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### A. Takeaway

This policy guideline addresses ending a tenancy for occupancy by a landlord, purchaser, or close family member.

#### **B.** Related Guidelines

<u>Policy Guideline 2B: Ending a Tenancy to Demolish, Renovate, or Convert a Rental</u> Unit to a Permitted Use)

Policy Guideline 50: Compensation for Ending a Tenancy.

### C. Legislative Framework

Residential Tenancy Act	Manufactured Home Park Tenancy Act	
(RTA)	(MHPTA)	



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section 49
section 51
section 53.1

Section 49 of the RTA allows a landlord to end a tenancy if the landlord:

- 1. is an individual who intends, in good faith, to occupy the rental unit, or their close family member intends, in good faith, to occupy the unit;
- 2. is a family corporation and a person owning voting shares in the corporation, or a close family member of that person, intends in good faith to occupy the rental unit;
- 3. enters into an agreement in good faith to sell the rental unit, all conditions on which the sale depends are satisfied, and the purchaser asks the landlord, in writing, to give notice to end the tenancy because the purchaser or a close family member intends, in good faith, to occupy the unit.

All three of the above are collectively referred to as ending a tenancy for "personal occupancy." The first two above are referred to as ending a tenancy for "landlord's occupancy", whereas the last one is ending a tenancy for "purchaser's occupancy."

"Landlord" means an individual or family corporation who, at the time of giving the notice, has a reversionary interest in the rental unit exceeding 3 years, and holds not less than 1/2 of the full reversionary interest.

"Family corporation" means a corporation in which all the voting shares are owned by one individual, or one individual plus one or more of that individual's siblings or close family members.

"Close family member" means an individual's parent, spouse or child, or the parent or child of the landlord's spouse. A landlord cannot end a tenancy under section 49 so their sibling, their sibling's child (e.g. a niece), their parent's sibling (e.g. an aunt), or other relative can move into the rental unit.

"Purchaser" means a person that has agreed to purchase at least 1/2 of the full reversionary interest in the rental unit.



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Section 49(6.1) prohibits landlords from ending a tenancy for personal occupancy if the rental unit is located in a building that contains 5 or more rental units and:

- is not strata-titled, or
- is strata-titled with all rental units owned by the same owner.

#### D. Notice to End Tenancy for Landlord's Occupancy Requirements

Beginning on July 18, 2024, when a landlord gives a notice to end tenancy for landlord's occupancy, the notice must be generated using the website maintained by the Residential Tenancy Branch (the "web portal"). Notices generated using the web portal are called a Three Month Notice to End Tenancy for Landlord's Use (RTB-32L) and will have a Notice ID.

Landlords must provide at least three months' notice to end tenancy and tenants have 21 days from the date the notice is received to dispute the notice. These notice and dispute periods apply to notices to end tenancy received by a tenant, based on the date of deemed receipt, on or after June 18<sup>th</sup>, 2025. For notices to end tenancy for landlord's occupancy received before this date, different notice and dispute periods apply. See Table 1: Notice and Dispute Periods for Ending a Tenancy for Landlord's Occupancy.

### E. Notice to End Tenancy for Purchaser's Occupancy Requirements

Beginning on July 18, 2024, when a landlord gives a notice to end tenancy for purchaser's occupancy, the notice must be generated using the web portal. Notices generated using the web portal are called a Three Month Notice to End Tenancy for Purchaser's Use (RTB-32P) and will have a Notice ID.

Landlords must provide at least three months' notice to end tenancy for purchaser's occupancy and tenants have 21 days from the date the notice is received to dispute the notice. These notice and dispute periods apply to notices to end tenancy received by a tenant, based on the date of deemed receipt, on or after August 21, 2024. For notices to end tenancy for purchaser's occupancy received before this date, different notice and dispute periods apply. See Table 2: Notice and Dispute Periods for Ending a Tenancy for Purchaser's Occupancy.



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#### F. Good Faith

In <u>Gichuru v Palmar Properties Ltd.</u>, 2011 BCSC 827 the BC Supreme Court found that good faith requires an honest intention with no dishonest motive, regardless of whether the dishonest motive was the primary reason for ending the tenancy. When the issue of a dishonest motive or purpose for ending the tenancy is raised, the onus is on the landlord to establish they are acting in good faith and that they plan to occupy the rental unit for at least 12 months (see <u>Aarti Investments Ltd. v. Baumann</u>, 2019 BCCA 165; <u>Doell v. Doe</u>, 2022 BCSC 655; and <u>Sandhu v Gill</u>, 2024 BCSC 412).

Good faith means a landlord is acting honestly, and they intend to do what they say they are going to do. It means they do not intend to defraud or deceive the tenant, they do not have an ulterior purpose for ending the tenancy, and they are not trying to avoid obligations under the RTA or the tenancy agreement. This includes an obligation to maintain the rental unit in a state of decoration and repair that complies with the health, safety and housing standards required by law and makes it suitable for occupation by a tenant (section 32(1)).

