THE INVESTMENT PROPERTY OWNERS ASSOCIATION OF NOVA SCOTIA

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Rebalancing the Relationship:

The Case for Revising the N.S. Residential Tenancies Act

A Position Paper

October 2010

Imagine this…

Steve visits a Halifax car dealership one evening. He has his heart set on a black BMW 320i. He haggles a bit over the terms of the lease agreement, but quickly settles on a four-year deal and signs on the dotted line. For the privilege of zipping around town in this sweet ride, Steve has agreed to pay $750 a month. Off he drives into the sunset…

Fast forward two years. The man has stopped making his car payments. Maybe he's lost his job and cannot pay; maybe he's just bored with 'his' Beemer or maybe he is just generally poor at financial management. Whatever the reason, the wheels of the repossession are soon rolling ahead and within a matter of days Steve has relinquished the keys. The dealer has his car back.

Now imagine that Steve has failed to pay the rent on an apartment. Logic, plus experiences like the one at the car dealership, dictates that he will soon be moved out and the landlord will have his or her keys back so that the suite can be re-rented. But this is not the case. At least not in Nova Scotia, where the Residential Tenancies Act (RTA) as it now stands makes re-renting the premises of a non-paying (or otherwise lease-breaking) tenant a lengthy and often costly process for those who own apartment properties.

In fact, the process of eviction due to non-payment routinely takes three months, and can stretch out over a year before a difficult tenant has exhausted all possible avenues of appeal and delay. In sharp contrast, property owners in New Brunswick can re-claim the premises of a non-paying tenant evicted within 30 days (see Case Study attached).

IPOANS members are united and adamant that the RTA must be overhauled in such a way that landlords and tenants be bound to legislation that is fair and reasonable to both parties.

This Position Paper and its' corresponding appendix is based on a line-by-line review of the RTA, comparisons with other provinces, and real-life examples of how the landlord-tenant relationship in Nova Scotia is unbalanced in its current form. We then offer in the

appendix concrete ways to restore the legislative balance, and do so in a manner that will produce far fewer disputes between landlords and tenants while delivering quicker, more amicable resolution of those disputes that do arise.

It is worth taking a very broad view of the rental system in order to understand problems in the current environment. First and foremost, investment properties are by definition intended to produce a return on investment for those who invest and take the risk. This for-profit enterprise is anchored by contracts between landlords and tenants – legal documents that require landlords to supply reasonable accommodation in exchange for reasonable rents to be paid when due.

Rental agreements – like the Residential Tenancies Act (RTA) that governs them – are designed to protect both parties and are not intended to favour one party over another. And yet the time requirements under the existing "Notice to Quit" clause of the RTA is one of many areas where Nova Scotia's legislation fails property owners and favours tenants.

IPOANS has identified the following other Residential Tenancy clauses worthy of review and revision:

- Damage deposits representing only half a month's rent versus the national norm of holding one month's rent as security against rental arrears and property damages,
- Disparity of notice provisions in month to month leases whereby tenants need only give one month's Notice to Quit which does not allow units to be re-rented,
- A weak Collections Policy which enforces a prohibition on collections unless an Order has been issued by the Director of RTA, further clogging the system,
- Tenants leave behind unwanted furniture, decorations and other "junk" that landlords must then store at their own expense while seeking permission to dispose of these items
- Abuse of the Medical Notice to Quit provisions in the Act – which should be completed in full to evidence "significant deterioration of health"
- A poor definition of who is a "tenant" versus subtenant (including subletters, split families, common law families, etc.)
- Tenants are able to appeal a previously agreed to mediated settlement to Small Claims Court after they have defaulted on their rent and been instructed to repay the money owed,
- The inability of landlords to recover costs involved in re-renting apartments if required at the "mid-term" of a lease
- A failure to provide landlords with a means to deal with general problem tenants, including those who fail to follow municipal bylaws (e.g., unsightly premises)

Anecdotally, landlords will say that '98%' of their clients are 'good tenants': people who pay their rents on time, take care of their apartments, and extend courtesy to their neighbours. Similarly, the consensus among renters is that an equally high percentage of landlords are honest, hard-working men and women who keep up their premises and

attend to the needs of their clients. The changes proposed here are intended to resolve disputes that arise when a small percentage of 'problem' tenants (or problem landlords) behave inappropriately.

