

Residential  
Tenancies Branch

**Annual Report  
2005**



MINISTER OF  
FINANCE

Legislative Building  
Winnipeg, Manitoba, CANADA  
R3C 0V8

His Honour the Honourable John Harvard, P.C., O.M.  
Lieutenant Governor of Manitoba  
Room 235, Legislative Building  
Winnipeg, Manitoba  
R3C 0V8

May It Please Your Honour:

I have the privilege of presenting for the information of your Honour, the Annual Report of the Residential Tenancies Branch on the administration of *The Residential Tenancies Act* for the year ending December 31, 2005.

Respectfully submitted,

Greg Selinger





**MINISTER OF  
FINANCE**

Legislative Building  
Winnipeg, Manitoba, CANADA  
R3C 0V8

The Honourable John Harvard, P.C., O.M.  
Lieutenant Governor of Manitoba

May It Please Your Honour:

I have the privilege of presenting for the information of your Honour, the Annual Report of the Residential Tenancies Branch on the administration of *The Residential Tenancies Act* for the year ending December 31, 2005.

Respectfully submitted,

A handwritten signature in cursive script that reads "Greg Selinger".

Greg Selinger





---

**Finance**

Internet at: <http://www.residentialtenancies.mb.ca>

**Residential Tenancies Branch**

302-254 Edmonton Street  
Winnipeg MB R3C 3Y4  
CANADA

Toll Free: 1-800-782-8403

FAX: (204) 945-6273

E-Mail: [rtb@gov.mb.ca](mailto:rtb@gov.mb.ca)

Honourable Greg Selinger  
Minister of Finance  
Room 103, Legislative Building  
Winnipeg, Manitoba  
R3C 0V8

Dear Sir:

I have the honour of submitting the Residential Tenancies Branch Annual Report on the administration of *The Residential Tenancies Act* for the year ending December 31, 2005.

Respectfully submitted,

Roger Barsy  
Director  
Residential Tenancies Branch

## TABLE OF CONTENTS

	<u>PAGE</u>
<i>INTRODUCTION</i>	<i>1</i>
<i>NEW IN 2005</i>	<i>2</i>
<i>PARTS 1-8 OF THE RESIDENTIAL TENANCIES ACT</i>	<i>4</i>
<i>TABLE 1: CASES OPENED AND CLOSED (PARTS 1 – 8)</i>	<i>7</i>
<i>TABLE 2: OTHER ACTIVITIES OPENED AND CLOSED</i>	<i>8</i>
<i>PART 9 OF THE RESIDENTIAL TENANCIES ACT</i>	<i>9</i>
<i>TABLE 3: CASES OPENED AND CLOSED (PART 9)</i>	<i>11</i>
<i>TABLE 4: ORDERS ISSUED BY TYPE</i>	<i>12</i>
<i>INFORMATION/EDUCATION ACTIVITIES</i>	<i>13</i>
<i>TABLE 5: INCOMING CALLS, INTERVIEWS AND HEARINGS</i>	<i>16</i>
<i>SECURITY DEPOSIT COMPENSATION FUND</i>	<i>17</i>

## INTRODUCTION

The Residential Tenancies Branch administers *The Residential Tenancies Act*, *The Life Leases Act* and *The Condominium Act*.

The Residential Tenancies Branch:

- provides information to landlords, tenants and others on *The Residential Tenancies Act*, *The Life Leases Act* and *The Condominium Act*;
- investigates complaints of non-compliance with the legislation;
- mediates disputes between landlords and tenants;
- makes decisions on disputes between landlords and tenants about:
  - security deposits
  - repairs
  - terms and conditions of a tenancy agreement or life lease
  - the right to continue in occupancy
  - claims for compensation
  - privacy
  - non-payment of utilities
  - life lease entrance fees
- makes decisions on landlords' applications for rent increases above the guideline and tenants' objections to any rent increases
- investigates Life Lease rent increases (upon tenants' request).

