



# Residential Tenancy Act

Social Development and Housing  
December 2021

## Introduction

- The current *Rental of Residential Property Act* is over 30 years old.
- A new act (the Residential Tenancy Act) was drafted in 2019 and public consultation on this Act began in the spring of 2020.
- Based on feedback provided through the consultations, a number of key changes have been made to the Act.
- Government is asking the public for feedback on these key changes.



# Key Changes

From 2020 Consultation Draft

## Administrative Changes

- Landlords will not be required to provide a written copy of the Act and regulations to tenants.
- Sections on Cannabis have been removed as federal and provincial legislation is in place to regulate cannabis use.
- A subsection making tenants responsible for the proper sorting and disposition of waste, compost and recycling has been added.

## Subletting

- Wording has been added to make it clear a tenant adding a roommate is considered to be subletting a portion of the unit to the roommate.
  - Landlords can refuse permission if the sublet would result in an unreasonable number of persons in the unit.
  - Tenants can appeal this refusal to the Director.
- Rent payable by roommates under a sublet cannot be more than an equal share of rent.

## Annual Maximum Allowable Increase

- Wording has been added where the Director will take into consideration written submissions from landlords and tenants as a part of the process to set the annual maximum.
- Cap on increases of 2.5 percent per year has been removed.

## Greater than allowable rent increases

- Additional factors have been added that allow the Director to consider:
  - Whether the rental unit is currently vacant;
  - If a change in service or facility has been agreed to by a majority of tenants;
  - The expectation of the tenant that rent increases will remain within the annual guideline; and
  - The expectation of the Director that the purchase of a residential property will not require increases in rent within the first year in order to achieve a reasonable return on investment.

## Evictions – Personal Use

- Sections of the Act allowing evictions for the personal use of shareholders of a “family corporation” have been removed.
- Evictions for landlord’s personal use will require four months notice to the tenant (increased from two months).



## Eviction – Purchaser Requires Unit (Duplex Only)

- Where a purchaser requires the unit for family (child, spouse or parent) or a caregiver, eviction timelines will be four months (increased from two).
- Where the purchaser personally requires the unit to live in, eviction timelines will remain the current two months.

## Evictions for Renovations/Repairs

- PEI will move to a model where a landlord must seek the Director's approval to evict for renovations or repairs to the unit.
- Director's considerations will include whether the renovations/repairs require the unit to be vacant.

## Compensation

- Compensation for evictions for personal use, purchaser's use or for demolition/renovation/repair/conversion remains at one month as per the previous draft.
- Reasonable moving expenses have been added on top of the one month.
  - Reasonable expenses will be capped in regulations, likely at an additional one month's rent.

## Tenant's Early Departure

- Where a tenant accepts an eviction notice for evictions due to personal use or demolition/renovations/repair/conversion, the tenant and the landlord can agree the tenant will leave earlier than the prescribed timeline.
- If agreed to by both parties, the landlord will pay the tenant 150% of the tenant's current rent for each month the tenant leaves early.
- This is on top of other compensation noted previously.

## School Year Exemption

- Wording limiting evictions for families with school aged children to times outside the school year has been removed.
- Eviction timelines of between two and six months will apply, as will any compensation noted above.

## Application to Determine Disputes

- Applications will be limited to a tenant, a landlord or a representative of the tenant or landlord.
- This ensures tenants and landlords can seek assistance from whomever they wish, while limiting persons with no standing in the dispute from making an application without the tenant or landlord's permission.

# Investigations



- An investigative branch, able to take calls from tenants, landlords and the public, will be created to investigate complaints of violations of the Act.

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**Thank You**