In the meantime, **good tenants will continue to pay for bad tenants**. The economic reality of the situation is that in those cases where damage done to a unit exceeds the damage deposit collected, or where junk has been left behind in units the cost of rectifying the situation is passed along to the next tenant in the form of slightly higher rent. It can also translate to reduced funds available for required annual maintenance on the property.

It is the position of IPOANS that the Residential Tenancies Act as it now stands is neither fair nor reasonable. It is a dated document (last slightly amended 8 years ago) that offers up too many ways in which a few undesirable tenants can abuse the privilege of occupancy, thereby causing undue hardship for property owners and undue expense for other renters.

The solutions proposed by IPOANS are not radical, and often mirror what has been done on other provinces. These changes include, but are not limited to:

- "14/14" Notice to Quit which dictates that after being 14 days in arrears a tenant can be notified by the landlord he or she has 14 days to vacate the premises;
- Damage deposits representing a full month's rent, thereby normalizing rates and percentages with those in other provinces
- A clear(er) definition of who qualifies as a "tenant"

These are positive steps forward: ways in which the RTA can be revised in such a manner that helps avoid disputes and offers better tenancy experiences for all

CASE STUDY :

Working the System

She seemed like a good tenant when she signed the lease. And Urchin Property Management in Dartmouth, did the usual battery of background checks and sought references to ensure that this was so. But after the first year, things went sideways when the tenant stopped paying the rent on the basement apartment.

So began a litany of cases and appeals that pin-balled from the Residential Tenancies Board to Small Claims Court, swallowing almost a full calendar year of time and an enormous amount of landlord Ursula Prossegger's energy and resources.

Prossegger faced the following timeline to deal with a non-paying tenant:

- At the end of May the tenant stops paying rent,
- By June 23rd an application is made by the landlord to recover the outstanding rent and related expenses (total claim: $800),
- A RTB hearing date is scheduled for August 18th, which translates to an 8 week wait to get a hearing!
- The RTB decision comes down on August 20th,
- An order to pay and vacate is issued with an effective date of August 31st
- On August 27th the tenant files a Notice to Appeal
- A Small Claims Court date is set for September 7th
- Judge adjourns case until Sept 14th,
- On advice from judge, landlord re-issues an NTQ for Sept 30th
- Judge gives final decision for an Oct 15th eviction date.
- Tenant moves out on Oct 15th owing approximately $2,500 to the landlord.

"I probably worked 20 hours a week over six months on this case," recalls Prossegger of the most intense period of the dispute. This involved multiple trips to the RTB, an 8 week wait for the initial hearing date, court and application fees, and eventually 2 sessions in small claims court, each taking 4 hours.

Unfortunately this scenario is far from unique and is a good example of how a tenant can "work the system".

Service Nova Scotia & Municipal Relations -
Residential Tenancies Act Consultation with INDUSTRY (IPOANS)
Required / Requested Changes & Clarifications to the Nova Scotia Residential Tenancies Act & Regulations

Updated : 10-Oct-10

2(a) **Anniversary Date-Definition**

→ The Act does not provide for mid-month move ins. In the case of mid-month move-ins, it would be much simpler if the "Anniversary Date" was deemed to be the first day of the first full month following a period in which a tenant has occupied premises for less than a full calendar month. The entire industry in NS is based on full month periods, and an anniversary date mid way through a month creates an on-going problem with ambiguity for both Landlord and Tenant.

2(j) **Tenant - Definition of term creates problems that were never envisioned**

→ The definition of "Tenant" is inconsistent with Section 3(2). The combination of the two sections results in some rather bizarre outcomes that were never intended to be created.

→ Definition of "tenant" is problematic in that *anyone* that pays rent to a landlord is deemed to be a tenant...which has some very problematic consequences. For example, a landlord that takes rent from a common law spouse (or partner, boyfriend, subtenant, father, son, grandfather, friend, etc.) is deemed to have released a tenant from a written lease and inherited a new month-to-month tenant that can move out at any point in time (they have not received tenancy act and have no written lease). This creates huge practical problems in cases that tenants are out of town, subletting, etc... A simple solution is to have a general statement in the Act that a person that is a tenant is not absolved of their responsibility under their lease just because that Landlord has accepted rental for the premises from another party to be applied to their account. This works both ways ... A tenant can have their lease "stolen" out from under them in some situations... e.g. A short term tenant or subtenant that pays rent directly to the landlord. The Act needs to exclude people that pay rent to a landlord on behalf of a tenant from automatically becoming tenants.