*The Residential Tenancies Act* requires the Director of Residential Tenancies to submit a report on the administration of the *Act* to the Minister within six months of the end of each fiscal year. The reporting period for this report is the 2005 calendar year. The Branch operates three regional offices – Winnipeg, Brandon and Thompson. When the information is available, statistics on the activities of each of the Branch's offices are shown separately. Statistics for the 2004 calendar year are also provided when available, for purposes of comparison.

## NEW IN 2005

### Electronic Case Management System

As an enabler for its re-engineering plan, the Branch has been working on the design and development of a new integrated case management system. February 10, 2005 marked the signal to “go live” with Phase 1 of the system. This is an initiative that has been in process for three years. Careful study and planning has led up to this date. The advantages to this new system are numerous:

- improved service delivery (for example: faster, informal resolution of disputes at intake stage)
- stable, accessible, integrated data
- fewer file hand-offs result in a more streamlined work flow
- automation of existing manual and paper intensive processes
- provision of timely information to management and staff

Like any new electronic system, this one has brought with it some growing pains. Staff and management have been learning how to do familiar tasks in new and different ways. Some staff have been dedicated entirely to working on the project. As was expected, this created a degree of stress and delays in closing cases. By the end of 2005, Branch activity is getting back on track. Seeing the benefits of the change has the Branch looking forward to the implementation of future phases.

### New Look For Some Statistical Tables

The Branch has reformatted some of the tables contained in this report. This was done in order to incorporate valuable new information made available by the case management system and to continue to provide year to year comparisons in a format that is helpful to the reader.

Table 1 (Cases Opened and Closed Parts 1-8) now includes three case types which were not previously reported by the Branch. They are *Distraint and Lockout*, *Hearings to Determine a Question under the Act*, and *Enforcement*. The new case management system has made it possible to report on those case types.

Table 2 (Other Activities Opened and Closed) is an interim new table that demonstrates areas of Branch activity that have previously been uncounted and, perhaps unsung. This table introduces a category of activity named *Intakes Resolved*. This represents clients' requests for resolution of a dispute which do not result in a formal case file being opened. They are resolved informally at the first stage of contact. The table also shows the number of written enforceable mediated agreements completed and the portion of those that are defaulted and consequently result in an order being issued. As the case management system is further refined, the format of the tables will likely change again.

## **Law Amendments**

*The Residential Tenancies Amendment Act* was passed by the Legislature on June 16, 2005. Several sections of the new legislation took effect immediately and others will be proclaimed later when the required regulations are completed. Some of the amendments include:

- landlords are now required to give three months' written notice before removing or reducing a rent discount unless it is a conditional discount which may be removed because of a tenant's failure to perform;
- landlords may apply for approval of a rehabilitation scheme on a single unit in a residential complex; the exemption from the annual rent increase guideline will be for up to two years;
- tenants may apply to the Branch for compensation if a landlord fails to make repairs within a reasonable period of time;
- the Branch has additional authority in a case where a landlord has failed to provide to a tenant, in the prescribed form, Notice to New Tenant or a Notice of Rent Increase for an increase not exceeding the guideline; the Branch will investigate and, if it finds that the tenant has not been unfairly treated as a result, the Branch may, at the discretion of the director, issue an order which has the effect of permitting the increase to occur;
- the "rent increase with intent to evict" provisions have been expanded to include rental units that are exempt from rent regulation;
- landlords may apply for approval of a rehabilitation scheme on distressed properties; the exemption from the annual rent increase guideline may be for up to 15 years.



## **PARTS 1 – 8 OF THE RESIDENTIAL TENANCIES ACT**

Parts 1 - 8 of *The Residential Tenancies Act* deal with all residential landlord and tenant matters, except rent regulation. Table 1 provides a statistical summary of the case activity of the Residential Tenancies Branch under Parts 1 – 8 of the legislation. The Branch opened 5,360 cases in the 2005 calendar year. An additional 1,263 active cases were carried over from the 2004 calendar year. A total of 5,464 cases were closed during 2005, leaving 1,159 cases active in 2006.

