

LANDLORDBC

March 25th Government Announcement Regarding Residential Tenancies and COVID-19

What Landlords Need to Know

The announcement made by Premier John Horgan, Housing Minister Selena Robinson, and MLA Spencer Chandra-Herbert outlined several initiatives and policy changes that will occur to address the unique challenges landlords and tenants are facing in the time of COVID-19. The plan from government has a broad scope, touching on rent increases, evictions, access to common areas, methods of service, and landlords' access to rental units. With that said, a core message delivered by the Premier is that tenants should still be paying their rent and the Province of BC, in partnership with other provincial and federal aid programs, will be there to ensure they are.

Rent Increases

The premier announced that a "Rent Freeze" will be implemented effective April 1st and will be in effect for the duration of the Provincial State of Emergency. The rent freeze, which is really a rent increase freeze postpones the effective date of any rent increase set to be effective while BC is in a State of Emergency. The earliest any rent increase will be effective is after the State of Emergency is lifted. ***To reiterate, this is a freeze on rent increases not a freeze on rent in general.***

Q: Is the rent increase I served last month still effective?

A: No, the tenant will continue to pay their rent at the current rate with no increase.

Q: Can I serve a rent increase next month to be effective after things have normalized?

A: While LandlordBC urges all landlords to refrain from serving Notice of Rent Increases during these already uncertain times, there is no official ban on rent increases. The earliest any rent increase would be considered effective would be after the Provincial State of Emergency.

Rent Supplement for Low to Middle Income Tenants

The focus of the announcement was on a new supplement to help tenants pay rent. This new supplement will be administered by BC Housing in a similar fashion to their other rental subsidy programs such as SAFER. While full details on how this subsidy will work have yet to be released, it was announced that the subsidy available is up \$500 and will be paid directly to the landlord. Our understanding is that a tenant facing a reduction in income due to COVID-19 who has also applied for federal aid will be eligible for this additional rent supplement.

No information currently as to when this program will fully launch and how exactly tenants will access this new supplement is currently available. However, the Housing Minister did say during her March 25th announcement that the forms were under development. We will continue to keep you informed on the progress of this important rental aid program.

Q: Do I apply for the rental supplement or does my tenant?

A: The rental supplement is meant to be applied for by tenants, but the payment is made directly to their landlord.

Q: Is this supplement provided instead of EI or other government aid?

A: No, this supplement is meant to be in addition to other government aid with the exception of those already on a rental focused provincial subsidy such as SAFER.

Q: Is the tenant still responsible for the remainder of the rent?

A: Yes, tenants are responsible to pay their rent, this supplement is meant to help cover a portion of a tenant's rent with the remainder coming from other sources of income such as EI, Canada Emergency Response Benefit, and the BC Emergency Benefit for Workers.

Evictions

Currently, we are in a state of emergency which requires many of us to stay home. It is important that people have stability in their housing situation. To address this issue the provincial government has halted the use of eviction during this crisis. This would mean that if a tenant does not pay rent on the first of the month a landlord should not issue a 10-day Notice as serving this notice would have no effect. This also means that end of tenancy procedures that have already begun will not be enforced by the RTB or a bailiff.

This does not mean that tenants do not have to pay rent. Indeed, the message from Premier John Horgan was clear- tenants who can pay their rent, should continue to pay their rent. If a tenant does not pay rent, we encourage landlords to communicate the options available for financial aid through federal, provincial, and municipal programs.

Landlords can also enter into a payment agreement with their tenant whereby it is acknowledged that rent was not paid in full and will be repaid in accordance with a payment schedule that both landlord and tenant agree to. A sample of this agreement form is attached to this email.

For any end of tenancy procedures that may have already begun it will be important for both the landlord and tenant to communicate to ensure both parties are on the same page. If, for example, a landlord served a 4-Month Notice to End Tenancy in December of 2019 to have the vacate at the end of April the landlord and tenant should have a conversation confirming the continuation or end of the tenancy.

Q: Is rent still due on the 1st of the month?

A: Yes, though some tenants facing significant reductions in earnings may not be able to pay their rent on the first as it is unlikely they will receive payments from EI, Canada Emergency Response Benefit, and the BC Emergency Benefit for Workers in time to make their April 1st rent payment.