2(j) **Tenant - Definition - reference to superfluous terms**

→ The Act is unclear on what exactly an assignment is...the introduction of the word "assignment" here just confuses issues.

→ What exactly is an "under-tenant" ? Superfluous terms should be deleted because they just create confusion for everyone.

2(j) **Tenant - Definition - Guarantors**

→ The Act is completely silent with respect to Guarantors...which results in a "band-aid" type approach by staff. Introduce the term Guarantor in the Act to clarify that someone that signs a lease to guarantee it is under the same obligations as the Tenant.

5(3) **Disposal of Tenants property left behind at end of lease term or vacating premises**

→ Current requirement is simply ridiculous. Tenants never leave anything of any value behind in apartments when they move out. The only thing that is ever "abandoned" is junk and garbage... Old couches that are too big to move easily, ironing boards, old mattresses, bed frames, junky furniture, etc. The current clause provides that a Landlord must inventory and store materials that are garbage, with no discretion for immediate disposal. In addition, the current wording does not allow the Landlord to charge the tenant for handling and disposal...it is expected that the Landlord can provide this as a free service. No other business / industry operates this way..if you leave something at a movie theatre, on an airplane, in a rental car, etc. it is clearly deemed to be your own fault and the property owner does not have a legal obligation to store it for the other party. Landlords need to incur significant expenses to comply with this clause... handling and storing material that can only be described as garbage. Many landlords are forced to ignore the wording in that Act...which they do not want to have to do as they try to operate their businesses while respecting the Act. Any property that is left behind in a unit or abandoned needs to be deemed to be surplus to the Tenant and is deemed to be available for disposal at the Landlord's discretion, at the Tenant's cost.

6(3) **$25 maximum charge for sublet / assignment review**

→ $25 maximum charge for sublease processing is too low and is outdated. Credit checks can cost $20 each per person. $100 would be more reasonable to reflect costs incurred TODAY by a Landlord for a sublet review.

7(i) **Delivery / provision of Documents**

- → Copy of Act, lease, rules - delivery date time line should start from the earlier of occupancy or lease being signed, versus current timing based on lease execution.
- → Need clarification that the copies of documents only need go to one person in a multi-person lease as it is currently ambiguous or impractical in a multi-party tenant lease situation.

9(9) **Statutory Conditions - Late Payment Penalty**

- → Late Payment Charges - "one percent per month of the monthly rent" (Section 9(9) of the Act) has been repeatedly interpreted by staff as "a one percent flat rate charge"...whether the rent is one day late or two years late - because the Statutory Conditions in Schedule A does not have the "per month" part... This is obviously a "typo" from years gone by that has never been fixed. Staff have indicated that they have an internal "legal opinion" that they only have the authority to level one flat 1% interest charge and cannot make it a "1% per month" charge - even though the section of the Act itself is clear.
- → The word "penalty" should be removed as the courts are generally reluctant to charge "penalties"... It should be reworded to read "Late Payment Charges" so that it is more consistent with generally accepted principals for late payment & interest charges.

10(1)(i) **Notice to Quit**

- → The one month "notice to quit" provision for month-to-month tenants is unreasonable and problematic. Tenants almost always wait to the last day of the month to give their notice, as there is no incentive for doing so earlier. This results in Landlords almost always having the rental unit vacant for a month as they cannot react and remarket the unit fast enough to re-lease it. Virtually all tenants are looking for their new rental premises two or three months ahead of time. They know that they are planning to move, but simply do not "get around" to providing Notice to Quit until the last legal day allowed.
- → Must be changed to two months to reflect the business and operational realities faced by residential Landlords.
- → In the case of loss of income or health deterioration, tenants are protected under other clauses of the Act. Changing the notice provision to two months notice will not create economic hardship to tenants, but does deal with a significant operational issue to Landlords.

10B(b) & 10C(b) **Medical Notice to Quit form**

- → "Medical Notice to Quit" premises must be done using a prescribed form that is completed - in full- by a physician
- → The form must evidence "significant deterioration of health" by the tenant.
- → Industry sees this as necessary to eliminate the abuses that are being perpetrated by unscrupulous tenants that take advantage of busy doctors that write notes to get tenants out of their offices with no regard for the severity of the financial impact of their actions.