The case count is reduced in 2005 as a greater number of these disputes are now being resolved informally by Client Services Officers and therefore do not result in a case file being opened. When a client comes to the Branch for assistance in resolving a dispute, they first meet with a Client Services Officer (CSO). The CSO listens to the client's concern, assesses the situation, and, when appropriate, takes steps to help the client resolve the dispute. This is often accomplished with information and a couple of phone calls. When necessary the CSO will take responsibility for the matter for a couple of days while they try to make contact with the other party and mediate a mutually satisfactory outcome. As a component of the Branch's re-engineering plan, it has increased its emphasis on this approach to dispute resolution. The desired outcome is achieved with improved service delivery. (See Table 2 – *Intakes Resolved*)

The Branch has performance standards for the time required to close a case. In early 2005, temporarily the Branch reset the standards and extended the time expected to complete a case. This was necessary because:

- 1) Staff has been learning a new way to perform their duties. The introduction of the new case management system has caused delays as staff and management have learned to adapt to fairly dramatic changes.
- 2) For a period of time, many staff members were testing the new electronic system with real cases as well as running a duplicate manual case file for back-up.
- 3) Some staff members have been completely dedicated to the work of implementation and ongoing development of the case management system. This reassignment results in increases to the workload of those remaining.

In 2005, the Branch received 1,749 applications for orders of possession from landlords. An order of possession is a written order the Branch issues to enforce a notice of termination. The Branch always schedules a hearing to consider an application for an order of possession. The Branch also has performance targets for closing order of possession cases. The interim target during the re-engineering process for issuing these decisions is within five working days of the hearing. In 2005, the average time for issuing decisions on order of possession applications was two working days. The Branch issued 820 decisions on applications for an order of possession. In 656 cases, the Branch granted the landlord an order of possession. In 38 other cases, the Branch identified a condition that the tenant had to meet to remain in tenancy. If the tenant failed to meet the condition, the order of possession is granted. For example: A conditional order of possession might require a tenant to pay a specific amount by a specified date, otherwise they must move out. The Branch denied 69 applications for an order of possession (Table 4). The remaining applications were either mediated by an officer of the Branch or settled by the parties before the hearing.

In total, in 2005, the Branch held 3,071 hearings to resolve disputes between landlords and tenants on claims for compensation, orders of possession and to determine questions under *The Residential Tenancies Act*.

The Branch is dedicated to fulfilling its mandate to assist landlords and tenants in resolving disputes while preserving their ongoing relationships with one another. While many disputes are resolved by informal mediation, a total of 1,304 were resolved by written, enforceable mediated agreements. Of those, 73% did not require any further involvement by the Branch. For those that did result in a default by one of the parties the Branch issued a certified order.

In 2005, the Branch closed 952 repair cases and 167 cases relating to landlords' non-payment of utilities. If there is a dispute over a notice to terminate a tenancy, either a landlord or tenant can ask the Branch for assistance. In 2005, the Branch closed 102 of these cases. The Branch also closed other cases where a landlord or a tenant did not meet their obligations under *The Residential Tenancies Act*. In 2005, the Branch

formally opened 289 and closed 478 of these cases – the result of a concerted effort to complete several cases carried forward from 2004. These cases include disputes over locks and doors, privacy, seizure of tenant’s property, non-payment of rent, disturbance, withholding of services, unauthorized charges or fees, tenancy agreements, assignment and subletting, mobile home rentals, abandonment of personal property and entitlement to collect rent.

