

Dispute Resolution Services

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Residential Tenancy Branch
Office of Housing and Construction Standards

A matter regarding PROMPTON REAL ESTATE SERVICES INC. and [tenant name suppressed to protect privacy]

DECISION

<u>Dispute Codes</u> CNC, FFT

<u>Introduction</u>

This hearing dealt with a tenant's application for cancellation of a *One Month Notice to End Tenancy for Cause* ("1 Month Notice") dated June 23, 2022.

Both parties appeared or were represented at the hearing and the parties were affirmed.

Near the outset of the hearing, I explored service of hearing materials upon each other. I confirmed both parties had given their materials to the other party and the other party received the materials. Although the tenant served the landlord with evidence after the tenant's deadline for doing so, the landlord did not take issue with respect to receiving the materials late. Accordingly, I admitted the evidence of both parties in making this decision.

All relevant evidence was carefully considered in reaching this decision. However, only relevant oral and documentary evidence needed to resolve the issue(s) of this dispute, and to explain the decision, is referenced in this decision.

The hearing process was explained to the parties and the parties were given the opportunity to ask questions about the process.

Both parties had the opportunity to make <u>relevant</u> submissions and to respond to the submissions of the other party pursuant to the Rules of Procedure.

The style of cause was amended to exclude the name of the tenant's child and to reflect the landlord's full legal name.

Issue(s) to be Decided

- 1. Should the 1 Month Notice be upheld or cancelled?
- 2. If the 1 Month Notice is upheld, is the landlord entitled to an Order of Possession?
- 3. If the landlord is entitled to an Order of Possession, when should it take effect?
- 4. Award of the filing fee.

Background and Evidence

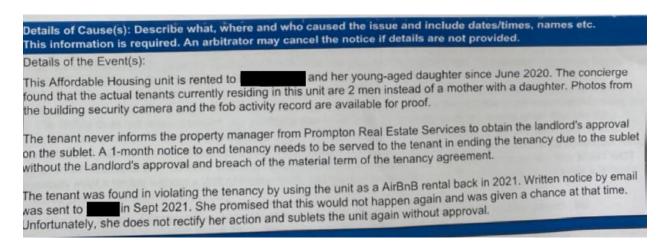
The tenancy started on July 1, 2020. After a one year fixed term, the tenancy continued on a month to month basis. The tenant paid a security deposit of \$787.50. The rent was initially set at \$1575.00 and it is currently \$1598.62, payable on the first day of every month.

On June 23, 2022 the landlord posted the subject 1 Month Notice to the rental unit door. The tenant filed to dispute the 1 Month Notice within the time limit for doing so.

The 1 Month Notice has a stated effective date of July 31, 2022 and indicates the following reasons for ending the tenancy:

- Breach of a material term of the tenancy agreement that was not corrected within a reasonable time after written notice to do so.
- Tenant has assigned or sublet the rental unit/site/property/park without landlord's written consent.

In the Details of Cause the landlord wrote (with tenant's name omitted by me for privacy):



Below, I have summarized the landlord's position and tenant's responses.

Landlord's position

The rental unit is in a newer condominium building with several amenities including a concierge desk. Included in the building are some units that are rented under an Affordable Housing program with the City. The rental unit is one of the units in the Affordable Housing program.

In the addendum to the tenancy agreement is the following term concerning subletting:

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SUBLETTING

A tenant must have their landlord's written permission before subletting or assigning their tenancy.

For assignments, a landlord can collect information and perform a credit check on a proposed tenant and can refuse to allow the assignment if they aren't satisfied that the proposed tenant will be able or likely to pay rent. The fees associated with confirming a proposed tenant's suitability cannot be passed on to the original tenant.

If a tenant sublets or assigns their tenancy without the landlord's written permission, the landlord may serve notice to end the tenancy – which means the tenancy would also end for the sub-tenant, unless they're able to negotiate a new tenancy agreement with the landlord.

Agreed and signed by each adult TENANT:

Agreed and signed by LANDLORD:

The tenant signed the above terms and conditions.

The landlord submitted that in 2021 the landlord determined the tenant was subletting the rental unit out as a short term vacation unit. This was discovered when the landlord's tradesperson entered the rental unit and found individuals in the unit who identified themselves as renting the unit through Airbnb. The maintenance person reported his findings to the landlord and the landlord found the rental unit advertised on Airbnb with the tenant listed as the "host" and including several reviews from previous guests who rented the unit through Airbnb.

