

50. Compensation for Ending a TenancyMarch
2025**In This Guideline:**

A. Takeaway	1
B. Related Guidelines	2
C. Legislative Framework	2
1. 2024 Amendments.....	2
D. Compensation Requirements.....	3
1. Automatic compensation: Ending Tenancy for Landlord’s Use or for Renovations and Repairs.....	3
2. Additional Compensation: Ending Tenancy for Landlord’s Use or for Renovations and Repairs.....	3
3. Additional Compensation: Vacate Clauses.....	4
4. Additional Compensation: No Right of First Refusal.....	5
E. Interpretation and Case Law	5
1. Refunding rent and paying compensation if a tenant ends the tenancy early	5
2. Reasonable period.....	6
3. The stated purpose for ending the tenancy must be accomplished.....	7
4. Extenuating circumstances	8
5. Intent of the landlord is not a relevant consideration	9
6. Double compensation is not allowed	10
F. Limitation Periods.....	10
G. Policy Guideline Intention.....	10
H. Changes to Policy Guideline	11

A. Takeaway

This policy guideline addresses compensation requirements when a landlord (or if applicable, a purchaser) does not meet their legal obligations, after one of the following:

- ending a tenancy to demolish or convert the rental unit or receiving an order to end a tenancy for renovations or repairs
- ending a tenancy so the landlord or purchaser, or close family member of that landlord or purchaser, can occupy the rental unit
- including a vacate clause in a fixed-term tenancy agreement in a prescribed

50. Compensation for Ending a Tenancy

March
2025

circumstance

- a tenant giving notice of intent to exercise a right of first refusal after a landlord was granted an order to end a tenancy for renovations or repairs

B. Related Guidelines

1. [Policy Guideline 2A: Ending a Tenancy for Occupancy by Landlord, Purchaser or Close Family Member](#)
2. [Policy Guideline 2B: Ending a Tenancy to Demolish, Renovate, or Convert a Rental Unit to a Permitted Use](#)
3. [Policy Guideline 16: Compensation for Damage or Loss.](#)
4. [Policy Guideline 30: Fixed Term Tenancies](#)
5. [Policy Guideline 33: Ending a Manufactured Home Tenancy Agreement – Landlord Use of Property](#) (for information on compensation requirements under the *Manufactured Home Park Tenancy Act*)

C. Legislative Framework

This policy guideline covers compensation requirements in the following sections of the RTA:

- [Section 51](#) (for ending a tenancy for landlord use under section 49)
- [Section 51.1](#) (for fixed term tenancies with a requirement that the tenant vacate the rental unit at the end of the fixed term)
- [Section 51.3](#) (for when a tenant gives notice of intent to exercise a right of first refusal)
- [Section 51.4](#) (for ending a tenancy for renovations or repairs with an order under section 49.2)

1. 2024 Amendments

When a landlord or purchaser ends a tenancy under section 49 of the RTA, the landlord or purchaser must use or occupy the rental unit for the purpose the

50. Compensation for Ending a Tenancy

March
2025

tenancy was ended for at least 12 months beginning within a reasonable period after the effective date of the notice to end tenancy. This applies to notices to end tenancy given under section 49 on or after April 3, 2024. For notices given before this date, the required period of use or occupation is 6 months.

D. Compensation Requirements

1. Automatic compensation: Ending Tenancy for Landlord's Use or for Renovations and Repairs

Under sections 51(1) and 51.4(1), a tenant who receives a valid¹ notice to end tenancy for landlord's use or an order ending a tenancy for renovations or repairs, is entitled to receive from the landlord, on or before the effective date of the landlord's notice or order, an amount that is the equivalent of one month's rent payable under the tenancy agreement.

A tenant who is entitled to receive one month's rent under these sections may instead withhold that amount from the last month's rent. If a tenant withholds rent for any other month, the landlord may issue a 10 Day Notice to End Tenancy for Unpaid Rent.

See **Part E** for guidance if a tenant [ends a tenancy early](#) as permitted under section 50.

2. Additional Compensation: Ending Tenancy for Landlord's Use or for Renovations and Repairs

If a tenant applies for an order for compensation under section 51(2) of the RTA, the onus is on the landlord or purchaser² who ended their tenancy under section 49 to prove³:

- the [stated purpose](#) for ending the tenancy was accomplished within a

¹ For example, the tenant has accepted the notice to end tenancy and intends to move out of the rental unit, or the RTB has issued an order of possession in respect of the notice. Compensation is not required if an arbitrator cancels the notice.

