



Landlording 101: What do I need to know?

Facts and Tips from the Residential Tenancies Tribunal

Renting accommodations is a business, whether it's a room, a basement apartment or multiple units in a large apartment complex. And just like any business, there is a certain art to this business that must be cultivated.

Become a successful landlord by:

- spending the time necessary to develop relationships with your tenants, property managers and service providers
- learning about the laws and obligations surrounding tenancies, and
- using sound business practices.

In this guide, you'll find general information you'll need on the *Residential Tenancies Act* and how it impacts the renting process. You'll also find practical advice on everything from how to find your ideal tenant to tips on being a good landlord.

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BEFORE SIGNING A LEASE

A Good Place to Start

Is your rental ready?

Attract your ideal tenants by getting your rental into tiptop shape.

- **Improve your curb appeal.** When a prospective tenant approaches your building, the first thing they'll notice is the exterior of your building. Keep the porch clean, lawn mowed and paint fresh.
- **Make those repairs.** Leaky faucets, running toilets, burnt out light bulbs - these are all quick and easy fixes. If prospective tenants spot various problems, they might think you don't take care of your tenants.
- **Install good lighting.** A well-lit exterior helps your tenants feel safer and more secure. A well-lit interior makes the rental look cleaner and fresher.
- **Clean and tidy.** Ensure the rental has been scrubbed from top to bottom, especially the bathroom. Steam clean any carpets. Get some fresh paint on the walls.

Your ideal tenant

Your tenants are one of your biggest assets, so be sure to spend some time thinking about what kind of tenant you'd like in your rental. You'll probably want a tenant that:

- Pays the rent on time
- Follows the rules
- Keeps the rental tidy and causes no damage to the rental or the property
- Keeps noise at a minimum
- Lets you know about repairs immediately, before further damage can be done
- Gives appropriate notice when ending the lease.

Where to advertise

- online sources that list apartments or rooms for rent
- Classified ads in newspapers (both print and online)
- University and college websites/bulletin boards/newspapers
- For Rent signs posted on your buildings

Advertising Tips

Describe the rental in as much detail as possible.
If posting ads online:

- be sure to include photos
- re-post often to keep your listing near the top
- remember to delete old ads

The Screening Process – How to Lower your Risks

Avoid headaches and protect yourself during the tenancy by performing some due diligence. Thoroughly check out any prospective tenants before you rent to them.

Follow a Procedure

Establish a fair procedure for screening, and be sure to follow it the same way with each and every potential tenant.

At the Viewing

The screening process typically begins at the viewing. These questions will help give you an insight into the type of tenant(s) they are likely to be:

- Are they polite? Are they on time?
- Do they wipe their feet before entering the property?
- When you ask them about things like employment and rental history, are they happy to give you the answers?
- Do they ask you any questions that make you feel they wouldn't be ideal tenants?

Reference Check

However nice the prospective tenants may seem, don't take any chances. Ask your prospective tenants to provide you with some references and spend some time checking as many of them as you can. References can include past or current landlords. Be sure to document what the references say.

Your Instincts

Trust your gut. When you talk with prospective tenants, pay attention to how you feel about them. Is there anything that you've seen or heard that would make you uncomfortable renting to them? Do you feel they are trustworthy and respectful? Do they seem likely to pay the rent on time? Though not scientific, listening to your instincts is an important part of the screening process.

Put the time and effort in to find the best tenants in the short term, and you'll save money and headaches in the long run.

Lease

New Brunswick leases cover tenancy agreements for apartments, houses, condo, rooms and mobile homes sites. The lease is a contract which contains crucial information about the tenancy, and becomes an essential communication tool between the tenant and the landlord. The lease is available in English and French. It is now possible to save Residential Lease in a PDF format and it is available online at www.snb.ca/irent under Forms & Resources.