**TABLE 1 – Cases Opened and Closed**  
**Parts 1 - 8 of *The Residential Tenancies Act***

Case Types	Cases Opened January 1/04 – December 31/04	Cases Opened January 1/05 – December 31/05	Cases Closed January 1/04 – December 31/04	Cases Closed January 1/05 – December 31/05	Appeals to Commission
Abandoned Personal Property <sup>1</sup>	462	44	492	45	1
<b>Disputes</b>					
• Tenancy Agreement	50	18	44	25	0
• Landlord Obligation	50	36	55	76	5
• Tenant Obligation	167	90	176	210	9
• Mutual Obligation	9	5	11	6	0
• Assignment & Sublet	1	1	0	2	0
• Notice of Termination <sup>2</sup>	471	83	474	102	3
Distrain & Lockout <sup>3</sup>	N/A	12	N/A	12	0
<b>Hearings</b>					
• Claim	1,352	1,335	840	1,301	114
• Order of Possession	1,765	1,749	1,749	1,743	161
• Determination <sup>3</sup>	N/A	32	N/A	27	2
Repairs	817	907	876	952	18
Security Deposit or Less	856	798	785	723	52
Utilities	140	153	185	167	43
Enforcement <sup>3</sup>	N/A	97	N/A	73	4
<b>TOTALS</b>	<b>6,140</b>	<b>5,360</b>	<b>6,209</b>	<b>5,464</b>	<b>412</b>

1. Due to a change in legislation (2004) that gave landlords more authority to dispose of certain abandoned personal property, the request for service decreased to less than 10% of the number of case files opened in any recent year.
2. Notice of Termination cases are most often resolved informally. Those that do not result in a formal case file are now being reported as *Intakes* (See Table 2).
3. For the period of February 10, 2005 – December 31, 2005 only.

The figures for 2004 may vary slightly from the previous year's report. These variances are due to updates and revisions made to the data as files were processed and more complete information became available.

**TABLE 2 – Other Activities Opened and Closed**

Activity	Cases Opened January 1/04 – December 31/04	Cases Opened February 10/05 – December 31/05	Cases Closed January 1/04 – December 31/04	Cases Closed February 10/05 – December 31/05
<b>Intakes Resolved <sup>1</sup></b>	N/A	4,490	N/A	4,490
<b>Mediated Agreements - Defaulted</b>	N/A	355	N/A	344
<b>Mediated Agreement</b>	N/A	1,304	N/A	1,304
<b>Substitutional Service</b>	N/A	270	N/A	268

- 1. A client's request for assistance that does not result in a formal case file being opened. Most are resolved informally at the first stage of contact.**

The figures for 2004 may vary slightly from the previous year's report. These variances are due to updates and revisions made to the data as files were processed and more complete information became available.

## **PART 9 OF *THE RESIDENTIAL TENANCIES ACT***

Part 9 of *The Residential Tenancies Act* deals with the regulation of rents for residential premises. Each year the government sets an annual rent increase guideline. The guideline for 2005 was 2.5%. To increase rent above the guideline, a landlord must apply to the Residential Tenancies Branch. In 2005, the Branch received 303 applications to increase rent above the guideline affecting 16,886 units (Table 3). During the 2005 calendar year, the Branch reviewed and closed applications on 324 buildings affecting 18,244 units.

The Branch has performance targets for issuing decisions on applications for rent increase above the guideline. The target during the re-engineering process is to issue a decision within 180 days or six months of the Branch receiving an application. While the Branch was not able to achieve its completion target for all of the applications received in 2005, it was able to issue orders for approximately 28% of the applications within 90 days of receipt and 71% within 180 days. The delays in reviewing applications were because:

- (1) some rent regulation officers were participating in the Branch's reengineering project in addition to their rent regulation duties; this resulted in delays in issuing their decisions and also increased the workload for the remaining officers; and
- (2) the Branch experienced staff turnover in the Rent Regulation Unit; new staff had to be trained to review applications and it is taking some time for them to reach capacity.

Tenants can object to any rent increase, whether at, above or below the guideline. In 2005, the Branch received objections to rent increases at or below the guideline from tenants of 107 units and reviewed the objections on 119 units, including some carried over from 2004.

In the calendar year 2005, the Branch opened compliance cases affecting 1,226 units. Compliance cases usually involve situations where a landlord increases rent: by more than the annual rent increase guideline without applying to the Branch; without giving tenants the required notice; or, more than once in a 12 month period. The Branch completed its review of 1,060 compliance cases by year-end.