If a landlord gives a notice to end tenancy for personal occupancy, but their intention is to re-rent the unit for higher rent without occupying it for a duration of at least 12 months, the landlord would not be acting in good faith.

If evidence shows the landlord has ended tenancies in the past to occupy a rental unit without occupying it for at least the length of time that was legally required, this may demonstrate the landlord is not acting in good faith in a present case.

If there is a comparable vacant rental unit at the property that the landlord could occupy, this may suggest the landlord is not acting in good faith.

#### G. Occupying the Rental Unit

### What "occupy" means

Section 49 gives reasons for which a landlord can end a tenancy, including an intent to "occupy" the rental unit or to use it for a non-residential purpose (see <u>Policy Guideline 2B: Ending a Tenancy to Demolish, Renovate, or Convert a Rental Unit to a Permitted Use)</u>. Since there is a separate provision under section 49 to end a tenancy for non-residential use, the implication is that "occupy" means "to occupy for a



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residential purpose." (See <u>Schuld v. Niu</u>, 2019 BCSC 949; <u>Blouin v. Stamp</u>, 2021 BCSC 411). This means a landlord can end a tenancy under sections 49 (3), (4) or (5) if they or their close family member, or a purchaser or their close family member, intend in good faith to use the rental unit as living accommodation or as part of their living space.

#### Occupancy must continue for at least 12 months

The landlord or purchaser, or close family member of that landlord or purchaser, must intend to occupy the rental unit for at least 12 months. This requirement applies to notices to end tenancy given on or after April 3, 2024. For notices given before this date, the period is six months.

The rental unit must generally be occupied as living accommodation on an ongoing basis over a consecutive 12-month period (see *Potherat v Slobodian*, 2021 BCSC 1536). This does not mean that the person occupying the unit must physically reside there every day of that 12-month period, that they could not leave the unit for a vacation, or that the unit must be their primary residence (see *Sefcikova v. Orca Realty Inc.*, 2024 BCSC 697). For example, the person's family may live in a different city from the office where the person must work in person 3 days per week. Over the 12-month period, the person intends to live in the rental unit when they must be at the office but otherwise return home to be with their family. This would likely meet the requirement to genuinely occupy the rental unit as living accommodation. However, a person occupying the unit must not stay there too infrequently or too sporadically so that the unit is, in essence, being left vacant for a year with no one "living" there.

In general, the occupation of the rental unit must be of a nature that can reasonably justify the tenant losing possession of the rental unit.

### Reclaiming a rental unit as living space

If a landlord has rented a rental unit at their home, the landlord can end the tenancy to reclaim the rental unit as part of their living accommodation. For example, if a landlord owns a house, lives on the upper floor and rents out the basement, the landlord can end the tenancy if the landlord plans to use the basement as a second living room. Another example is that a landlord could end a tenancy in the carriage



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home behind their house to turn it into their fitness studio.

#### Re-renting part of the unit

A landlord cannot reclaim the rental unit with the intent to reconfigure the space so that they use only a portion and re-rent a separate, private portion to a new tenant under a residential tenancy agreement or as travel accommodation. In general, the entirety of the reclaimed rental unit is to be occupied by the landlord or close family member for at least 12 months, even if only part of that space will be used as living accommodation (see *Blouin v. Stamp*, 2021 BCSC 411, *Koyanagi v Lewis*, 2021 BCSC 2062). An owner who retakes possession of a rental unit can, however, have paying roommates so long as those roommates share the bathroom or kitchen facilities with the owner.

#### Home offices and home-based businesses

Ending the tenancy of a rental unit at the person's residence under section 49 (3), (4) or (5) to use the unit as a home office is permitted (see *Koyanagi v Lewis*, 2021 BCSC 2062). A space in a residence where a person works remotely for an employer on a contract basis, or, in some instances, where a self-employed person, such as a day trader, works from their home would be considered a home office.

Reclaiming the rental unit to operate a home-based business where customers come and go or where other employees come to work such as a hairdressing studio, daycare, or massage therapy practice would be considered a non-residential use, and the tenancy would need to be ended under section 49(6) (see <a href="Policy Guideline">Policy Guideline</a> <a href="Bit Bottom: 2B: Ending a Tenancy to Demolish, Renovate">Policy Guideline</a> <a href="Bit Bottom: 2B: Ending a Tenancy to Demolish, Renovate">Policy Guideline</a> <a href="Bit Bottom: 2B: Ending a Tenancy to Demolish, Renovate">Demolish, Renovate</a>, or Convert a Rental Unit to a Permitted Use).

#### Vacant Possession not allowed

Other definitions of "occupy" such as "to hold and keep for use" (in other words, to hold in vacant possession) are inconsistent with the intent of section 49, and in the context of section 51(2) which requires a landlord who has ended a tenancy for personal occupancy to use it for that purpose, unless there are extenuating circumstances (see Section E). Since vacant possession is the absence of any use at all, the landlord would fail to meet this obligation. The result is that section 49 does not allow a landlord to end a tenancy for the purpose of leaving the rental unit



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vacant and unused.

