

Best Legal Practices In Owning And Operating Rental Property: How Covid-19 Impacts Landlords, Realtors, Investors and Tenants!

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Introduction

* About Bitu:

Real Estate Broker

Property Manager

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How Many Tenants Actually Paid Rent On April 1?

- * Media sources: 85%-90% of Canadian tenants in Ontario paid April rent.
- * Although 85% is a (rather high) percentage, the remaining 15% is equal to 75,000 households (in Ontario) **DID NOT** pay rent.
- * **Predicted for May and June-** the percentage of tenants who pay rent will decline as more and more tenants would end up in delinquency due to the pandemic.
- * Commercial tenants are not protected.

People all over Toronto say they're not going to pay rent on April 1



Can tenants stop paying rent during the Covid-19 pandemic?

- * NO!
- * RTA- Rent is due and payable on or before the 1st of the month.
- * Rent is considered late if it is not paid by the day that it is due.
- * If a tenant does not pay rent by the date that it is due, the landlord can give the tenant an N4, the day after the rent was due.
- * The N4 gives the tenant an option to **pay** all arrears owed, **IN FULL**, or, **move out** of the rental unit **within 14 days**.
- * After 14 days, if the tenant does not pay in full and if they are still in possession of the rental unit, the landlord can apply to the LTB for a hearing date.

N4- Notice To End Tenancy For Non Payment Of Rent

Notice to End your Tenancy
For Non-payment of Rent
N4

(Disponible en français)

To: (Tenant's name) include all tenant names	From: (Landlord's name)
Address of the Rental Unit:	

This is a legal notice that could lead to you being evicted from your home.

The following information is from your landlord
<p>I am giving you this notice because I believe you owe me \$ <input type="text"/><input type="text"/><input type="text"/><input type="text"/><input type="text"/><input type="text"/><input type="text"/><input type="text"/><input type="text"/><input type="text"/><input type="text"/>.<input type="text"/><input type="text"/> in rent.</p> <p>See the table on the next page for an explanation of how I calculated this amount.</p> <p>I can apply to the Board to have you evicted if you do not:</p> <ul style="list-style-type: none">pay this amount by <input type="text"/><input type="text"/><input type="text"/><input type="text"/><input type="text"/><input type="text"/><input type="text"/><input type="text"/><input type="text"/><input type="text"/>. This is called the termination date. dd/mm/yyyyOrmove out by the termination date. <p>If another rent payment becomes due on or before the date you make the above payment to your landlord, you must also pay this extra amount.</p>

The following information is from your landlord				
This table is completed by the landlord to show how they calculated the total amount of rent claimed on page 1:				
Rent Period From: (dd/mm/yyyy) To: (dd/mm/yyyy)		Rent Charged \$	Rent Paid \$	Rent Owning \$
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Realtors CANNOT fill out or serve this notice!

The Eviction Process: N4/L1 Application

Tenant doesn't pay rent on the 1st of the month

Landlord can send tenant an N4- Notice to Terminate Tenancy for Non Payment of Rent which requires the tenant to pay the full rent in 14 days or move out.

On day 15, the landlord can file with the LTB an L1- Application to Evict a Tenant for Non Payment of Rent and to Collect Rent the Tenant Owes and pay the filing fee.

LTB sends a notice to all parties for the hearing date.

The Eviction Process: N4/L1 Application Continued

On the hearing date, there are 2 options available to the parties:

1. Appear before the adjudicator
2. Mediation

An agreement is formed. (Landlord has the duty to accommodate)

Breach of agreement made by the adjudicator or mediated agreement can result in an order to terminate tenancy with 11 days notice to the tenant.

On the 12th day, the landlord can file for eviction with the enforcement office for the sheriff.

The Eviction Process: N4/L1 Application Continued

The enforcement office then issues a 2-3 period date to call in for the eviction with your file number.

On the date of the call in, the sheriff will give the date and time for the eviction.

On the date of the eviction, the sheriff will escort the tenants out of the rental unit, and the landlord can change the locks and secure the unit.

The landlord must allow the tenants 72 hours to remove belongings, failure to do so within the time period may result in the landlord discarding the items.

Recovering Unpaid Rental Arrears

After An Eviction

- * Apply to the Small Claims Court for any amounts owing up to \$35,000 plus costs.
- * If awarded the outstanding arrears, the landlord still has to collect.
- * Most common way to collect outstanding arrears from tenants: **garnishing of wages** (provided that the tenant works).



Can landlords still serve notices (N4, N5, N6, N8, N12, N13) to tenants?

- * Yes! The landlord has the right to serve any notice in order to commence a paper trail.
- * It is inevitable that the board will reopen and tenants who are in arrears will have a high possibility of being evicted.

What is going on with in-person hearings at the LTB?

COVID-19 Policy – Postponing Hearings

Effective March 16, 2020, Tribunals Ontario is implementing a new policy to postpone in-person hearings and reschedule to a later date. Where feasible, alternative hearing options such as written and telephone hearings will be considered to minimize disruption to hearings across the organization.

What are some “Relief Options” for Tenants?

1. Payment plan

- * Landlords “discounting rent and giving free months” could find that they have permanently lowered lawful monthly rent.
- * Politicians are asking LL’s to give “free months and rent discounts”, but are not protecting them.

2. Rent Bank (Toronto Rent Bank 416-924-2543)

- * Provides limited, interest free loans to seniors, individuals, and families facing imminent eviction for rental arrears.
- * The maximum loan is 2 months rent.
- * Provides rental deposit loans to those who require first and last month rent to move to more affordable or stable housing.

3. Credit Card option for rent payments

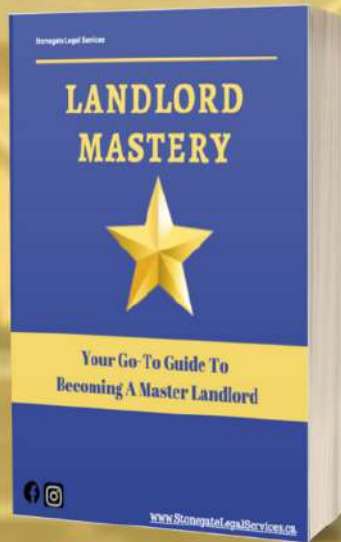
- * Option to accept rent payments in person or online by credit card.
- * Get paid instantly.

Communication is key!

TENANTS: DO NOT HOLD RENT BACK!

RENT IS STILL DUE!

Looking To Master The Art Of Being A Landlord?



- DOWNLOAD Your FREE Guide -
A Culmination Of Over 20 Years Real Estate Experience

Learn How To:

1. Qualify tenant prospects
2. What questions to ask?
3. What a landlord and request?
4. Scripts
5. Forms
6. Other agreements like:
parking agreement, air conditioning agreement...
etc.
7. Notice of entry
8. How to prepare a rental property for lease?
9. Change your mindset
10. Where to find good tenants?

[CLICK HERE](#) to download your copy of this step-by-step guide to becoming a Master Landlord... Absolutely **FREE!**



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