# A guide to the standard lease for rental housing

March 2021



## A guide to the standard lease for rental housing

Rental housing in Ontario is governed by the Residential Tenancies Act, 2006 (the act).

This document is available in multiple languages to help landlords and tenants understand and complete the Standard Form of Lease (standard lease). The standard lease can be found on the <u>Ministry of Government and Consumer Services Central Forms Repository</u>.

This guide is for informational purposes only and is not intended to provide legal advice on the standard lease or the act.

You should consult a lawyer if you require legal advice on the standard lease or the act.

The standard lease is mandatory for most private residential tenancies for new agreements signed on or after April 30, 2018. It also contains helpful information about rights and responsibilities under the act.

The standard lease does not apply to care homes, sites in mobile home parks and land lease communities, most social and supportive housing, certain other special tenancies and co-operative housing.

If you are entitled to a standard lease but didn't get one, ask your landlord in writing for a copy. Once you request it, they must give it to you within 21 calendar days. If they don't, you can withhold one month's rent. If you still haven't received a standard lease 30 calendar days after you withheld one month's rent, you can keep the withheld rent.

As well, if a standard lease hasn't been provided and you have a fixed-term lease, special rules allow you to end your fixed-term lease early.

Under the Ontario Human Rights Code, everyone has the right to equal treatment in housing without discrimination or harassment. A lease cannot take away a right or responsibility under the act.

This document has two parts:

#### 1. Sections of the standard lease

This part is intended to help you fill out the standard lease form. It provides information on what is in each section of the standard lease, starting on page four.

All sections of the standard lease are mandatory and cannot be changed. When completed, the standard lease creates a contract between the landlord and tenant.

## 2. My rights and responsibilities

This part provides more information about the rights and responsibilities of tenants and landlords under the act, starting on page nine. This information is the same information provided in the appendix of the standard lease.

## If you have questions

The Landlord and Tenant Board provides information about landlords' and tenants' rights and responsibilities under the act (available in English or French). For more information, you can call one of the numbers below or visit the Landlord and Tenant Board's website.

Toll free: 1-888-332-3234 Toronto area: 416-645-8080

TTY: 1-800-855-0511

Website: www.tribunalsontario.ca/ltb

## Part 1: Sections of the standard lease

When complete, the standard lease [known by its legal name as the Residential Tenancy Agreement (**Standard Form of Lease**) / **Convention de location à usage d'habitation**] creates a contract between the landlord and tenant for most residential tenancies.

You must complete each section of the standard lease.

## 1. Parties to the agreement

This section has the names of the landlord(s) and tenant(s) who are agreeing to the tenancy.

For additional information see part B on page nine.

#### 2. Rental unit

This section describes the rental unit that is being rented and the address.

The number of parking spaces – if any – and their location is also described in this section.

If the rental unit is in a condominium:

- it should be indicated in this section.
- the tenant is also agreeing to follow the condominium declaration, bylaws, and rules that are provided by the landlord.

#### 3. Contact information

This section has the landlord's address where notices must be sent. If a tenant needs to give a formal notice (for example notice to end the tenancy) to the landlord, it should be delivered to this address.

This section also allows the landlord and tenant to agree to receive formal notices by e-mail, and includes space for both landlord and tenant e-mail addresses. Formal notices can only be given by e-mail where allowed by the Landlord and Tenant Board's rules. You can contact the Landlord and Tenant Board to find out which notices can be sent electronically.

This section also includes a place for the landlord to provide additional contact information for emergencies or day-to-day communication.

For additional information see part B on page nine and part E on page 11.

## 4. Term of tenancy agreement

This section has the date that the tenant will have the right to move into the rental unit and the length of time (term) of the tenancy.

For additional information see parts C on page nine and D on page 10.

#### 5. Rent

This section sets out the total rent (also called the lawful rent).

The total rent (lawful rent) [in the standard lease this is called "Total Rent (Lawful Rent) / Loyer total (loyer légal)"] is the total of the amounts listed in sub-section 5(b) of the standard lease which includes:

- the base rent for the rental unit.
- any separate charges for parking or other services and utilities, such as a storage locker or air conditioning, that the landlord provides to the tenant.

Any future rent increase will be based on the total rent.