Under *The Residential Tenancies Act*, a landlord who plans to rehabilitate a residential complex may apply to the Branch for an exemption from rent regulation. If the Branch approves a rehabilitation scheme, it can exempt a unit or complex from rent regulation for up to five years. The Branch issues final orders setting the exemption period once the landlord has completed the work required for the rehabilitation scheme. In 2005, the Branch received applications for 27 buildings affecting 849 units. The Branch completed 17 rehabilitation applications affecting 367 units before year-end.

Before withdrawing or reducing a service, a landlord must apply to the Branch for an order setting the value of the proposed withdrawal or reduction. An example of a withdrawal of service is when the payment for cable service switches from the landlord of a building to each tenant. The landlord applies for an order fixing the value of the rent reduction for each tenant. In the 2005 calendar year, the Branch received 11 applications for withdrawal of service affecting 256 units. The Branch completed seven applications affecting 227 units by year-end.

The Branch received 18 applications for laundry increase affecting 960 units in the 2005 calendar year. During 2005, the Branch completed 15 applications for laundry increase affecting 788 units.

A tenant can ask a landlord to provide an item or service that is not usually included in the rent. If a landlord wants to provide the item or service and charge for it, they must apply to the Branch. In 2005, the Branch received 21 of these tenant-requested improvement applications, affecting 48 units. The Branch issued orders on 19 applications for tenant requested improvements involving 32 rental units by year-end.

Certain sections of Part 9 of *The Residential Tenancies Act* also apply to life lease complexes. Tenants living in non-profit complexes can ask the Branch to review rent increases proposed by the landlord.

**TABLE 3 – CASES OPENED AND CLOSED**  
**Part 9 of *The Residential Tenancies Act***

Case Types	Cases Opened January 1, 2004 – December 31, 2004		Cases Opened January 1, 2005 – December 31, 2005		Cases Closed January 1, 2004 – December 31, 2004		Cases Closed January 1, 2005 – December 31, 2005		Appeals to Commission	
	Bldgs.	Units	Bldgs.	Units	Bldgs.	Units	Bldgs.	Units	Bldgs.	Units
Application for Laundry Increase	14	459	18	960	25	1,095	15	788	1	1
Application for Rehabilitation	29	851	27	849	7	426	17	367	1	2
Application for Rent Increase	347	19,783	303	16,886	311	17,704	324	18,244	104	431
Application for Service Withdrawal	11	221	11	256	10	88	7	227	0	0
Application for Tenant Request for Improvements	24	51	21	48	40	81	19	32	0	0
Compliance	546	1,326	405	1,226	450	905	345	1,060	8	42
Rent Status Reports	191	2,773	226	5,417	191	2,773	225	5,416	N/A	N/A
Tenant Objection to Guideline Increase or Less	97	104	100	107	70	73	110	119	0	0
<b>TOTALS</b>	<b>1,259</b>	<b>25,568</b>	<b>1,111</b>	<b>25,749</b>	<b>1,104</b>	<b>23,145</b>	<b>1,062</b>	<b>26,253</b>	<b>114</b>	<b>476</b>



**TABLE 4**

**ORDERS ISSUED BY TYPE**

	<b><u>January 1, 2004 – December 31, 2004</u></b>	<b><u>January 1, 2005 – December 31, 2005</u></b>
<b>Closing (1)</b>	N/A	97
<b>Mediated Agreement Default</b>	N/A	309
<b>Order of Possession</b>		
<b>Granted</b>	792	656
<b>Denied</b>	83	69
<b>Conditional (2)</b>	36	38
<b>Other (3)</b>	37	57
<b>Rent Redirect</b>	N/A	210
<b>Rent Regulation</b>	16,234	17,958
<b>Repairs</b>	287	178
<b>Security Deposit (4)</b>	763	822
<b>Utilities</b>	411	147
<b>Other</b>	<u>1,417</u>	<u>309</u>
<b>TOTAL</b>	<u>20,216</u>	<u>20,850</u>

- (1) A Closing order is issued to prevent a landlord from re-renting a vacant unit before completing certain repairs which are required under a separate order.
- (2) A Conditional Order of Possession is one that requires the tenant to meet certain conditions; and, if they do not, the Order of Possession is granted.
- (3) An application for Order of Possession often also includes a claim for compensation. If the tenant moves out before the hearing, the landlord withdraws the application and asks the Branch to consider only the claim.
- (4) Also includes orders on claims for amount in excess of the security deposit.

