

In December 2017, The Minister of Municipal Affairs and Housing implemented a critical change to tenancy law:

***The restricted use of a mandatory "vacate clause"***

This means that a tenant now has the option to choose between extending into another fixed term tenancy or going month-to-month after the initial contract expires, unless an extension was disallowed at the point of signing, due to one of the following *very specific* exemptions:

1. The owner/owner's close family member will be moving back in for **at least 6 months or longer**
2. The property has been sold and the new owners have provided written notice that they will be occupying the property
3. The property will be undergoing extensive renovations that make the unit inhabitable and proper permits have been received to proceed

If a tenant selects the month-to-month extension option, the owner/landlord must issue two months' notice PLUS one month free rent, AND must fall under one of the above three categories to retain their property.

**Being an established property management firm in Vancouver, it is apparent that the furnished rental industry is GREATLY misunderstood, as it has been incorrectly grouped into this change which doesn't serve the industry, the economy, the city of Vancouver, or the owners/landlords.**

Many owners of furnished rentals purchased real estate in Vancouver as future retirement properties, secondary residences, or investment properties, with the intention of spending the summer, a few months each year, or even just the weekend occupying them. **The remainder of the time, these properties serve as integral support to many large industries that directly contribute to Vancouver's greater economy, such as the film industry, corporate businesses and tourism.**

Given this elimination of the vacate clause for furnished units, an owner can **no longer enjoy their own property when they want to**, unless they plan ahead AND negotiate it with a tenant PRIOR to signing a tenancy agreement, and permitting they will use the property for **at least 6 months**.

The foreseeable and quite frankly, **detrimental** effects of this change will be loss of furnished rental inventory, as owners choose to unfurnish their properties, or in most cases, sell. Consequently, this will lead to loss in tourism, business and film in Vancouver; industries that each separately contribute billions of dollars to the city's economy every year.

In 2017, "motion picture expenditures in B.C. [were] estimated to top \$2.6 billion...– the highest ever – up 35 per cent from 2015-2016."

There are separate regulations for daily/weekly short term rentals, so why aren't there separate regulations for monthly furnished accommodations? It doesn't slot neatly into either the short term

rental category or the unfurnished long term rental category and **deserves to be acknowledged as its own entity within the Residential Tenancy Act, with its own separate rules and regulations.**

**Additional complications within furnished rentals and existing tenancy laws:**

- **Cleaning** – there are so many additional, easy to miss, items that need to be properly cleaned in between furnished tenancies, and often times the owner will be responsible for cleaning bills after a property was left in an unsuitable state, since the Residential Tenancy Act does not specify professional cleaning as mandatory. We advise that furnished properties **MUST BE PROFESSIONALLY CLEANED** at final clean, to avoid unnecessary owner expenses and ensure smooth transitions between tenancies.
- **Security Deposits** – there is added risk for damages in furnished rentals, and often times a half a month's rent doesn't cover the cost of these (replacing furniture, kitchen utensils, linens, etc). We propose furnished rentals should require a **FULL** month's rent as a security deposit to accommodate these potential damages. Additionally, for both **FURNISHED** and **UNFURNISHED** rentals, we plead that the landlord be granted the option to retain a portion of the security deposit after move out, until firm quotes and receipts are in place. This will eliminate dispute resolutions for small amounts.
- **Mandatory Tenant Insurance** – in order to protect the tenant's belongings and the unit from damages, we urge the Act to include a clause requiring tenant's to purchase Tenant Insurance prior to move in. This should apply to both **FURNISHED** and **UNFURNISHED** tenancies.

**We strongly plead that you reconsider the limited use of a vacate clause and EXEMPT furnished rentals from it in the Residential Tenancy Act, along with the additional change requests. Already we are experiencing the negative effects of this change as a property management firm, with long-time clients opting to sell their units to get out of this entirely unforgiving, tenant-focused market.**

**We look forward to hearing your prompt reply on this matter.**

**- Unique Real Estate Accommodations Inc.**

Resources:

<https://globalnews.ca/news/3765230/b-c-film-production-to-top-2-6-billion-in-2017-setting-new-record/>