When the tenant was found to be renting the unit out on Airbnb in 2021, landlord notified the City and the City wrote the landlord a letter on September 16, 2021. The City described the affordable housing program, in part, its limitations and consequences to the owner where a tenant is found to be subletting the unit (names and address omitted by me for privacy):

Road is subleasing their

The City's Low-End Market Rental (**LEMR**) program aims to secure affordable housing units in new residential developments in . These units are for low to moderate income households and may only be used as a permanent residence by eligible tenants, being those that fit the LEMR program criteria.

The use and occupancy of the Affordable Housing Units in ______ is governed by a housing agreement (the "**Housing Agreement**") between the Owner and the City of

unit through AirBnb and the unit continues to be listed on the AirBnb website, the Owner is in

As set out in Section 3.4, the Owner will not permit a Housing Unit Tenancy Agreement to be subleased or assigned.

(the "City"). As the tenant in unit

Should we not receive satisfactory notice that the defaults listed above have been remedied, then pursuant to Section 6.1 of the Housing Agreement, the Daily Amount (\$100 adjusted annually by CPI) will commence accruing on a daily basis in respect of such defaults 10 days following receipt of this default letter. The Daily Amount is charged in connection with each of the Affordable Housing Units in default and for each default.

The landlord proceeded to issue a One Month Notice to End Tenancy for Cause to the tenant on September 21, 2021.

Upon receiving the 1 Month Notice of September 21, 2022, the tenant requested the landlord cancel the 1 Month Notice. The tenant referred to her mother requiring surgery and indicating the subletting was a "one time misconduct and we are very good tenants otherwise...I am begging for your help on this matter." In response, the landlord agreed to waive the 1 Month Notice and continue the tenancy.

In June 2022, the building concierge reported to the landlord that two men asked the concierge where the garage room was located and information concerning other building policies. The building concierge determined the two men were staying in the rental unit and asked the men to fill out a Form K [Notice of Tenant's Responsibilities] but they refused. The landlord provided a print-out of activity in the building with the fobs assigned to the tenant, showing two men accessing various areas of the building.

The landlord posted a Notice of Entry on the door of the rental unit at approximately 1:30 p.m. on June 22, 2022 for a unit inspection at 3:00 p.m. on June 23, 2022.

At 2:58 p.m. on June 23, 2022 the concierge reported to the landlord that the younger of the two men who had been staying in the rental unit dropped off the keys and fobs to

the concierge and indicated the tenant would pick them up from the concierge. The landord provided an image of the text message sent to the landlord's agent by the concierge.

Upon entering the rental unit on June 23, 2022, the landlord found the closets, including built in drawers, in both bedrooms to be essentially empty with the exception of two men's style shirts and one bedsheet. The fridge and freezer were nearly empty with the exception of condiments. The beds were stripped with the bedding placed in piles on the bed. The landlord provided photographs of these areas of the rental unit.

After the inspection, the landlord posted the subject 1 Month Notice on the rental unit door.

After the 1 Month Notice was posted, the tenant started to communicate with the landlord, explaining that she and her daughter were staying at the tenant's mother's home while the mother was away travelling and her mother's home is closer to the tenant's workplace and her daughter's school. Since the rental unit was not being used by the tenant, the tenant allowed friends who had recently left their home due to the war with Ukraine to stay in the unit for the past 1.5 months but that she did not receive rent from these friends. The tenant asked for the 1 Month Notice to be cancelled.

The landlord reached out to the City for further information concerning the Affordable housing program under which the unit is governed. The City responded, in part:

I appreciate you providing me with the details of the ongoing situation. In terms of eligibility, tenants must meet the following requirements:

- applicants must intend to make the unit their primary residence; and
- the total (before-tax) annual income of all household members combined must fall below the maximum income thresholds outlined in the Housing Agreement

The Housing Agreement also states the following with respect to subleasing and vacant units:

- the Owner may end the Tenancy Agreement if a tenant has subleased their LEMR unit.
- if a LEMR unit remains vacant for three or more consecutive months, the Owner may end the Tenancy Agreement

The landlord considered the tenant's explanation and rejected the request and the tenant proceeded to file this Application for Dispute Resolution seeking cancellation of the 1 Month Notice.