## **INFORMATION/EDUCATION ACTIVITIES**

### **Telephone Calls/Interviews**

The Branch has an Interactive Voice Response System. Callers to the Branch's Winnipeg office have the option to:

- speak to a Client Services Officer
- listen to recorded information segments about rent increases, security deposits, landlord and tenant responsibilities and repairs
- have fact sheet information automatically faxed to them
- calculate the interest payable on a security deposit
- listen to recorded information on the Branch's location and hours of business
- add their name to the mailing list for the Branch's newsletter.

Client Services Officers in the Branch's Brandon and Thompson offices answer calls directly. In total, in 2005, the Branch's Client Services Unit handled 57,704 phone calls. Statistics for the Interactive Voice Response System show that 23,605 callers received the information they needed without speaking to a Client Services Officer. Phone call statistics do not include calls received by Residential Tenancies Branch officers on specific files. In addition to the requests for information by phone, approximately 9,580 people came to Branch offices to request information or to file a formal complaint during 2005.

### **Speaking Engagements**

In 2005, staff of the Residential Tenancies Branch made 26 presentations for 376 tenants and held 10 sessions for 210 landlord participants. The Branch made 16 presentations for student groups involving 311 participants, one session for life lease tenants and 16 sessions for 687 service providers including the Winnipeg Police Services, Northern Aboriginal Community Council, Family Services & Housing, Public

Trustees Office, Manitoba Mental Health Association, Manitoba Urban Native Housing Association, Manitoba Housing Authority and Employment and Income Assistance.

The Branch also had information booths at the Manitoba Bar Association's Law Day Open House, the University of Manitoba's Market Days, Rotary International Career Symposium, and the Professional Property Managers Association's "Suite Living". Staff had the opportunity to speak with approximately 600 people at these displays.

## **Website**

The Residential Tenancies Branch's website @ [www.residentialtenancies.mb.ca](http://www.residentialtenancies.mb.ca) provides answers to several frequently asked questions. The information is available in English and French. Landlords and tenants can download the most commonly used residential tenancy forms. The website has an automated security deposit interest calculation feature. The website also includes the Branch's Policies & Procedures Guidebook and links to *The Residential Tenancies Act* and *The Life Leases Act*. The website had 76,940 visits (logons) from January 1, 2005 to December 31, 2005.

## **Rent Status**

Anyone who is considering the purchase of a rental property can apply to the Residential Tenancies Branch for a rent status report. A rent status report provides information on a property's rent history and can alert people to potential rent increase problems. The application and authorization forms can be downloaded from the Branch's website. In 2005, the Branch completed 225 applications for Rent Status Reports. These applications involved 5,416 rental units.

## **Orders System**

The Residential Tenancies' Orders System is also available online. The Orders System provides information on the orders the Branch issues, except for rent regulation orders. Clients can access the system by:

- paying an annual subscription fee of \$250.00 and receiving a password; or
- paying a fee to search on-line at Branch offices; there is a \$5.00 charge for each 30 minute search.

Users can search the system by landlord or tenant name or by the address of a residential complex. In 2005, there were 1,564 searches using the on-line Orders System.

### **Policies & Procedures Guidebook**

The Branch has a Policies & Procedures Guidebook, available in both English and French, to assist landlords, tenants and staff. As changes occur to legislation or policy, the guidebook is updated accordingly. The guidebook provides information on those areas not specifically dealt with in *The Residential Tenancies Act*. It also sets out the procedures for how the Branch handles most of the issues landlords and tenants refer to the Branch. The guidebook has 13 sections on topics like: security deposits, rent regulation, mediation, hearings and repairs. The Branch offered copies of the guidebook to various landlord and tenant organizations, all major libraries in the province as well as to our universities and colleges. The guidebook is available on the Branch's website.

