

Memorandum

From: Hess Village Real Estate Corporation
To: The Tenants of 275 King Street West, Hamilton, Ontario
Date: April 20th, 2015
Re: **275 King Street West, Hamilton, Ontario**
Conversion to Condominium Tenure

The owner of 275 King Street West, Hamilton, Ontario is considering the conversion of the existing rental apartment to condominiums. For the owner this will bring with it certain tax advantages and more flexibility to deal with the property.

As tenants you should be advised of the following:

1. On conversion to condominium, nothing changes physically. Condominium is just another classification of land so all changes take place on paper under the land registration system.
2. In contemplation of and upon conversion to condominium, tenants are afforded certain rights under the Residential Tenancy Act, 2006. A copy of Sections 48 to 51 of the Act are attached.

The highlights of these rights are as follows:

- (1) An existing tenant cannot be given notice to vacate (except for non-payment of rent or breach of the lease). That is, despite the conversion to condominium status, the tenant can stay a tenant as long as he/she desires (so long as he/she pays rent and does not breach his or her lease).
- (2) The tenant is subject to the normal rent increases that are experienced regardless of condominium status.
- (3) If the landlord decides to sell the apartment occupied by the tenant, the tenant has a first right of refusal to buy the apartment at the price offered by a third party. The landlord must give the tenant 72 hours notice of the offer.
- (4) If the tenant does not purchase the apartment, the tenant can continue to be a tenant as long as he does not breach the lease (i.e. a new purchaser can not terminate the tenancy).
- (5) The first right of refusal does not apply if the purchaser is purchasing more than one apartment.

In sum and substance, the legislature has provided that existing tenants will not have their tenancies terminated on conversion to condominium. For existing tenants it is as if the conversion never took place and the tenants have more security of tenure than they had before the conversion.

Attachment

NOTICE BY LANDLORD AT END OF PERIOD OR TERM

Notice, landlord personally, etc., requires unit

48. (1) A landlord may, by notice, terminate a tenancy if the landlord in good faith requires possession of the rental unit for the purpose of residential occupation by,

- (a) the landlord;
- (b) the landlord's spouse;
- (c) a child or parent of the landlord or the landlord's spouse; or
- (d) a person who provides or will provide care services to the landlord, the landlord's spouse, or a child or parent of the landlord or the landlord's spouse, if the person receiving the care services resides or will reside in the building, related group of buildings, mobile home park or land lease community in which the rental unit is located. 2006, c. 17, s. 48 (1).

Same

(2) The date for termination specified in the notice shall be at least 60 days after the notice is given and shall be the day a period of the tenancy ends or, where the tenancy is for a fixed term, the end of the term. 2006, c. 17, s. 48 (2).

Earlier termination by tenant

(3) A tenant who receives notice of termination under subsection (1) may, at any time before the date specified in the notice, terminate the tenancy, effective on a specified date earlier than the date set out in the landlord's notice. 2006, c. 17, s. 48 (3).

Same

(4) The date for termination specified in the tenant's notice shall be at least 10 days after the date the tenant's notice is given. 2006, c. 17, s. 48 (4).

Notice, purchaser personally requires unit

49. (1) A landlord of a residential complex that contains no more than three residential units who has entered into an agreement of purchase and sale of the residential complex may, on behalf of the purchaser, give the tenant of a unit in the residential complex a notice terminating the tenancy, if the purchaser in good faith requires possession of the residential complex or the unit for the purpose of residential occupation by,

- (a) the purchaser;
- (b) the purchaser's spouse;
- (c) a child or parent of the purchaser or the purchaser's spouse; or
- (d) a person who provides or will provide care services to the purchaser, the purchaser's spouse, or a child or parent of the purchaser or the purchaser's spouse, if the person receiving the care services resides or will reside in the building, related group of buildings, mobile home park or land lease community in which the rental unit is located. 2006, c. 17, s. 49 (1).

Same, condominium

(2) If a landlord who is an owner as defined in clause (a) or (b) of the definition of "owner" in subsection 1 (1) of the *Condominium Act, 1998* owns a unit, as defined in subsection 1 (1) of that Act, that is a rental unit and has entered into an agreement of purchase and sale of the unit, the landlord may, on behalf of the purchaser, give the tenant of the unit a notice terminating the tenancy, if the purchaser in good faith requires possession of the unit for the purpose of residential occupation by,

- (a) the purchaser;
- (b) the purchaser's spouse;
- (c) a child or parent of the purchaser or the purchaser's spouse; or
- (d) a person who provides or will provide care services to the purchaser, the purchaser's spouse, or a child or parent of the purchaser or the purchaser's spouse, if the person receiving the care services resides or will reside in the building, related group of buildings, mobile home park or land lease community in which the rental unit is located. 2006, c. 17, s. 49 (2).