10(C)

- → Technical issue - Clarify that "or family member" must be in occupancy of the premises... e.g. - A tenant should not be able to give a Notice to Quit for an apartment in Halifax because their father - who lives in Yarmouth - cannot occupy the father's premises in Yarmouth... This section is just poorly written.

10(5) **Method of Notices - Notice to Quit by either party to a lease agreement**

→ The "permissive" word "MAY" is hugely problematic... It creates a great deal of ambiguity. Landlords that try to follow the generally accepted methods - personal service or registered mail - are met with tenants that deliver notices via unattended mailboxes, faxes, emails, etc.... Landlords do not know what is acceptable or not, and the policy formulated by the department is not being followed by Tenants as they are not aware of the policy. The methods of service for notice to quit and other notices need to be clarified and tightened up and the ambiguity removed. The use of the word "may" should be changed to "shall", or the word may needs to be defined to clearly demonstrate that "may" is not an all inclusive word... E.g. that service may be done by registered mail, personal service, or a variety of other methods. If staff are going to interpret the word may as being more than registered mail or personal service, it needs to be clarified.

→ Ambiguity must be removed ... Gerald Hashey established a policy that stated (paraphrased) that as long as one party could establish that the other party received the document, that was good enough. Some provinces (New Brunswick) allow service via mail with delivery deemed to have occurred three days after being mailed. Mail delivery would be much more practical.

10(6) **14/14 Notice to Quit for Rental Arrears**

→ Current requirement is for Landlord to provide 15 days notice after the rent is 30 days late in untenable and dramatically increases rental income arrears situation and the requirements for Hearings to deal with sizeable rental arrears.

Simpler & Fairer System -

→ Landlord can give notice on the 14th of the month if rent is not paid for the tenant to vacate by noon on 28th. Tenant can pay outstanding rent by 21st to nullify the Notice. This is a simpler system that clarifies the time frames for rents to be paid, and removes any and all ambiguity as to exactly when the tenant must vacate.

→ Any provision that requires a "number of day" to be counted creates another minefield of ambiguity as to which days should be counted (e.g. Business days, holidays, weekends, etc.).

→ Habitually late payment of rent - wording needs to be introduced to deal with habitually late rent payments. Some tenants only pay the rent on the last day possible before Landlord can give legal Notice to Quit - after multiple reminders, visits and phone calls. This is unreasonable. Proposed Habitually Late definition - a cumulative total of 30 days late on separate occasions.E.g. 3 times 10 days late; twice 15 days late; twice 12 days and once 8 days.

→ This will remove ambiguity and discretion from RTO's and will meet spirit and intent of existing 30 day threshold for late payment period.

→ Act must be changed to clarify that a Landlord may give a Notice to Quit for rental arrears (and other situations) in fixed term leases... Now it is ambiguous.

10(8) **Tenure - Length of Time until Tenure Deemed**

→ Currently some tenants groups are calling for tenure to be granted to Tenant after one year of a lease. Industry's position is that a Landlord does not have a long enough history with a tenant after only nine months of occupancy (lease requires 3 months notice to quit) to determine if it is appropriate / prudent to enter into a tenured relationship.

→ Inter-tenant relationships between neighbours (one of the key considerations in long term compatibility between multi-unit building residents) is not known after 9 months.

→ Industry believes that the requirement of a two year period to establish Tenure is a reasonable compromise. Tenure is designed to protect the long term tenant ... A tenant has not established that they are long term tenants after only 9 months in occupancy.

10(8) A → The same issues are relavent in tenure for mobile home teannts, where some tenant groups have requested immediate tenure.

10(8)(f)ii) **Tenure - Provision for landlord to upgrade housing stock to ensure quality does not deteriorate**

→ The provisions for a Landlord to re-secure premises from a tenure situation are too narrow, especially with respect to a landlord that intends to renovate the premises to upgrade the quality of housing provided. Often, premises fall into a state of disrepair during an extended tenancy... And then the Landlord is unable to enter the premises to renovate the premises while a tenured tenant remains in occupancy. The current requirement for a municipal building permit is simply inappropriate. Building permits are not required for interior work such as replacing kitchen cabinets, replacing bathtubs and bathtub walls. Furthermore, it is often impossible to secure a building permit in an older, existing building that is grandfathered from current National Building Code requirements...because a permit for a simple interior renovation requires other larger - often impossible- items to need to be addressed that are well beyond the scope of the intended renovations/upgrades.