Tailor it for your needs

Make sure you include the following information in your lease:

- Who will be signing the lease?
- What exactly are you agreeing to rent?
- What rules exist?
- What is the length of the lease? This will dictate how much notice the tenant needs to give if he/she wants to end the lease.
- How much is the rent and what exactly is covered in the rent?
- Is a security deposit required?
- Can the tenant assign or sublet the accommodation?
- Have any additional details that you and the tenant agreed on been added to the lease?

Get the tenants to read it

Make sure your tenants read the lease and rules carefully. Ask them if they have any questions. Remember, the lease is a legal contract so it's important they understand what they're signing. This will help you avoid any potentially difficult situations that might pop up.

You and your tenant must sign two copies of the lease. You should each keep one copy.

Security Deposit

You can ask your tenant for a security deposit, which can be no more than a full rent payment. (So, if rent is \$500 every month, the most you can get for a security deposit is \$500.) The security deposit acts as your protection against any damages, necessary cleaning, unpaid rent or unpaid utilities (heat, water, electric power or natural gas services, etc.) provided by the landlord but not covered by the rent and late payment fees. Tenants can pay the security deposit to the landlord or directly at any Service New Brunswick Service Centre.

DURING THE TENANCY

Move In Day

Move In Time: Tenants can expect to move in at a reasonable time on the morning their lease starts. The specific time should be agreed on with the tenants in advance.

Inspection: Before the tenant starts moving their things in, you should walk through the rental with your tenant and inspect it thoroughly under good light. Look at the condition of the walls, floors, counters, appliances, and everything else in the unit. Write down any damage in an Accommodation Inspection Report. If you promise to fix something, write that down too, including the date it will be completed on. Both you and the tenant should sign and date the report and you should both keep a copy. Taking photos can also be useful.

Your Responsibilities

You must agree to provide and maintain the rental (and provided items like stoves and fridges) in a good state of cleanliness and repair and fit for habitation. The landlord also promises to keep the common areas clean and safe and follow health, safety and housing standards.

Additional responsibilities apply to landlords of rooming houses, boarding houses and mobile home sites.

Your Tenants' Responsibilities

Your tenants should keep the rental clean (including things like the fridge and stove). The tenants should also ensure that they and their guests respect their neighbors, and that they repair any damage that they or their guests have caused.

Being a Good Landlord

These tips will help you earn and keep the respect of your tenants:

- **Get the right tenants.** When you meet prospective tenants, be sure to get a good feel for the tenants' personality and level of responsibility, both personally and financially. Screen all prospective tenants in the same way so that it is fair and transparent.
- **Set reasonable rules.** Think about what you will and will not allow in your rental. Talk to other landlords for ideas. All rules should be clearly written down in the lease.
- **Keep your property well-maintained.** Perform regular maintenance and respond to repair requests quickly. You'll not only keep your tenants happy and healthy, but you'll also get the most out of your property.
- **Show your tenants respect.** Treat them with kindness and respect and they will be more likely to reciprocate it back to you. Also, be sure to respect their privacy. Don't enter the rental without good reason and without giving proper notice.
- **Provide security.** Everyone wants to feel safe, and your tenants are no different. Be sure to provide secure premises with adequate lighting.

ENDING THE TENANCY THE RIGHT WAY

Moving Out

Notice: Your tenant will need to give you proper written notice if they want to move out. For a fixed-term lease it automatically ends at the end of the agreed period of time. For month-to-month leases, the tenant needs to give a month's notice and for a year-to-year lease, they need to give three months' notice before the anniversary date.

Viewings: You need to give your current tenants proper notice to show the rental to prospective tenants unless it is clearly specified in the lease that no notice is required during the last month of tenancy.

Move Out Time: The tenant must be out of the rental by midnight on the last day of your lease.

Moving Out: Your tenants will need to clean the rental and all the provided items, like stoves and fridges, to get their full security deposit back. They'll also need to repair any damages that may have occurred, other than normal wear and tear. Tenants must take all their belongings with them when they leave..