Period of notice

(3) The date for termination specified in a notice given under subsection (1) or (2) shall be at least 60 days after the notice is given and shall be the day a period of the tenancy ends or, where the tenancy is for a fixed term, the end of the term. 2006, c. 17, s. 49 (3).

Earlier termination by tenant

(4) A tenant who receives notice of termination under subsection (1) or (2) may, at any time before the date specified in the notice, terminate the tenancy, effective on a specified date earlier than the date set out in the landlord's notice. 2006, c. 17, s. 49 (4).

Same

(5) The date for termination specified in the tenant's notice shall be at least 10 days after the date the tenant's notice is given. 2006, c. 17, s. 49 (5).

Notice, demolition, conversion or repairs

50. (1) A landlord may give notice of termination of a tenancy if the landlord requires possession of the rental unit in order to,
- (a) demolish it;
 - (b) convert it to use for a purpose other than residential premises; or
 - (c) do repairs or renovations to it that are so extensive that they require a building permit and vacant possession of the rental unit. 2006, c. 17, s. 50 (1).

Same

(2) The date for termination specified in the notice shall be at least 120 days after the notice is given and shall be the day a period of the tenancy ends or, where the tenancy is for a fixed term, the end of the term. 2006, c. 17, s. 50 (2).

Same

(3) A notice under clause (1) (c) shall inform the tenant that if he or she wishes to exercise the right of first refusal under section 53 to occupy the premises after the repairs or renovations, he or she must give the landlord notice of that fact in accordance with subsection 53 (2) before vacating the rental unit. 2006, c. 17, s. 50 (3).

Earlier termination by tenant

(4) A tenant who receives notice of termination under subsection (1) may, at any time before the date specified in the notice, terminate the tenancy, effective on a specified date earlier than the date set out in the landlord's notice. 2006, c. 17, s. 50 (4).

Same

(5) The date for termination specified in the tenant's notice shall be at least 10 days after the date the tenant's notice is given. 2006, c. 17, s. 50 (5).

Conversion to condominium, security of tenure

51. (1) If a part or all of a residential complex becomes subject to a registered declaration and description under the *Condominium Act, 1998* or a predecessor of that Act on or after June 17, 1998, a landlord may not give a notice under section 48 or 49 to a person who was a tenant of a rental unit when it became subject to the registered declaration and description. 2006, c. 17, s. 51 (1).

Proposed units, security of tenure

(2) If a landlord has entered into an agreement of purchase and sale of a rental unit that is a proposed unit under the *Condominium Act, 1998* or a predecessor of that Act, a landlord may not give a notice under section 48 or 49 to the tenant of the rental unit who was the tenant on the date the agreement of purchase and sale was entered into. 2006, c. 17, s. 51 (2).

Non-application

(3) Subsections (1) and (2) do not apply with respect to a residential complex if no rental unit in the complex was rented before July 10, 1986 and all or part of the complex becomes subject to a registered declaration and description under the *Condominium Act, 1998* or a predecessor of that Act before the day that is two years after the day on which the first rental unit in the complex was first rented. 2006, c. 17, s. 51 (3).

Assignee of tenant not included

(4) Despite subsection 95 (8), a reference to a tenant in subsection (1), (2) or (5) does not include a person to whom the tenant subsequently assigns the rental unit. 2006, c. 17, s. 51 (4).

Conversion to condominium, right of first refusal

(5) If a landlord receives an acceptable offer to purchase a condominium unit converted from rented residential premises and still occupied by a tenant who was a tenant on the date of the registration referred to in subsection (1) or an acceptable offer to purchase a rental unit intended to be converted to a condominium unit, the tenant has a right of first refusal to purchase the unit at the price and subject to the terms and conditions in the offer. 2006, c. 17, s. 51 (5).

Same

(6) The landlord shall give the tenant at least 72 hours notice of the offer to purchase the unit before accepting the offer. 2006, c. 17, s. 51 (6).

Exception

(7) Subsection (5) does not apply when,

(a) the offer to purchase is an offer to purchase more than one unit; or

(b) the unit has been previously purchased since that registration, but not together with any other units. 2006, c. 17, s. 51 (7).