The landlord argued that the tenant has already been put on notice that subletting without the landlord's consent is not permitted. The tenant was notified of this by way of the tenancy agreement and the 1 Month Notice issued in 2021; yet, the tenant has done it again despite her assurances it would not happen again.

The landlord argued that the rental unit is a unit that is offered at a lower than market rental rate, intended to provide aid to tenants in need. This tenant appears to have the ability to live elsewhere and give the rental unit to others to use. It is unfair for the tenant to unfairly benefit from the affordable housing program when there are many people desperately in need and waiting for such housing.

The landlord requested an Order of Possession effective on December 31, 2022.

Tenant's position

The tenant submitted that her mother had left to go travelling at the end of April 2022 and planned to return in June 2022 so the tenant and her daughter went to stay at her mother's home. The tenant described her mother's home as being located in downtown, close to the tenant's workplace and the tenant's daughter's school. Whereas the rental unit is approximately one hour away by transit.

The tenant testified that in early May 2022 her mother's close friends of over 20 years called her mother looking for temporary accommodation as they were staying in a hotel and the hotel stay was very expensive. Also, her mother's friends had just arrived in Canada and did not have any rental references so they had nowhere else to go. The tenant's mother contacted the tenant concerning her friend's circumstances.

The tenant decided to allow her mother's friends to stay in the rental unit while the tenant and her daughter were staying at her mother's home.

When tenant decided to allow the two men to stay in the rental unit, she cleared the bedroom closets out so the men could use them; however, the tenant's other personal property remained in the unit such as her personal documents and her daughter's toys.

I asked several questions of the tenant and she testified that:

- The tenant provided the keys and fobs to the men by meeting them on the street on May 3 or 4th, 2022.
- The men left the keys and fobs with the concierge when they left on June 23, 2022 because the tenant was working that day.

As for the timing of when the two men left the rental unit and returned the keys/fobs to the concierge, at 2:58 p.m. on June 23, 2022, the tenant submitted that is was just a coincidence that this happened right before the landlord was scheduled to inspect the rental unit. However, her guests had given her notice that they would be moving out about one week prior to June 23, 2022 via phone call.

The tenant submitted that her mother's friends, the two men seen by the concierge, were her guests and that she did not receive any money for their stay and she had not advertised the rental unit for rent. The tenant did not realize at the time that she had to inform the landlord that she had guests staying in the rental unit although she understands that now.

The tenant argued that having guests is not the same as subletting. The tenant submitted that subletting involves providing an empty unit for others to use and receiving money from their use. The tenant cannot be found to be subletting since the tenants personal property remained in the rental unit and she did not receive any money from the men staying in the rental unit.

The tenant argued that she did not receive a breach letter prior to issuance of the subject 1 Month Notice. The tenant testified that the landlord did not provide her with a breach letter and she only received a copy of the City's letter concerning subletting when the landlord served her with its evidence package for this proceeding.

The tenant also argued the landlord's entry into the rental unit on June 23, 2022 was unlawful since the notice of entry was posted on the rental unit door and did not allow sufficient time for the tenant to receive the notice before the landlord entered. When I asked the tenant how the insufficient notice period is relevant to the matter before me, the tenant argued that the improper notice of entry period should result in the tenancy being re-instated.

The tenant stated that she received a Notice of Rent Increase to take effect January 2023 and the tenant suggested that this may mean the landlord is prepared to continue the tenancy. The landlord was asked to explain the issuance of the Notice of Rent Increase to the tenant to which the landlord's agent stated that since the 1 Month Notice was under dispute and fate of the tenancy had yet to be determined, their system automatically issued the Notice of Rent Increase in September 2022.

The tenant's assistant pointed out that the rental unit, provided under the Affordable housing program is intended to provide housing to tenants in need and the tenant is in need.

In the tenant's emails to the landlord, seeking to have the subject 1 Month Notice cancelled, the tenant stated she is a single mother not receiving child support and making \$3200.00 per month and that she cannot afford to rent elsewhere.

The tenant submitted a letter from a psychiatrist who opined that the tenant suffers from psychiatric illness if the tenant loses her housing her psychiatric illness will worsen.