This section also sets out when rent must be paid, to whom it must be paid, what methods will be used for payment, and any administrative charges for cheques returned by a financial institution.

For additional information see part F on page 12 and I on page 13.

#### 6. Services and utilities

This section sets out what services are included – or not included – in the total rent (lawful rent) [in the standard lease this is called "Total Rent (Lawful Rent) / Loyer total (loyer légal)"]. This includes both services and utilities that are included in the base rent, and separate charges in sub-section 5(b) of the standard lease.

In some cases, a landlord and tenant can later agree to add other services in exchange for a rent increase. For example, a landlord and tenant may agree to a seasonal rent increase for the additional service of air conditioning.

In this section, the landlord and tenant also agree on who is responsible for utilities (electricity, heat, water) at the rental unit.

For additional information see part K on page 15.

## 7. Rent discounts

This section allows a landlord to offer and describe the terms of a rent discount.

After the rent discount ends, the tenant must pay the total rent (lawful rent) [in the standard lease this is called "Total Rent (Lawful Rent) / Loyer total (loyer légal)"] agreed to in section 5 of the standard lease, plus any lawful increases.

For additional information see part G on page 12.

## 8. Rent deposit

In this section, the landlord and tenant agree whether a rent deposit is required, and the amount. The law limits the amount and how it is to be treated. The rent deposit cannot be used as a damage deposit.

For additional information see part H on page 12.

## 9. Key deposit

In this section, the landlord and tenant agree whether a key deposit is required, and the amount. The law limits the amount and how it is to be treated.

For additional information see part H on page 12.

## 10. Smoking

Under provincial law, smoking is not allowed in any indoor common areas of the building. In this section, a landlord and tenant can agree to rules about smoking in the rental unit.

For additional information see part M on page 15 and part S on page 18.

#### 11. Tenant's insurance

In this section, a landlord and tenant can agree whether the tenant must have liability insurance. If the landlord asks for proof of coverage, the tenant must provide it.

It is up to the tenant to get contents insurance if they want it.

## 12. Changes to the rental unit

This section explains that the tenant can install decorative items, such as pictures or window coverings, but that they must have the landlord's permission to make other changes to the rental unit.

This section cannot be changed. If the landlord and tenant wish to agree to additional details, these can be written out as additional terms in section 15 of the standard lease.

For additional information see part J on page 14.

## 13. Maintenance and repairs

This section explains that the landlord must maintain the rental unit and property, but the tenant must repair or pay for any undue damage caused by the tenant or their guests.

The tenant is responsible for keeping the unit clean, unless the landlord agreed to do so.

This section cannot be changed. If the landlord and tenant wish to agree to additional details, these can be written out as additional terms in section 15 of the standard lease.

For additional information see part J on page 14.

## 14. Assignment and subletting

This section explains that the tenant needs the landlord's permission to assign or sublet the unit to someone else, and that the landlord cannot arbitrarily or unreasonably withhold consent.

This section cannot be changed. If the landlord and tenant wish to agree to additional details, these can be written out as additional terms in section 15 of the standard lease.

For additional information see part P beginning on page 16.

## 15. Additional terms

The landlord and tenant can agree to additional terms that are specific to the tenancy. If agreed to, these additional rules or "terms" must be attached to the standard lease.

Any additional term which attempts to take away a right or responsibility under the act is void (not valid or legally binding) and cannot be enforced. Some examples of void and unenforceable terms include those that:

- Do not allow pets (however, the landlord can require the tenant to comply with condominium rules, which may prohibit certain pets)
- Do not allow guests, roommates, any additional occupants

- Require the tenant to pay deposits, fees or penalties that are not permitted under the act (for example damage or pet deposits, interest on rent arrears)
- Require the tenant to pay for all or part of the repairs that are the responsibility of the landlord

Additional terms should be written in plain language and clearly set out what the landlord or tenant must or must not do to comply with the term. If typed, the additional terms should be in a font size that is at least 10 points.

Additional terms may set out rules that are very specific to the rental unit or property, such as rules about the use of common spaces or amenities.

The landlord and tenant may want to get legal advice before agreeing to any additional terms.

## 16. Changes to this agreement

This section explains that any changes to the agreement must be agreed to in writing.