Final Inspection: On Move Out Day, you and your tenant should do a final inspection of the rental. Check to see that everything is reasonably clean. Use the Accommodation Inspection Report that you both signed on Move In Day, and photos if you took them, to determine if anything has been damaged. Make notes of any damage, and then both parties sign the report. Be sure the tenant returns all the keys.

Security Deposit: If you feel that there has been damage to the rental, it is not reasonably clean, or if there is any outstanding unpaid rent, utilities or late fees, then you can make a claim against the security deposit. Simply submit a Security Deposit Claim Form to the Residential Tenancies Tribunal within seven days of the end of the tenancy.

TENANCY DISPUTE RESOLUTION

Common Disputes

The most common disputes landlords might face during a tenancy often involve:

- Security deposits
 - Payment of a security deposit
 - Claim against a security deposit
- Repairs and cleanliness required from the tenant
- Disregard by the tenant of health, safety, housing and building standards
- Tenant's conduct causing nuisance and disturbance
- Tenant's failure to pay rent
- Offences under the Act : Change of locks
- Termination of tenancy
- Eviction request
- Abandoned tenant belongings

Protection under the Act

If a tenant makes a complaint against a landlord, he or she may be protected under the *Act* from being evicted from the day on which the complaint was made until one year after that day if:

- (a) the tenant advises a Residential Tenancies Officer in writing within fifteen days after the receipt of the Notice of Termination that he or she intends to contest the notice, and
- (b) the landlord does not satisfy the Residential Tenancies Officer that he or she did not serve the Notice of Termination because the tenant made the complaint.

The Tenancy Dispute Resolution Process

The resolution process follows five steps. They are:

Step 1 - Dialogue	If you run into any problems during your tenancy, you should always talk about it with your tenant first.
Step 2 - Formal complaint	If that doesn't work, then you can give your tenant a written notice. He or she has seven days to fix the problem. . If the landlord is addressing a conduct matter with a tenant, the tenant must comply immediately .
Step 3 - Request for assistance	If the tenant doesn't fix the problem within seven days, then you should complete an "Application for Assistance" and submit it to the Residential Tenancies Tribunal, who will investigate your case.
Step 4 - Residential Tenancies Officer investigation	The Residential Tenancies Tribunal will assign a Residential Tenancies Officer who will investigate your case
Step 5 - Residential Tenancies Officer resolution	The assigned Residential Tenancies Officer will try to mediate a solution to the tenancy dispute between the landlord and the tenant. If a mediated solution cannot be reached, he or she will render a decision based on both the <i>Residential Tenancies Act</i> and relevant facts presented by both parties.

Tenancy Information

For a complete list of Information Bulletins and Forms, please consult the Forms and Resources section of www.snb.ca/irent.

Note: If it is an emergency, you can contact the Residential Tenancies Tribunal immediately, without going through the procedure above.

ADDITIONAL INFORMATION

Quick Tips

- **Select wisely.** Choosing the right tenants is one of the most important decisions you'll make.
- **Call references.** See what others think of your potential tenant.
- **Trust your instincts.** If you have less confidence in a potential tenant than you'd like, don't rent to them.
- **Be fair.** Use the same screening process for all your prospective tenants.
- **Get a deposit.** Protect yourself by requiring a security deposit.
- **Put it in writing.** Use the Standard Form of Lease, and get it signed.
- **Check it out.** Be sure that you and your tenant complete and sign an inspection report.
- **Fix it.** As soon as know there is an issue, get it repaired right away.
- **Stop by.** Inspecting the premises every few months will help you spot problems early on. Be sure to give proper notice.
- **Questions?** Contact the Residential Tenancies Tribunal.

The information in this guide is general in nature. For more information, please consult www.snb.ca/irent, the *Residential Tenancies Act*, send an email to irent@snb.ca or call the Residential Tenancies Tribunal toll-free at 1-888-762-8600.