<u>Analysis</u>

Where a notice to end tenancy comes under dispute, the landlord bears the burden to prove the tenant was served with a valid notice to end tenancy and the tenancy should end for the reason(s) indicated on the notice. Where more than one reason is indicated on the notice, it is sufficient to end the tenancy where only one of the reasons is proven. The landlord's burden of proof is based on the balance of probabilities.

In this case, the 1 Month Notice indicated two reasons for ending the tenancy that are consistent with the following reasons for ending a tenancy under section 47(1) of the Act:

- (h) the tenant
 - (i) has failed to comply with a material term, and
 - (ii) has not corrected the situation within a reasonable time after the landlord gives written notice to do so;
- (i) the tenant purports to assign the tenancy agreement or sublet the rental unit without first obtaining the landlord's written consent as required by section 34 [assignment and subletting];

It is clear from the details of cause provided on the 1 Month Notice, that the two reasons indicated above pertain to the same alleged offense: that the tenant sublet the rental unit.

To end a tenancy under section 47(1)(h) the landlord has to prove a number of things, including: that the tenant breached a <u>material</u> term of the tenancy agreement; that the landlord gave the tenant a written notice of the breach and a reasonable amount of time

to correct the breach; and, despite the written notice the tenant did not correct the breach. The tenant argued the landlord did not give her a written notice of a breach of a material term before the landlord issued the subject 1 Month Notice. It appeared to me as though the landlord was relying upon the previously issued 1 Month Notice and subsequent communications between the parties as being a form of written notice. Either way, I did not hear any submissions or arguments from either party as to whether the term in the addendum concerning subletting and/or assignment is a material term and the term, as it is written does not indicate it is a material term. As such, I do not consider breach of a material term as a reason for ending the tenancy any further and I turn my analysis toward the second reason indicated on the 1 Month Notice that is provided for under section 47(1)(i) of the Act, which is:

(i) the tenant purports to assign the tenancy agreement or sublet the rental unit without first obtaining the landlord's written consent as required by section 34 [assignment and subletting];

Section 47(1)(i) refers to section 34 of the Act. Section 34 of the Act provides:

Assignment and subletting

34 (1) <u>Unless the landlord consents in writing, a tenant must not assign a tenancy agreement or sublet a rental unit</u>.

- (2) If a fixed term tenancy agreement has 6 months or more remaining in the term, the landlord must not unreasonably withhold the consent required under subsection (1).
- (3) A landlord must not charge a tenant anything for considering, investigating or consenting to an assignment or sublease under this section.

[My emphasis added]

Section 34(1) of the Act applies to every tenancy as there is no exemption or exclusion from this requirement. Subsection (2) gives a tenant some remedy if the tenant is in a fixed term tenancy with at least six months remaining in the term and is of the position the landlord has unreasonably withheld consent to assign or sublet; however, subsection (2) does not apply in this case since the tenancy was on a month to month basis and there was no request for consent to sublet made by the tenant. Subsection is not applicable in this case either since the tenant did not request landlord's consent to sublet and the landlord did not charge a fee to the tenant to consider such a request.

In reading sections 34(1) and 47(1)(i) together, I find they are consistent and clearly convey that a tenant requires the landlord's written consent to assign or sublet and if a tenant does assign or sublet without the landlord's written consent the consequence for the tenant is the end of the tenancy. In this matter, the landlord did not give the tenant any consent to sublet the rental unit and it was undisputed that the tenant gave two men access and possession of the rental unit between May 3rd or 4th, 2022 and June 23, 2022 while she was staying at her mother's home. Accordingly, it is before me to determine whether the tenant had, on a balance of probabilities, sublet the rental unit.

In reading the details of cause, the landlord pointed to the tenant's past conduct of renting out the unit through Airbnb and indicates the tenant has done the same thing again when the landlord discovered that two men were occupying the rental unit in May and June 2022. However, the landlord acknowledged that it could not locate a listing for the unit on Airbnb with respect to the May and June 2022 occupation by the two men and the tenant denied advertising the unit for rent. As such, I find it is not sufficiently proven or obvious that the tenant was renting the unit out as short term vacation or travel vacation again on Airbnb or other similar website as a commercial venture.