For additional information see part I beginning on page 13.

## 17. Signatures

In this section, the landlord and the tenant indicate that they agree to follow the terms of the agreement. If there is more than one tenant, each tenant is responsible for all tenant obligations, including the full amount of rent.

All landlords and tenants listed on the first page in section one (parties to the agreement) must sign this section. The landlord(s) or tenant(s) can sign the lease electronically if they both agree. The landlord must give a copy of the agreement to the tenant within 21 days after the tenant signs it.

## Part 2: My rights and responsibilities

#### A. When to use the standard lease

The standard form of lease must be used for most residential tenancy agreements (leases).

It should **not** be used for:

- Care homes
- Sites in mobile home parks or land lease communities
- Social and supportive housing that is exempt from the rent increase guideline (see the regulation under the act for specific exemptions)
- Member units in co-operative housing, and
- Any other accommodation that is exempt from the act (see section five of the act).

## B. Change of landlord

A new landlord has the same rights and duties as the previous landlord. A new landlord must follow all the terms of this agreement unless the tenant and new landlord agree to other terms. A new landlord should provide the tenant with their legal name and address.

## C. Renewing a tenancy agreement (Part V of the act)

If the landlord and tenant agree that the tenancy will last for a specific period of time, this is called a fixed term tenancy. This is because both the start and end date are set out in the tenancy agreement.

The end of an agreement does not mean the tenant has to move out or sign a renewal or new agreement in order to stay. The rules of the agreement will still apply and the tenant still has the right to stay:

- As a monthly tenant, if the agreement was for a fixed term or monthly tenancy
- As a weekly tenant, if the agreement was for a weekly tenancy, or
- As a daily tenant, if the agreement was for a daily tenancy.

The landlord and tenant can also agree to renew the agreement for another fixed term or enter into a new agreement. In any case, changes to the rent must follow the rules under the act (see part I below for further information).

## D. Ending the tenancy (Part V of the act)

The landlord or tenant must follow the rules of the act when ending a tenancy.

#### When the tenant can end the tenancy

The tenant may end a tenancy by giving the landlord proper notice using the appropriate Landlord and Tenant Board form. They must give:

- At least 60 days' notice, if they have a monthly or fixed term tenancy, or
- At least 28 days' notice, if they have a daily or weekly tenancy.

For a fixed term tenancy, the notice cannot be effective before the last day of the fixed term. For a monthly or weekly tenancy, the notice must be effective on the last day of a rental period (e.g. month or week).

In certain situations, a tenant who has experienced sexual or domestic violence can give 28 days' notice to end the tenancy at any time, even if the tenant has a fixed term agreement (e.g., one year agreement). They must use the notice form approved by the Landlord and Tenant Board.

## When the landlord can end the tenancy

The landlord can only give the tenant notice to end the tenancy in certain situations. These situations are set out in the act. The landlord cannot evict the tenant unless the landlord follows the proper rules. In most cases, the landlord must give proper notice to end the tenancy using the right form. Forms are available on the Landlord and Tenant Board's website.

If the landlord gives a tenant notice to end the tenancy, the tenant does not have to move out.

The landlord can give the tenant notice to end the tenancy in certain situations where the tenant is at fault. Examples include:

- The tenant does not pay the full rent when it is due,
- The tenant causes damage to the rental unit or building, and
- The tenant substantially interferes with the reasonable enjoyment of other tenants or the landlord.

The landlord may also give notice to end a tenancy in certain situations that are not the tenant's fault, but only at the end of the term or rental period. In these cases, landlords must still give proper notice, and tenants may be entitled to compensation and/or the right to return to the unit. Examples include:

- Landlord or purchaser needs the unit for themselves, an immediate family member, or caregiver, and
- Landlord needs to do extensive repairs or renovations that require a building permit and vacant possession of the unit.

If the tenant does not move out, the landlord must apply to the Landlord and Tenant Board in order to evict the tenant. The Landlord and Tenant Board will hold a hearing and decide if the tenancy should end. Both the landlord and the tenant can come to the hearing and explain their side to the Landlord and Tenant Board. If the Landlord and Tenant Board orders an eviction, the eviction order can only be enforced by the sheriff (Court Enforcement Officer).