#### H. Compensation for Ending Tenancy for Landlord's Use

The RTA requires a landlord who gives a notice to end a tenancy for personal occupancy to pay compensation to the tenant for ending the tenancy. For more information, see <u>Policy Guideline 50 – Compensation for Ending a Tenancy.</u>

#### I. Consequences for Not Using the Property for The Stated Purpose

A tenant may apply for an order for compensation under section 51 of the RTA if a landlord (or purchaser) who ended their tenancy under section 49 of the RTA has not:

- accomplished the stated purpose for ending the tenancy within a reasonable period after the effective date of the notice to end tenancy,
- or used the rental unit for that stated purpose for at least 12 months beginning within a reasonable period after the effective date of the notice.

The onus is on the landlord to prove that they accomplished the purpose for ending the tenancy under section 49 of the RTA and that they used the rental unit for its stated purpose for at least 12 months.

Under section 51(3) of the RTA, a landlord may only be excused from these requirements in extenuating circumstances.

For more information, see Policy Guideline 50 - Compensation for Ending a Tenancy.

### J. Policy Guideline Intention

The Residential Tenancy Branch issues policy guidelines to help Residential Tenancy Branch staff and the public in addressing issues and resolving disputes under the *Residential Tenancy Act* and the *Manufactured Home Park Tenancy Act*. This policy guideline may be revised and new guidelines issued from time to time.

### K. Changes to Policy Guideline

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# 2A. Ending a Tenancy for Occupancy by Landlord, Purchaser or Close Family Member

Section	Change	Notes	Date Guideline Changed
D	Am	Revised "landlord's occupancy" notice and dispute periods	June 18 <sup>th</sup> , 2025
Table 1	le 1 New New table describing different notice and dispute periods for ending a tenancy for landlord's use		June 18 <sup>th</sup> , 2025
С	Am Distinguished between ending a tenancy for "landlord's occupancy" and "purchaser's occupancy"		August 21, 2024
D	Am Revised section so it only relates to landlord's occupancy		August 21, 2024
Е	New New section related to purchaser's occupancy		August 21, 2024
F-K	Am Renumbered to accommodate new section E		August 21, 2024
Table 2	Table 2 New New table describing differer notice and dispute periods for ending a tenancy for purchas occupancy		August 21, 2024
С	Am Added references to sections 51 and 53.1 of the RTA		July 18, 2024
F	Am Added content related to transition from 6 month occupancy period to 12 month occupancy period. Added content to reflect case law		July 18, 2024



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D	Am Renamed and updated to reflect amendments to the notice and dispute periods and the notice generation web portal		July 18, 2024
E	E Am Added links to case law		July 18, 2024
All	All Am Updated to reflect amendments to the occupancy period and prohibition on evicting tenants for personal occupancy in purpose-built rental buildings.		May 2024
All	Am	Formatted to new template	May 2024
All	l Am Updated to reflect legislative changes		July 2021
New	New	New policy guideline	July 2019

Change notations

am = text amended or changed

del = text deleted

new = new section added

## Table 1: Notice and Dispute Periods for Ending a Tenancy for Landlord's Occupancy

The below table relates to Notices to End Tenancy issued under section 49 (3) and (4) of the RTA. Depending on the date the tenant receives the Notice to End Tenancy, different dispute and notice periods apply.

	Notices to End Tenancy received before July 18, 2024	Notice to End Tenancy received on or after July 18, 2024, but before June 18, 2025	Notices to End Tenancy received on or after June 18, 2025
<b>Notice Period</b>	Two Months	Four Months	Three Months
Dispute	15 Days	30 Days	21 Days
Period			



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Web Portal	No. Notice can be	Yes. Must generate a Four	Yes. Must generate a
Required?	on form #RTB-32:	Month notice to End	Three Month notice to End
	Two Month	Tenancy for Landlord's	Tenancy for Landlord's
	Notice to End	Use (#RTB-32L).	Use (#RTB-32L).
	Tenancy.		

## Table 2: Notice and Dispute Periods for Ending a Tenancy for Purchaser's Occupancy

The below table relates to Notices to End Tenancy issued under section 49 (5) of the RTA. Depending on the date the tenant receives the Notice to End Tenancy, different dispute and notice periods apply.

	Notices to End Tenancy received before July 18, 2024	Notice to End Tenancy received on or after July 18, 2024, but before August 21, 2024	Notices to End Tenancy received on or after August 21, 2024
<b>Notice Period</b>	Two Months	Four Months	Three Months
Dispute	15 Days	30 Days	21 Days
Period			
Web Portal	No. Notice can be	Yes. Must generate a Four	Yes. Must generate a
Required?	on form #RTB-32:	Month notice to End	Three Month notice to End
	Two Month	Tenancy for Landlord's	Tenancy for Purchaser's
	Notice to End	Use (#RTB-32L).	Use (#RTB-32P).
	Tenancy.		