The tenant argued that she had guests stay in the rental unit while she and her daughter stayed at her mother's house and that this is different from subletting because she did not receive money from the men staying at the rental unit and to sublet requires that she provide the subletters with an empty unit. While such arrangements may be a sublet, I am of the view that to sublet may include other arrangements, including providing a furnished unit to a subletter. To aid my analysis in the meaning of a sublet, I turn to Residential Tenancy Policy Guideline 19: *Assignment and Sublet*. This policy guideline provides the public with information and policy statements with respect to circumstances that may or may not constitute assignment and subletting. The policy guideline describes subletting, in part, as follows:

When a rental unit is sublet, the original tenancy agreement remains in place between the original tenant and the landlord, and the original tenant and the subtenant enter into a new agreement (referred to as a sublease agreement). Under a sublease agreement, the original tenant transfers their rights under the tenancy agreement to a subtenant. This must be for a period shorter than the term of the original tenant's tenancy agreement and the subtenant must agree to vacate the rental unit on a specific date at the end of sublease agreement term, allowing the original tenant to move back into the rental unit. The original tenant remains the tenant of the original landlord, and, upon moving out of the rental unit granting exclusive occupancy to the sub-tenant, becomes the "landlord" of the sub-tenant.

Unlike assignment, <u>a sublet is temporary</u>. In order for a sublease to exist, <u>the original tenant must retain an interest in the tenancy</u>. While the sublease can be very similar to the original tenancy agreement, the sublease must be for a shorter period of time than the original fixed-term tenancy agreement – even just one day shorter. The situation with month-to-month (periodic) tenancy agreements is not as clear as the Act does not specifically refer to periodic tenancies, nor does it specifically exclude them. In the case of a periodic tenancy, there would need to be an agreement that the sublet continues on a month-to-month basis, less one day, in order to preserve the original tenant's interest in the tenancy.

Th policy guideline goes on to state that the original tenant becomes the "landlord" to the sublessor by way of the definition paragraph (c) in the definition of landlord provided under section 1 of the Act:

- (c) a person, other than a tenant occupying the rental unit, who
 - (i) is entitled to possession of the rental unit, and
 - (ii) exercises any of the rights of a landlord under a tenancy agreement or this Act in relation to the rental unit;

Based on the tenant's own testimony and admissions, the tenant gave the men staying in the rental unit all of the keys/fobs to the rental unit by meeting them on the street on May 3 or 4, 2022. The tenant left the unit furnished and other personal possessions in the rental unit but removed her and her daughter's clothes and most of the contents of the fridge and freezer. When I imagine permitting a house guest in one's own home, I find it highly unusual that I would remove all of my clothing from the closets and drawers. I also find it highly unusual that I would meet my house guest on the street to give them all of my keys/fobs rather than meet them in my home.

I heard that the men gave the tenant one week's notice that they would be leaving on June 23, 2022 and the tenant returned to live in the rental unit on June 23 2022 after the men vacated the unit and left the keys/fobs with the concierge. At no time did the tenant indicate she entered the rental unit at any time while her "guests" were staying there so that she could visit with her guests that were staying in the tenant's home, or retrieve any of her or her daughter's possessions.

In light of the above, I find the tenant gave the two men the means to access to the rental unit and the building and its amenities; and, the tenant gave the men exclusive possession of the rental unit during their entire stay. Also, the tenant retained an interest in the tenancy as the mens' occupation of the unit was for a period of time less than that of the tenancy. These attributes are consistent with subletting.

While it was not proven by the landlord that the tenant received money for giving the two men occupation of the rental unit, I do not see that it is necessary for the landlord to prove that, especially when I consider this would be very difficult for a landlord to do without financial documents from the tenant, such as bank statements or evidence from the person's staying in the rental unit. In this case, the two men who had been occupying the rental unit left the unit and returned the keys/fobs with mere minutes before the landlord arrived for its inspection. The tenant's documentary evidence did include her Notice of Assessment with respect to her 2021 tax filing; however, I find that to be insufficient in itself to determine whether she was paid for allowing the men to stay in the rental unit as income reported on a tax return is often based on income reported by the source/payor of the income to the taxpayer and monies paid by an individual for rent typically do not result in a tax slip being generated by the payor.