It is an offence for the landlord to evict a tenant without following this process. If convicted, the landlord could face a fine of up to \$50,000 (for an individual) or \$250,000 (for a corporation).

#### If the landlord and tenant agree to end the tenancy

The tenant and landlord can agree to end a tenancy at any time by using the proper Landlord and Tenant Board form. Some landlords may ask the tenant to sign that form when signing the tenancy agreement (lease). In most cases, an agreement to end a tenancy signed at the beginning of the tenancy agreement is unenforceable and the tenant does not have to move out.

There is more information on how to end a tenancy and reasons for eviction in the act and in brochures on the Landlord and Tenant Board website.

## E. Giving notices and documents (Part XII of the act)

The landlord and tenant must deliver some official notices and other documents in writing. These notices and documents can be:

- Hand delivered
- Left in a mail box or a place where mail is ordinarily delivered, or
- Mailed (this will count as delivered five days after mailing).

There are also other ways to serve notices and documents. For more information, contact the Landlord and Tenant Board or see the rules of practice on its website.

## F. Rent and rent receipts (Part VII of the act)

Rent is the amount the tenant pays to the landlord to occupy the rental unit and receive services or facilities agreed to in this agreement.

The tenant must pay their rent on time. If they do not, the landlord can give them notice to end the tenancy.

If the tenant asks for a receipt for rent or any payment or deposit, the landlord must give them one for free. This also applies to a former tenant who asks for a receipt within 12 months after the end of their tenancy.

#### G. Rent discounts (Part VII of the act)

The landlord can offer the tenant a discount for paying rent on or before the date it is due. This discount can be up to two per cent of the lawful rent.

The landlord can also offer rent-free periods or discounts in one of three ways:

- Rent-free periods of up to three months within any 12-month period,
- A discount of up to one month's rent spread evenly over eight months, or
- A discount of up to two months' rent, with up to one month's rent spread evenly over the first seven months, and up to one month's rent discounted in one of the last five months.

These types of discounts must be agreed to in writing.

## H. Deposits (Part VII of the act)

The landlord can only collect a deposit for the last month's rent and a refundable key deposit. The tenant does not have to provide any other form of deposit, such as pet or damage deposits. If the tenant pays anything more, the tenant can apply to the Landlord and Tenant Board to get the money back.

Rent deposit (i.e. last month's rent): The landlord can require a rent deposit on or before the tenant enters into the tenancy agreement. The landlord must apply this money to the rent for the last period of the tenancy. The rent deposit must not be more than one month's rent or the rent for one rental period (e.g., one week in a weekly tenancy), whichever is less.

The landlord must pay the tenant interest on the rent deposit every year. If the rent increases after the tenant has paid a rent deposit, the landlord can require the tenant to top-up the rent deposit so that it is the same as the new rent. The landlord can use the interest on the rent deposit to top-up the rent deposit.

If the landlord is unable to let the tenant move into the rental unit, the landlord must return the deposit, unless the tenant agrees to rent a different unit.

**Key deposit:** If the landlord collects a deposit for key(s), remote entry devices or cards, the landlord must return the deposit when the tenant gives back their key(s) at the end of the tenancy.

The landlord can charge the tenant for additional keys that the tenant requests (for example, if the tenant wants an extra key or if the tenant has lost their key), but the charge cannot be more than actual cost of the keys. This is not a key deposit.

## I. Rent increases and decreases (Part VII of the act)

Normally, the landlord can increase the rent only once every 12 months. The landlord must use the proper Landlord and Tenant Board form and give the tenant at least 90 days' notice before the rent increase is to take effect.

#### **Guideline rent increases**

In most cases, the rent can be increased by no more than the rent increase guideline unless the Landlord and Tenant Board approves a rent increase above the guideline. The guideline for each year can be found on the Landlord and Tenant Board's website. Some newer units are not subject to the rent increase guideline, including:

- a unit in a new building, if no part of the building was occupied for residential purposes on or before November 15, 2018
- a unit in a new addition to an existing building, if no part of the addition was occupied for residential purposes on or before November 15, 2018
- a new second unit in an existing house, such as a basement apartment, that was created after November 15, 2018 and that meets the requirements set out in the act.

