previously used or deemed to be renewed after April 30, 2018.

A tenancy agreement is not void, voidable or unenforceable solely by reason of not complying with the requirement to use the standardized form lease. However, if a landlord does not use the standard form lease for a new tenancy after April 30, 2018, but the tenant requests it, the landlord must comply within 21 days of the tenant's request. If the landlord fails to do so within the 21-day period, then the tenant can withhold one month's rent and/or give 60 days' notice to terminate a fixed-term or yearly tenancy. While the tenant cannot withhold more than one month's rent, the tenant does not have to repay the withheld rent if the standard form lease is not provided within 30 days of the withholding.

The standard form lease may come as a particular challenge for larger, institutional landlords (like landlords of apartment complexes) who already have a template lease agreement in place. Thankfully, for landlords using lease agreements that are consistent with residential tenancy laws, making the switch to the standard form lease will not be



too daunting. The standard form lease begins with a collection of basic information and terms usually found in every lease (and included in the Residential Tenancies Act, 2006). At section 15 of the standard form lease, there is a section for "Additional Terms," which can be listed in an attachment. Negotiated terms used between the parties in a prior form of lease agreement, if not already in the standard form lease, can be incorporated through section 15. As with earlier lease agreements, landlords will have to be careful that the custom terms listed do not conflict with the rest of the standard form lease, or with the Residential Tenancies Act, 2006.

By

John McIntyre, Andrew Guerrisi, Taha Hassan

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BLG Offices

Calgary

Centennial Place, East Tower 520 3rd Avenue S.W. Calgary, AB, Canada T2P 0R3

T 403.232.9500 F 403.266.1395

Montréal

1000 De La Gauchetière Street West Suite 900 Montréal, QC, Canada H3B 5H4 T 514.954.2555 F 514.879.9015

Ottawa

World Exchange Plaza 100 Queen Street Ottawa, ON, Canada K1P 1J9 T 613.237.5160 F 613.230.8842

Toronto

Bay Adelaide Centre, East Tower 22 Adelaide Street West Toronto, ON, Canada M5H 4E3 T 416.367.6000 F 416.367.6749

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1200 Waterfront Centre 200 Burrard Street Vancouver, BC, Canada V7X 1T2

T 604.687.5744 F 604.687.1415

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