As for the tenant's argument that the men staying in her rental unit were long time family friends of her mother's and not sublessors, I find the tenant failed to provide evidence that ought to have been available to her by exercising due diligence to corroborate her position, such as:

- The tenant claimed she went to stay at her mother's home in late April 2022 through June 2022 because her mother was away travelling; yet, the tenant did not present any travel documentation to show that. Nor, did the tenant have her mother appear as a witness to corroborate the tenant's testimony.
- The tenant claimed she did not receive any money from the men who stayed in the rental unit from May 3, 2022 through June 23, 2022 yet the tenant did not produce any financial records, such as bank statements, in an attempt to corroborate this.
- The tenant claimed that personal property remained in the rental unit, such as her personal documents and daughter's toys, while the two men were staying there in May 2022 and June 2022; however, the tenant did not provide any photographs of such even though the tenant received the 1 Month Notice on the door upon coming home after the two men left on June 23, 2022.
- The tenant claimed that the two men staying in her rental unit were long time family friends of over 20 years and had just fled their home country due to the war in Ukraine to then stay in a hotel before asking the tenant's mother for temporary accommodation; yet, the tenant did not provide any documentation or photographs in an attempt to demonstrate any of these submissions.

The tenant's documentary appears to focus on the manner in which she has been served by the landlord and insufficient notice with respect to the landlord's entry into the rental unit on June 23, 2022. While the landlord did not allow the three days for the

tenant to receive the notice of entry, as provided in section 90 of the Act, I do not see the relevancy of this argument since the rules of evidence do not apply in disputes before me, as provided in section 75 of the Act. In any event, the tenant did not dispute that the content in the landlord's photographs on June 23, 2022 were inaccurate.

The tenant did offer to have one of the men staying in the rental unit called to verify her position; however, I was of the mind to do so would be of little value. The identity of the men staying in the rental unit was not revealed to the concierge or in any other way prior to this proceeding and I would have no way of determining who I was speaking with or that the person I would be hearing from was in fact one of the men staying in the unit.

I also find the tenant's explanation as the circumstances surrounding the two men's stay in her rental unit to contain too many coincidences to be believable. For example, the tenant asserted that her mother's friends called looking for a temporary place to live in early May 2022 and I find it highly coincidental that these men reached out just after the tenant's mother had gone travelling and the tenant began staying at her mother's house. This coincidence is then surpassed by the amazing coincidence that within one day of the landlord posting a 24 hour notice of entry on the rental unit door, the two men left the unit, returned all the means of access to the concierge within minutes of the landlord's inspection, followed by the tenant's return to the unit on June 23, 2022.

Given all of the above, I find I am satisfied, on a balance of probabilities, that the tenant had sublet the rental unit and since the tenant did not have the landlord's consent to do so, I find this is grounds for ending the tenancy. Therefore, I uphold the 1 Month Notice and dismiss the tenant's application that I cancel it.

Section 55(1) of the Act provides as follows:

Order of possession for the landlord

- **55** (1) If a tenant makes an application for dispute resolution to dispute a landlord's notice to end a tenancy, the director must grant to the landlord an order of possession of the rental unit if
 - (a) the landlord's notice to end tenancy complies with section 52 [form and content of notice to end tenancy], and
 - (b) the director, during the dispute resolution proceeding, dismisses the tenant's application or upholds the landlord's notice.

In this case, I have upheld the 1 Month Notice dated June 23, 2022 and I have dismissed the tenant's application to cancel the 1 Month Notice. Upon review of the 1 Month Notice before me, I am satisfied that it meets the form and content requirements of section 52 of the Act. Accordingly, I find the criteria of section 55(1) have been met and the landlord is entitled to an Order of Possession.

The landlord requested an Order of Possession effective December 31, 2022 and I find that request is reasonable in the circumstances as the tenant is afforded nearly one month to vacate and as she has demonstrated by her past conduct on at least two occasions between September 2021 and May and June 2022 that she is able to stay at her mother's home by choice despite her psychiatric illness.

Conclusion

The tenant's application is dismissed and the landlord is provided an Order of Possession effective at 1:00 p.m. on December 31, 2022.

This decision is made on authority delegated to me by the Director of the Residential Tenancy Branch under Section 9.1(1) of the *Residential Tenancy Act*.

Dated: December 01, 2022

Residential Tenancy Branch