#### Rent increases above the guideline

The landlord can apply to the Landlord and Tenant Board for approval to raise the rent by more than the rent increase guideline. Affected tenants can oppose this application at the Landlord and Tenant Board.

This kind of rent increase is called an above-guideline rent increase. The Landlord and Tenant Board can allow this kind of rent increase if:

- The landlord's municipal taxes and charges have increased significantly,
- The landlord has done major repairs or renovations, or

 The costs of external security services (i.e. not performed by the landlord's employees) have increased, or external security services are being provided for the first time.

The landlord and tenant can also agree to an above-guideline rent increase, if the landlord agrees to renovate or add a new service for the tenant. Certain rules apply.

#### **Rent reductions**

The landlord must reduce the rent if:

- The municipal property tax goes down by more than 2.49 per cent, or
- The rent was increased above the guideline to pay for repairs or renovations and the costs have been fully paid for (this only applies to tenants who were living in the unit when the above guideline rent increase happened).

The tenant can apply to the Landlord and Tenant Board to reduce their rent if:

- Municipal property taxes or charges on the rental property go down,
- The landlord reduced or removed a service without reducing the rent, or
- The landlord did not keep a promise they made in an agreement for a rent increase above the guideline.

## J. Maintenance and repairs (Part III, IV, V, and XIV of the act)

The landlord must keep the rental unit and property in good repair and comply with all health, safety and maintenance standards. This includes the maintenance and repair of things that came with the unit, such as appliances, and of common areas, such as parking lots, elevators, and hallways.

The tenant must pay their rent, even if they have problems with the maintenance and repair of their unit or property. If the tenant is having a maintenance or repair problem, the tenant should let the landlord know. If needed, the tenant can apply to the Landlord and Tenant Board.

The tenant is responsible for any damage to the rental property caused by the tenant, the tenant's guest or another person who lives in the rental unit. This applies to any damage caused on purpose or by not being careful enough. The landlord can apply to the Landlord and Tenant Board if the tenant has not repaired such damage. This does not include damage that results from normal use of the rental unit over time ("wear and tear").

The tenant is responsible for ordinary cleanliness of the rental unit, except for any cleaning the landlord agreed to do.

## K. Vital services (Part I and III of the act)

"Vital services" are hot or cold water, fuel, electricity, gas and heat.

The landlord must ensure that a rental unit has heating equipment capable of maintaining a minimum temperature of 20° Celsius from September 1 to June 15. Some municipal by-laws may have stricter requirements.

The landlord cannot withhold or shut off the reasonable supply of a vital service, care service or food that the landlord must supply under the tenancy agreement. If a vital service is cut-off because the landlord failed to pay their bill, the landlord is considered to have withheld that service. However, if a vital service is cut-off or disconnected because the tenant failed to pay their own utility bill, the tenant cannot claim that the landlord withheld a vital service.

The landlord cannot deliberately interfere with the reasonable supply of any vital service, care service or food, whether or not the landlord is obligated to supply it under the tenancy agreement.

#### L. Harassment (Part III and IV of the act)

It is against the law for the landlord (or anyone acting for the landlord, such as a superintendent or property manager) to harass the tenant, or for the tenant to harass the landlord. If the landlord or the tenant is experiencing harassment they can apply to the Landlord and Tenant Board.

#### M. Discrimination

If the landlord (or anyone acting for the landlord) discriminates against the tenant based on prohibited grounds of discrimination under the Ontario Human Rights Code (the Code), they may be violating the tenant's rights under the Code. The Landlord and Tenant Board may be able to consider discrimination if it relates to an application under the Residential Tenancies Act, 2006. In other situations, the tenant may have to take their case to the Human Rights Tribunal of Ontario.

## N. Landlord's entry into rental unit (Part III of the act)

The tenant is entitled to reasonable enjoyment of the rental unit (e.g. quiet enjoyment, reasonable privacy, freedom from unreasonable disturbance and exclusive use of the rental unit).

The landlord can enter the rental unit with 24 hours' written notice only for the following reasons:

- Make repairs,
- Inspect the unit to see if repairs are needed, if the inspection is reasonable,
- Show the rental unit to a possible buyer, insurer or mortgage lender,
- Let a real estate agent show the unit to a possible buyer,
- Have a property inspection done before converting the residential building into a condominium, or
- For any reasonable purpose listed in the tenancy agreement.