→ Possible solution - if the landlord intends to significantly renovate the premises by expending an amount equal to three months rent on the premises, the tenure provisions for Notice to Quit should not apply. Notice could be served jointly on the Tenant and the Director to deal with these sensitive situations, so that the Director is made aware of the special notice being used, and to act as a deterrent to Landlords using it frivously and inappropriately. Tenants would still have a right to appeal the Notice, to be able to make the Landlord meet the test as to their intentions.

10 NEW ITEM

Ability for Landlord to give Notice to Quit for Tenant's non-compliance with Municipal Bylaws

→ Time lines must be clarified for landlord's ability to give notice to quit to Tenant for failure to respect municipal bylaws.

→ Ability to issue Notice must not be tied to actual tickets, convictions... As it is the property owner that would be ticketed, fined or charged... cannot get into a situation where the evidence required to provide Notice comes at the expense of the property owner being charged or convicted of an offence perpetrated by a Tenant.... Must be based on simple non-compliance by Tenant with Municipal Bylaws.

→ Tenants must be held responsible for Municipal fines as additional rent.

10 NEW ITEM

Notice to Quit for individuals involved in building operations

→ After considerable discussion within Industry, it is agreed that if a Notice period is to be specified under the Act that it must be tied to the normal employee relationship notice period of two weeks. In the event that criminal charges are laid against the former staff member, the notice period should be reduced to 72 hours.

→ These situations are rarely good for anyone - especially tenants - as their safety can be threatened (real or perceived) by the continued presence of an individual that has been involved in criminal activities.

→ The staff person normally occupies the only unit suitable in a building for the incoming new staff and the premises may be equipped with unique equipment (video or security systems) that cannot be moved to another premises within the property ... The landlord needs to be able to re-use the property manager premises as soon as reasonably possible.

11(A)4 & 14

Mobile Homes - Rent Review

→ Rent control systems in other jurisdictions have proven to be ineffective in creating a fair and reasonable process for rental increases. i.e. Ontario's allowable increase in 2010 is only 0.7%. This increase discourages landlords to conduct improvements and repairs. This is unfavorable for tenants, as they will pay an increased rent, however the increase is not substantial enough to encourage investment by Landlords. In an uncontrolled system, a Landlord can recapture investment through increased rents, and ensure that communities are maintained and invested in regularly

If Controled → Landlords need the ability to have a simplified fall-back position to increase rents each year based, on a CPI allowance, without threat of an appeal by residents.

→ The CPI must reflect actual construction or project improvement related costs for Nova Scotia, and shall not be the generic province wide consumer basket "retail consumer" CPI index.

→ Yearly CPI increases need to be cumulative for Landlords who choose not do a rental increase each year (for example: 3% + 3% = a 6% increase if only given every two years).

→ Landlords may apply for an AGI (above guidelines increase) based on Operating Expenses for the property and/or Capital Expenditures.

→ Process for AGI must be 100% transparent - currently there is no transparency and Landlords are subject to "Black Box" type calculations that create a system of no accountability on the part of the Tenancies officer for increases permitted.

→ On turnover or sale, Landlord should not be restricted to CPI allowance increase... Landlord may use market level rentals. If a Landlord gives a little old lady a break on the rental rate because she is on a tight fixed income, the Landlord must be able to move to market rents at the time of a sale or change in possession.

12(2) **Damage Deposits :**

- → A change to a full month rent as the maximum security deposit would bring Nova Scotia in line with Security Deposit requirements in other jurisdictions.
- → The norm in Canada and North America is for the Landlord to hold one full month's rent as security against rental arrears and property damages.
- → In the interest of maintaining access to affordable housing to lower income renters, a compromise position to today's Security Deposit policy (Half month rent maximum) would be to have a simple tiered system with "luxury" apartment rentals able to maintain the "Canadian Norm" level of a full months rent as a Security Deposit.

→ Actual percentages :

10.05% of Nova Scotia rents > $1000/mth	89.95% of Nova Scotia rents < $1000/mth
28.70% of Nova Scotia rents > $800/mth	71.30% of Nova Scotia rents < $800/mth

Note : Figures per CMHC for Province of Nova Scotia

- → The vast majority (71.3%) of rental units in Nova Scotia are < $800/month.
- → $800+ per month would widely accepted as "luxury housing" type accommodations in virtually all markets except the Halifax peninsula. A $800 per month threshold will not affect lower income housing requirements, or "affordable" housing for tenants.