Q: If my tenant does not pay their rent on April 1st what should I do?

A: Reach out to your tenant to discuss their situation. If they are having a difficult time coming up with the funds to cover their rent, you should suggest making a payment agreement.

Q: What is a Payment Agreement?

A: We have included a Payment Agreement form which allows the landlord and tenant to agree to a deferral of all or part of their rent for a month to be paid over a specified period. Both landlords and tenants should work together to ensure a reasonable agreement is reached.

Q: What if I have a violent tenant, can I end their tenancy?

A: Yes, the Residential Tenancy Branch is still in operation and will be taking applications for expedited hearings in situations where a tenant has put the safety of the landlord or other tenants of the residential property at risk.

Q: My tenant is breaching a material term of my tenancy agreement can I evict them, or should I issue them a Caution Notice?

A: At this time evictions are prohibited; we recommend landlords document infractions and communicate with their tenant their concerns. Once this order is lifted, landlords will be able to more thoroughly address issues.

Landlord's Right to Enter Rental Unit Restricted

Under this announcement landlords will not be able to enter a tenant's rental unit without the consent of the tenant unless there is an exceptional situation that warrants entry to protect the health or safety of the tenant or other occupants of the residential property. We have previously communicated to our members to avoid entering a tenant's rental unit to show the unit or perform routine maintenance and this recommendation still stands.

Email or text message may be used to request consent from a tenant to enter their unit and email or text from the tenant providing consent is also sufficient. As in any situation we recommend landlords keep a record of their communication with their tenants. Again, we encourage all landlords, for the safety of themselves, their family and their tenants, to put off any regular maintenance and only conduct suite showing on vacant units.

Q: If I see water flowing out of my tenant's rental unit, am I allowed to enter their unit or do I have to wait to ask them for consent to enter their unit?

A: In emergency situations landlords may and should enter their tenant's rental unit to assess and resolve the issue.

Q: I am conducting my annual inspection next month, am I allowed to enter my tenant's unit?

A: While landlords may enter with the consent of their tenant it is advised that landlords not conduct their regular inspections or maintenance. Landlords should limit their entry to rental units to only situations where it may be necessary, such as an emergency repair.

Q: I have a tenant moving out next month and I would like to show the rental unit, am I allowed?

A: Showing a tenanted suite at this time is not recommended even with the consent of a tenant. Landlords should stick to showing only vacant suites and, in such cases, stick to strict social distancing practices.

Methods of service

During this health crisis we must adhere to social distancing and must limit our contact with people outside our household. To help facilitate this, email will become an approved method of service and both landlords and tenants should not serve anything in person. ***As in any situation landlords should ensure they keep copies of their communications with tenants.***

Landlords must also consider their duty to protect a tenant's personal information. When using email landlords should ensure they have a secure password and are using a trusted email service provider.

Consider setting up an email address specifically to be used to manage your properties, communicating with tenants, and serving notice to limit the chance of information being accidentally shared or accessed.

Q: Is text message an approved method of service?

A: No, landlords and tenants may now use email as an approved method of service, but text message should only be used for communications where service of a specific document is not required.

Q: Can I knock on my tenant's door to provide them with a document?

A: No, landlords should stick to other methods of service such as email.

Restricting the Use of Common Areas

While many landlords have already taken the prudent step of restricting access to common areas such as gyms, game rooms, or pools by their tenants or guests, the announcement yesterday cements this as a landlord's right. Landlords may also set limits to the number of individuals allowed in a laundry room at any given time or post rules prohibiting tenants or their guests from gathering in lobbies or hallways.

Q: Do I have to reduce my tenants rent because I am restricting a service or facility such as the pool or gym?

A: No, the closure of pools, gyms, games rooms and other common areas is meant to be temporary to ensure the safety of all tenants and the landlord. Landlords are not required to reduce the rent but are also required to re-open such facilities when the government deems it is safe to do so.

Q: How do I inform my tenants of these new restrictions?

A: Landlords should post signage in common areas explaining the required closures and limitations.