The written notice must include the reason for the entry and state the date and time (between 8 a.m. and 8 p.m.) that the landlord will enter the unit. With proper notice, the landlord can enter the unit when the tenant is not at home.

The landlord does not need to give a notice to enter:

- In case of emergency,
- If the tenant consents to entry,
- If the tenancy agreement requires the landlord to clean the unit, or
- If the tenancy is coming to an end and the landlord wants to show the unit to a potential new tenant the landlord can only show the unit between 8:00 a.m. and 8:00 p.m. and must make a reasonable effort to let the tenant know when this will happen.

#### O. Locks (Part III and IV of the act)

The landlord cannot change the locks of the rental unit unless the landlord gives the new keys to the tenant. The tenant cannot change the locks of the rental unit without the consent of the landlord.

## P. Assign or sublet (Part VI of the act)

The tenant may assign or sublet the rental unit to another person only with the consent of the landlord. The landlord cannot arbitrarily or unreasonably withhold consent to a potential assignee or sublet of the rental unit.

- 1. **Assignment:** In an **assignment**, the tenant transfers their right to occupy the rental unit to someone else. The new person takes the place of the tenant, and the tenancy agreement stays the same.
- 2. **Sublet:** A **sublet** occurs when the tenant moves out of the rental unit, lets another person (the 'sub-tenant') live there until a specified date, and can return to live in the unit before the tenancy ends. The tenancy agreement and the landlord-tenant relationship do not change.

A tenant who sublets a rental unit cannot:

- Charge a higher rent than the landlord does for the rental unit
- Collect any additional fees for subletting the rental unit, or
- Charge the sub-tenant for additional goods or services.

#### Q. Guests (Part III of the act)

The landlord cannot stop tenants from having guests, require the tenant to notify the landlord or get the landlord's permission before having guests. The landlord cannot charge extra fees or raise the rent due to guests in the rental unit. However, the tenant is responsible for the behaviour of their guests.

The landlord cannot prevent the tenant from having a roommate, as long as municipal by-laws on occupancy standards are respected.

If a tenant rents their whole unit to someone else (e.g., short-term rental), this person is not a "guest". The tenant may have to get the landlord's permission.

## R. Pets (Part III of the act)

A tenancy agreement cannot prohibit animals in the rental unit or in or around the residential building.

There are some cases where the landlord can apply to the Landlord and Tenant Board to evict a tenant who has a pet. These are some common examples:

- The pet makes too much noise, damages the unit or causes other tenants to have allergic reactions,
- The breed or species is inherently dangerous, or
- The rules of the condominium corporation do not allow pets.

## S. Smoking (Part V of the act)

The act does not discuss smoking in a rental unit. The landlord and tenant can use section 10 of the standard lease to agree to either allow or prohibit smoking in the unit, and/or on the landlord's property.

Even if the lease doesn't prohibit smoking, the landlord may apply to the Landlord and Tenant Board to end the tenancy if the smoking:

- Substantially interferes with reasonable enjoyment of the landlord or other tenants.
- Causes undue damage,
- Impairs safety, or
- Substantially interferes with another lawful right, privilege or interest of the landlord.

If the tenant believes that other people smoking in their building affects their health or safety, contravenes maintenance standards, or substantially interferes with their reasonable enjoyment of the rental unit, they should discuss it with their landlord before contacting the Landlord and Tenant Board.

#### T. Smoke and carbon monoxide alarms

The landlord must provide the rental unit with working smoke alarms and, where applicable, carbon monoxide alarms. The landlord is responsible for keeping smoke and carbon monoxide alarms in working condition, which includes replacing the batteries. The tenant must not disconnect or tamper with any smoke or carbon monoxide alarm and must notify the landlord immediately of any alarms not working properly.

## **U. Resolving disputes**

The landlord and tenant are required to follow the law. If they have problems or disagreements, the landlord and tenant should first discuss the issue and attempt to resolve it t hemselves. If the landlord or tenant feels that the other is not obeying the law, they may contact the Landlord and Tenant Board for information about their rights and responsibilities, including whether they may apply to the Landlord and Tenant Board to resolve the dispute.

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