- → In a free-market environment, Landlords should be able to set rental criteria based on market forces. Unrestricted damage deposit policies should be permitted on newly constructed apartments units brought to market after January 1, 2011. This does not affect existing residents in existing buildings.
- → For example, if a Landlord believes that there is a market for super-high end rentals at $1500-3000 per month...but needs to install gold platted faucets to cater to the needs and wants of that market, and people are willing to pay $1500-3000 per month in rent AND they are willing (AND ABLE) to pay a damage deposit of two months rent to be able to move into such a high end property, why should the Landlord be legally prohibited from accepting a damage deposit equal to 2 months rent ???
- → Maintenance demands of these very high end properties is extremely high... People expect the granite countertop to be replaced if it was scratched by the previous tenant.
- → If people do not accept the market driven damage deposit policy of the Landlord for a new property, they do not need to be compelled to move in to a brand new building with such a market-based damage deposit policy.

New Concept - Pet Damage Deposits

- → This is not a new concept and is used by some other jurisdictions in Canada.
- → If damage deposits cannot be one full month's rent in general, this would be part of a compromise solution
- → Pets are a major source of damage to residential units - carpets, under pad, walls, doors, landscaping, etc. - all receive excessive abuse from pets.
- → Pets are not a mainstay of "affordable" housing. Pets are an expensive, optional lifestyle choice that is a luxury. If a pet owner is willing to pay a vet hundreds of dollars for medical assistance when the pet needs it, it is difficult to argue against the reasonableness of a landlord being permitted to require an additional deposit monies from tenants that want to have pets occupy their units. Pet Deposits should be market determined (a cat would be less than a Rottweiler dog...)
- → Landlords should be allowed to maintain separate deposits for tenants that have pets to minimize the costs incurred from pet damage

12(4)

- → Eliminate references to damage deposit interest rates from 30 years ago in Act, and put them in regulations to get rid of confusion created by old rates that are high (e.g. current Act refers to 1982 rates of 12% per annum).

15(1) **Service of Documents**

- → See 10(5) above for same problem.

16(3) **Ability to Appeal a previously mediated settlement.**

- → The existing ability for a party to appeal a mediated settlement to Small Claims Court is hugely problematic for industry. The appeal is never done until one of the parties has defaulted on the previously agreed mediated settlement - and is used as a further stalling tactic by the defaulting party to further delay payment of monies or compliance with an agreement reached after having waited weeks or month for a Hearing.

- → The Residential Tenancies Officer must maintain control over a Mediated Settlement for 1 year - to permit staff to monitor both parties performance.

17(1) **Time Frame inposed on Director for Hearing Decisions**

→ Legislated requirement for Decisions from hearings to be rendered should be reduced to 7 days versus current 14 days... Will expedite the hearing process.

17C (3A) **Service of Documents**

→ service of documents - word change the word "may" - same problem as 10(5) above.

Residential Tenancies Regulations

5 **Security Deposit Interest**

→ One percent per annum is excessive and "above market" interest yields to tenants at significant expense to the Landlord.

→ Deposits held on deposit "in trust" at Canadian banks earn between 0.0000 % and 0.0025% interest per year.

→ By comparison, deposits paid by customers to NS Power accrue no interest. The current rate structure was written when interest rates and rates achievable on deposits was significantly higher than it has been for the last 10-15 years. Damage deposits should earn no interest as they are held in a trust account that has service charges and that earn no interest...resulting in a sizeable net cost to landlords.

24(1) **Disposal of Tenants Property**

→ Once again, all that tenants ever leave behind is junk. This is an unnecessary task to assign to landlords... Handling, storing and reporting on material that is literally garbage is ridiculous. The onus needs to be on tenants to remove materials from apartment units at the end of the lease term.

→ An abandoned mobile home should be considered in the same manner as abandoned personal property in an apartment

24(3) **Disposal of Tenants Property**

→ Add Landlord's ability to dispose of material that is left in apartment at the end of lease term, provided an inventory is filed with Director. Normally the tenants that leave the junk behind do not leave a forwarding address... How is the notice specified supposed to be mailed in this case ???

