

LANDLORD INSTRUCTIONS FOR ASSIGNMENT AND SUBLET AGREEMENTS



NOTE RE: ASSIGNMENTS: Under the RTA, you have **7 days** to respond to a tenant's request to: (a) assign a rental unit or (b) to assign a rental unit to a prospective assignee. If you do not respond within the 7 day period, the tenant may terminate the lease on **30 days notice** and vacate the premises without penalty. You have an absolute right to refuse assignment of the lease: you do not need to provide "reasonable grounds". If you refuse assignment, the tenant may then serve a 30 day Notice of Termination and vacate the premises without penalty, regardless of the remaining term of the lease. Only use the Assignment Agreement where you have agreed to permit the tenant to assign the lease, subject to your approval of the prospective assignee.

1. In order to complete the Assignment or Sublet agreements you will require the following documentation:
 - (a) a landlord's standard Rental Application;
 - (b) a copy of the Tenancy Agreement being assigned or sublet; and,
 - (c) a copy of a blank Assignment or Sublet Agreement.
2. You should require the assignor and assignee or head tenant and subtenant, as the case may be, to attend at your office in order to:
 - (a) complete the "Rental Application" form; and,
 - (b) sign the formal Assignment or Sublet Agreement, whichever applies.
3. Have the prospective assignee or subtenant complete the landlord's standard Rental Application. Strike out the word "Rental" and at the top of the page indicate whether it is an application for sublet or assignment by writing in the relevant term: i.e. **"*Application for Sublet"** or **"*Application for Assignment"**. A copy of the lease being assigned or sublet should be attached to the agreement as "Schedule A". If the assignment or sublet is of a monthly tenancy, attach the tenant's most recent written Tenancy Agreement and mark it as **"Schedule A"**. You will rarely have a sublet of a monthly tenancy but where you do, require that the subtenancy terminate at the end of the month in which the subtenancy begins.
4. Ensure that the termination date of the subtenancy or assignment specified in section 3 of the Rental Application ("term to end") is as follows:
 - (a) if the assignment is of a **fixed term** lease, the termination date entered on the Rental Application should be the same as the termination date set out in the assignor's lease; and,
 - (b) if the assignment is of a monthly tenancy, write in the phrase "month to month tenancy"; and,
 - (c) in the case of a subtenancy, the termination date should be a minimum of one day prior to the expiry of the head tenant's lease (i.e.: December 30th if lease specifies termination date of December 31st).
5. If a subtenancy is being granted for the entire balance of a tenant's fixed term lease, the landlord should require that the head tenant provide a notice of termination of the tenancy at the end of the fixed term thereby reducing the likelihood that the subtenant will remain in the unit as an over-holding tenant and ensuring that possession of the rental unit will be returned to the landlord at the end of the term of the fixed lease.
6. Have the applicant complete the balance of the Rental Application. Strike out any portions of the application that are not applicable, i.e.: rental incentives, prorated rent, deposit toward last month's rent, etc. You will have to decide, based on the circumstances of each case, which parts of the Rental Application are applicable.
7. In section 4(iv) of the Rental Application enter the dollar amount as specified in the Tenancy Agreement as the administrative and processing fee for assessing a prospective assignee or subtenant. You may further indicate that it is an "assignment fee" or "sublet fee". It is recommended that you retain the original tenant's last month's rent on deposit and that the existing tenant and prospective assignee or subtenant make their own arrangements between themselves with respect to the last month's rent deposit and any accrued interest. Neither the assignor nor the head tenant are entitled to demand return of the last month's rent at the time the assignment or sublet takes effect. The last month's rent may only be applied to the rent due for the last month of the tenancy.
8. The applicant should complete the second page of the Rental Application in its entirety.
9. There is no requirement for you to sign the "acceptance" at the bottom of the Rental Application nor are you required to give the applicant a copy of the application.
10. After completing the Rental Application, the existing tenant and the prospective subtenant or assignee, as the case may be, should sign the Assignment or Sublet Agreement. You should sign the Consent (see bottom of each agreement) only after you have reviewed the Rental Application, conducted reference/credit checks, and satisfied yourself of the applicant's suitability.
11. Upon signing the Consent, you should notify the parties of the approval and subsequently monitor the change in occupancy to ensure that it occurs on the date specified in the agreement. A copy of the Assignment or Sublet Agreement and Schedule "A" should be given to the tenant and the assignee or subtenant,
12. In the case of an "assignment" (but not a sublet) keep in mind that under Section 95(4)(b) of the *Residential Tenancies Act*, if you do not respond to a request to consent to an assignment of the rental unit to a potential assignee **within seven days after the request is made**, the tenant may serve a notice of termination and vacate the premises in 30 days without penalty: in other words, the assignment request must be processed quickly.