### **Branch Newsletter**

In 2005, the Branch produced its quarterly newsletter, "Open Doors." The newsletter provides information on changes to the legislation or Branch procedures and includes articles on topics of interest to landlords and tenants. Anyone interested in receiving the newsletter can add their name to the mailing list by calling the Branch or visiting the Branch's website. The Branch has approximately 1,800 people on its mailing list. Clients can choose to receive the newsletter by mail, e-mail or fax. The newsletter is also available on the website.

**TABLE 5**

**INCOMING CALLS, INTERVIEWS AND HEARINGS**

	<b><u>January 1, 2004 – December 31, 2004</u></b>	<b><u>January 1, 2005 – December 31, 2005</u></b>
<b>Total Calls for Information *</b>		
Winnipeg	47,334	50,850
Brandon	2,837	2,931
Thompson	<u>3,382</u>	<u>3,923</u>
Total	53,553	57,704
<b>Interviews</b>		
Winnipeg	7,604	7,542
Brandon	2,128	1,835
Thompson	<u>141</u>	<u>203</u>
Total	9,873	9,580
<b>Hearings</b>		
Winnipeg	1,363	1,555
Brandon	89	128
Thompson	<u>124</u>	<u>145</u>
Total	1,576	1,828

\* These figures reflect the number of calls received for information through the Branch information lines and do not include an additional 40,000 – 50,000 calls to Residential Tenancies Officers.

## SECURITY DEPOSIT COMPENSATION FUND

*The Residential Tenancies Act* requires landlords to send certain monies to the Branch.

For example:

- After a tenant moves out, if the landlord does not have a claim against the entire security deposit and interest the landlord must return the balance to the tenant. If the landlord does not know how to locate the tenant they must send the money to the Branch.
- When a landlord owes a tenant money for having overcharged the tenant rent, the landlord must return the overpayment to the tenant. If the landlord does not know how to locate the tenant they must send the money to the Branch.

The Branch holds these monies in safekeeping for two years. During that period tenants can claim the money owed to them. Since many tenants are not aware that the Branch is holding money on their behalf, the Branch has been developing ways to tell them about it. This includes a new webpage where tenants can access the information themselves, as well as notices in the Branch newsletter telling tenants how to get more information and apply for their money.

After two years the Branch transfers the money to the Security Deposit Compensation Fund. This includes unclaimed security deposits, rent refunds and property sale proceeds. During 2005, \$14,614.36 was transferred into the fund after the two year period. The purpose of the fund is to return security deposits to tenants when they have a valid claim to the money. Sometimes when the Branch orders a landlord to return a deposit to a tenant, the landlord does not comply with the order. The Branch will usually enforce the order by redirecting rent to recover the outstanding deposit. In some cases, redirecting rent is not possible, i.e. if the landlord no longer owns rental property or owes money to several creditors. If the Branch does not believe it can recover the deposit within a reasonable period of time, it may pay the tenant from the fund. In 2005, \$1,817.15 was paid to eight tenants. After the money is paid to a tenant, the Branch continues to try to recover the money from the landlord through rent redirects, garnishing orders and the Canada Customs and Revenue Agency set off program.

During this reporting period, the Branch recovered four security deposits from landlords totalling \$894.47. Some of the funds recovered may be for security deposits paid out during previous years. Under Section 36(4) of *The Residential Tenancies Act*, when the balance in the Security Deposit Fund exceeds \$30,000, the Branch may use the excess funds towards the cost of providing educational programs for landlords, tenants and other clients. In 2005, the Branch spent \$16,251.28 for that purpose. This included the newsletter, Policies and Procedures Guidebook, landlord/tenant information displays and brochures, a poster promoting the website, and the Branch's share of the 2005 "Protect Yourself" calendar. The balance in the fund at the end of 2005 was \$48,823.26.