24(A)(2) **Secured Interests - Mobile Homes**

→ mobile homes - Industry requires the ability to see a Directors order to be issued to clear the title of abandoned mobile homes from secured interests. If the lender/secured party does not act...they will forfeit their security interest in the property.

Statutory Conditions

Statutory Conditions-Form H

→ See comments above on "Late Payment" wording Section 9(9) of Act above

Other General Areas Identified that Need to be addressed

Vacant possession versus termination -

- → Need to clarify that when a tenant defaults for rental arrears, noise issues, etc. that they are responsible for the rental obligations under the lease until the unit is re-rented or the end of their lease terms - whichever comes first. Much discussion is had at Hearings over the nuances between "vacant possession" and "termination", while the Act appears silent on both terms. Staff have different views on this complex subject, which is not even addressed in the Act or Regulations.
- → A simple statement could clarify the above. Introduce definitions for the concepts of "Vacant possession" and "termination" and review the Act and Regulations to insert them as appropriate to remove ambiguity.

Tenant Insurance

- → In Nova Scotia it is widely regarded as logical, prudent and reasonable that all vehicle operators must be insured to cover their own liability. This requirement is entrenched by law.
- → Tenants' property is not and cannot be covered by Landlord's insurance. The Landlords insurance covers the Landlord's property and does not deal with costs incurred by Tenants.
- → This combination of protection of other tenants property and general liability coverage for tenants creates the need for tenants to carry tenants insurance.
- → In recognition of the great hardships that are created by the lack of tenants insurance - primarily incurred by other tenants, there must be a provision that Tenants must carry tenants insurance as a statutory provision in the Act ... Just like in the Motor Vehicles Act.

- → Most Landlords require tenants to carry tenant insurance under the terms of their lease document and/or the rules/regulations for the premises.
- → Tenants often ignore the requirement, or cancel coverage after providing evidence of coverage to the Landlord.
- → If a mandatory requirement for Tenant insurance cannot be established (as per above), there must be a provision that if the lease document provides that the Tenant is required to carry tenant insurance and the tenant cannot produce evidence of insurance upon request by the Landlord, the tenant shall be considered to have defaulted in their monetary obligations to the landlord and the Notice provisions for unpaid rent shall prevail.

IPOANS

Re-Balancing the Relationship between Tenant and Landlord

A case for revising the NS Residential Tenancies Act and some of its processes.

Top 6 RTA Issues

IPOANS

1) NTQ
2) Damage Deposits
3) 30 Days NTQ on MTM
4) MHC Derelict Homes
5) Tenure
6) Disposal of abandoned property

Top 3 Systemic Issues

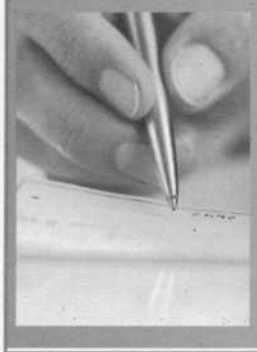
IPOANS

1) Service Delivery Issues
2) Inconsistency of decision making by RTO's
3) Collections Policy

Top 6 Issues with RTA

IPOANS

1) Notice to Quit



Current – 15 days notice after 30 days in arrears (some tenants pay habitually late knowing this process; landlords lose multiple months of rent before directors order of eviction).

Proposed – Landlord can give notice on 14th if rent not paid, for vacant possession on 28th day of month

Top 6 Issues with RTA

IPOANS

2) Damage Deposits

Current damage deposits of ½ month's rent are not sufficient to cover damages left by many tenants.

