



MTCondoLaw

DECEMBER 2013

Ontario's Condominium Law Experts



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Announcements

May the holidays bring you cherished time with family and friends, and may 2014 be filled with health, happiness and promise.

Past Issues

November 2013

- The Rising Cost of Condo Ownership: Common Expenses and Rising Household Costs

October 2013

- Requests for Records: Fishing Expeditions not Permitted

September 2013

- Mould: Handle with Care

CHOOSING A CONDO TENANT

by Barbara Zeller

This article should be given to unit owners, either as part of the status certificate or a welcome package provided by the board.

I'm sure most readers could contribute hair-raising rental stories, including trash strewn over floors, kicked-in walls, stolen appliances, sinks that have been left on causing massive water damage, wild parties, and noisy occupants.

Renting even one condominium unit to another person makes you a landlord. Having a bad tenant will make your job as a landlord much more difficult than if your tenant is dependable, considerate of those around him/her, respectful of your rules and the condominium's rules, and financially secure. As a landlord, you are legally and financially responsible to the condominium corporation for damage caused by your tenant or enforcement proceedings which might be taken against them on conduct related matters.

Newsletter Tips - Tarion Warranty Coverage

If a condominium corporation has to make emergency repairs to builder-installed materials that are subject to Tarion Warranty coverage, the corporation should document the problem with pictures, both before and after, and submit an Emergency Form to Tarion and the declarant as soon as possible after completing the repairs. Tarion Emergency Forms are available by calling 1.877.982.7466. Copies of all receipts/invoices received for work and materials should be enclosed with the Emergency Form. Failure to submit an Emergency Form may void the warranty under Tarion.

Our Mission

At Miller Thomson LLP our mission is to provide comprehensive, competitively priced, value-added, community oriented solutions throughout Ontario utilizing the range of knowledge and depth of expertise of a larger firm, while providing professional, friendly and timely service to our clients

With offices in Toronto, Markham, Guelph, London and Kitchener-Waterloo, our Condominium Practice Group is part of a full service law firm which provides us with significant strengths in matching your legal needs to our resources. Our office systems and technology assist us in providing quick turnaround on a cost efficient basis.

There are a few things you can do to help protect yourself: document your relationship, verify information, and intelligently observe.

1. DOCUMENT YOUR RELATIONSHIP

(a) Rental Application

You will want some confirmation that the prospective tenant is who he/she says he/she is, can pay the rent, and has a good reputation.

To help you determine this, you can ask the prospective tenant to complete an application that contains information such as;

- the full name of anyone who will be living in the unit
- a list of the places he/she has lived for the last 3 years (including contact information for landlords)
- a history of his/her employment for the last 3 years
- any other payments for which he/she is responsible (for example, his/her car may be leased)
- government identification, and
- authorization for you to perform a credit check

Make sure any form you use contains a statement by the prospective tenant authorising you to contact anyone listed in the form, so you can verify the truth of the information set out in the application.

An example of a rental application can be found on the Toronto Real Estate Board [website](#).

(b) Lease

Any successful business relationship, including a tenancy, is based on parties understanding their own obligations and each others' expectations. A written lease helps the landlord and tenant to clearly set out their expectations and obligations tied to the use of the property. You should be aware that condominium rental units need a special lease that contains provisions specific to condominiums.

(c) Form 5 under the *Condominium Act*

You must complete a Summary of Lease or Renewal, Form 5 under Regulation 49/01 under the *Condominium Act*, a version of which can be found on the following [website](#). The completed form must be delivered to your condominium corporation as you have a legal responsibility to do so.

You must also advise the corporation in writing of your address of service where the corporation can send you correspondence and notices of meetings. If you receive correspondence from the corporation or its legal counsel regarding your tenant make sure you take action on it. Do not ignore it under any circumstances. The cost to you of doing so could be very high.

(d) Inspection Report

Completing an inspection report is easy. Before you give the key to the tenant on the first day of the lease, the two of you should walk through each room and note the state of each room and any pre-existing damage on the inspection form, an example of which can be found [here](#).

2. VERIFY INFORMATION

After taking time and trouble of asking for a great deal of personal information from a prospective tenant on the rental application, you need to review and verify it. Verifying the information in the completed rental application may mean making some phone calls, asking for a recent tax return or a letter of employment to confirm the stated income, running a credit check, and searching the internet for corroboration of some of the information provided.

3. INTELLIGENTLY OBSERVE

You can learn a lot about someone when you meet him/her for the first time.

Is the potential tenant respectful and polite when you meet him/her? Did he/she arrive on time? How do the family members speak with each other, do they scream at each other? Do you want a family of screamers in your unit? Of course, all kids can be rambunctious but you want to see whether they will stop to listen to their parents.

You can also take a look at the prospective tenant's car – is it in good shape or is it poorly-taken care of, for example is it missing headlights and a passenger-side mirror? If so, that might indicate he/she isn't careful with his/her property – in which case he/she is unlikely to be careful with your property.

It is also a good idea to take a step back from the leasing process. Sometimes you can get so caught up in trying to find a tenant that you forget how important it is to find a good one. Getting stuck with a bad tenant is not just a headache, but it could also involve significant expenses on which you had not planned.

Newsletter Tips - Hiring Contractors/Sub-Contractors

Condominium corporations that retain a contractor or subcontractor to perform construction work are required to obtain from those persons before construction work commences, a Workplace Safety and Insurance Board ("WSIB") Clearance Certificate showing that the contractor has registered with WSIB and has complied with all obligations under the WSIB Act. Failure to obtain Clearance Certificates can result in costly fines and result in the risk of liability to pay the unpaid WSIB premiums of the non-complying contractor or subcontractor. Penalties for non compliance of the WSIB requirements can result in fines for individuals of a maximum of \$25,000 and/or 6 months in jail. For a corporation, fines are a maximum of \$100,000. In addition to these fines, unpaid premiums will need to be paid together with interest on the unpaid amounts.

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