Typical Suite – 3083 Olivet Street

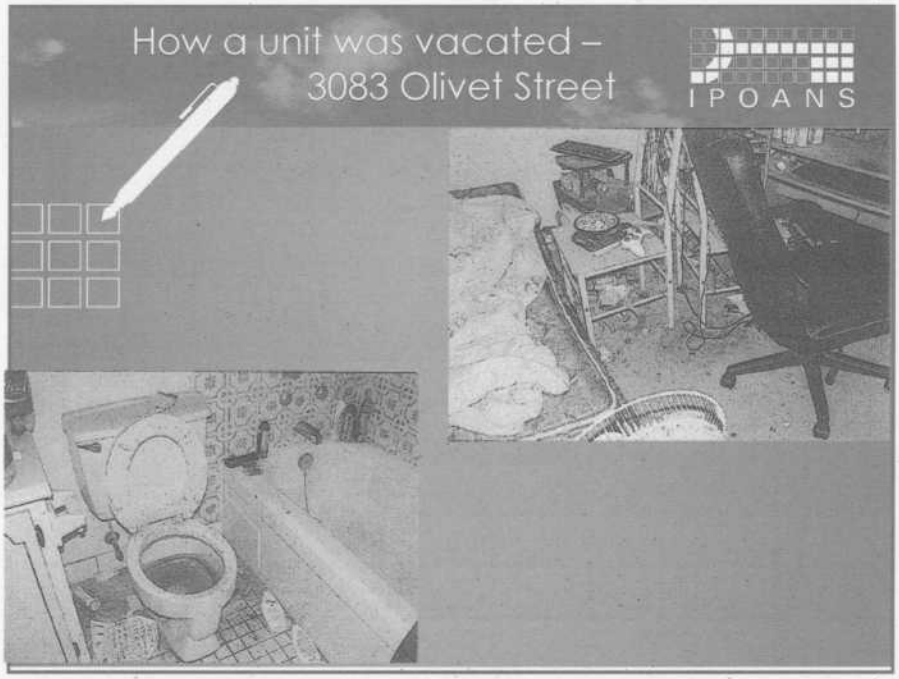
IPOANS

How a unit was vacated –
3083 Olivet Street

IPOANS

How a unit was vacated –
3083 Olivet Street

IPOANS



Southwest Properties Limited
Security Deposit Report

Tenant(s): [redacted]
#208, 3083 Olivet Street

Security Deposit: 26-Apr-04

Amount:	$265.50
Interest:	$13.64
Total:	$279.14

Deductions:

April 2009 Rent	$596.00
Junk Removal	$672.35
New Tub	$ 180.00
New Toilet	$ 135.00
New Vanity & Sink	$ 340.00
New Kitchen Sink & Taps	$ 260.00
New Countertop	$ 300.00
New Cupboards	$ 4,000.00
10 Hrs Cleaning	$ 150.00
Labour (Carpentry/Maintenance)	$ 350.00
Labour (Plumber)	$ 350.00
Total:	$7,333.35
Balance Refund/Owing	($7,054.21)

Top 6 Issues with RTA

IPOANS

What is the norm across the country?

ONE MONTH DEPOSIT	50% DEPOSIT	50% DEPOSIT 100% WITH PET	NO DEPOSIT
Ontario	Nova Scotia	Manitoba	Quebec
New Brunswick		British Columbia	
Newfoundland			
Prince Edward Island			
Saskatchewan			
Alberta			
6	1	2	1

Top 6 Issues

IPOANS

- Security Deposits: ½ month is insufficient.
  - **Proposed – One Month's Rent (as is standard in 6 of 10 jurisdictions: NB, Ontario, Nfld, PEI, Alberta, Sask)**

Month to Month Leases

IPOANS

3) Current - 1 month notice to vacate on month to month leases from tenant vs. 3 months notice to vacate on month to month leases from landlord

Proposed: 2 months notice to vacate on month to month leases by tenant

Top 6 Issues with RTA

IPOANS

4) Maintaining quality of communities for Mobile Home Parks

→ Derelict Homes

→ By-law Enforcement

Proposed Legislation Bill-118 prevents owner of community to deal with derelict homes.

Top 6 Issues with RTA

IPOANS

5) Current discussion - to reduce the time period where tenants acquire tenure to 1 year (effectively 9 months).

Proposed: Tenure acquired after 2 years (effectively 21 months)

Top 6 Issues with RTA

IPOANS

6) Disposal of abandoned property – Current legislation requires landlord to inventory and store left behind items for 60 days at the landlords own expense.

Proposed - Abandoned property should be deemed abandoned.

Abandoned Property

IPOANS

Should we have to inventory and store this?

Systemic Issues

IPOANS

- Service Delivery Issues
  - 6-8 weeks for hearings minimum in HRM
  - Prohibition on collections without Order of the Director
- Inconsistency of RTO Decisions
  - Unfair to LL's and Tenants alike
  - Inability to use precedent
  - Decisions that directly contravene the act and policies (i.e. co-signors)

Top 6 Issues with RTA

IPOANS

4) Maintaining quality of communities for Mobile Home Parks

→ Derelict Homes

→ By-law Enforcement

Proposed Legislation Bill-118 prevents owner of community to deal with derelict homes.


STOP