² Tenants should ensure that the application for dispute resolution names the correct respondent or respondents. Failure to do so may result in the application being adjourned or dismissed without leave to reapply.

³ There is no requirement that a tenant must wait until the end of the 6 or 12-month use and occupancy period as applicable, to apply for an order for compensation under this section. The landlord or purchaser must establish that both conditions have been met (except as provided for in the Act).

50. Compensation for Ending a Tenancy

March
2025

[reasonable period](#) after the effective date of the notice, and

- except for tenancies ended for the purpose of demolishing the rental unit, the rental unit has been used for that [stated purpose](#), beginning within a [reasonable period](#) after the effective date of the notice, for at least 12 months (or 6 months if the landlord gave the section 49 notice to end tenancy before April 3, 2024).

If a tenant applies for an order for compensation under section 51.4(4) of the RTA, the onus is on the landlord to prove that the renovations or repairs have been accomplished within a reasonable period after the effective date of the order.

Except in [extenuating circumstances](#), a landlord or purchaser who fails to prove they met the conditions in section 51(2) or 51.4 must pay the tenant an amount equal to 12 months' rent.

3. Additional Compensation: Vacate Clauses

Under section 13.1(2) of the Residential Tenancy Regulation, a landlord may include a term in a fixed-term tenancy agreement requiring the tenant to move out of the rental unit at the end of the fixed term if:

- the landlord is an individual who or whose close family member, will occupy the rental unit at the end of the term.

If a tenant applies for an order for compensation under section 51.1 of the RTA at the end of the fixed term with a vacate clause, the onus is on the landlord to prove that they

- have taken steps to occupy the rental unit with a [reasonable period](#) after the date the tenancy ended, and
- Occupied the rental unit for at least 6 months' duration beginning within a [reasonable period](#) after the date the tenancy ended (the 6-month period is set by section 13.1(3) of the Residential Tenancy Regulation).

Except in [extenuating circumstances](#), a landlord who fails to prove they met these conditions must pay the tenant 12 times the monthly rent that the tenant was required to pay before the tenancy ended.

50. Compensation for Ending a Tenancy

March
2025

Transition: Limits to when a vacate clause could be included in a fixed term tenancy agreement were brought into force on December 11, 2017. Section 51.1 was brought into force by regulation on July 11, 2022. In general, a law does not apply to alter previous circumstances unless the law clearly provides for this. However, amendments can apply to ongoing circumstances.

Section 51.1 can apply in circumstances where a fixed term tenancy agreement was entered into before July 11, 2022, but the fixed term tenancy agreement had not yet ended as of July 11, 2022. Other sections relating to compensation could have been applicable to fixed term tenancy agreements that ended before July 11, 2022, if a landlord did not ultimately comply with the requirement for including a vacate clause.

4. Additional Compensation: No Right of First Refusal

Section 51.2 (1) gives tenants who receive an order to end tenancy under section 49.2 in respect of a residential property containing 5 or more rental units, an option to exercise a right of first refusal to enter into a new tenancy agreement for the rental unit when the renovations or repairs are complete.

If a tenant gives their landlord notice of an intent to exercise their right of first refusal in the approved form (RTB 28) before vacating the rental unit, the landlord must give to the tenant, at least 45 days before the completion date of the renovations and repairs:

- a notice of the availability date of the rental unit (RTB 35), and
- a tenancy agreement that will commence on the availability date for the tenant to sign.

If the landlord does not do this, except in [extenuating circumstances](#), they must pay the tenant compensation equal to 12 months' rent payable under the former tenancy agreement.

E. Interpretation and Case Law

1. Refunding rent and paying compensation if a tenant ends the tenancy early

If a tenant ends a tenancy earlier than the effective date of the landlord's notice or order as permitted by section 50 of the RTA, the landlord must refund the

50. Compensation for Ending a Tenancy

March
2025

tenant for any portion of rent paid or deemed to have been paid under section 51 (1.1), for a period after the effective date of the tenant's notice.

Examples:

1. The landlord gave a notice to end tenancy effective June 30. The tenant withheld the last month of rent and gave notice under section 50 with an effective date of June 15. In this circumstance, the landlord must pay the tenant the equivalent of 15 days' rent.
2. Same as above, but the tenant did not withhold the last month of rent. In this circumstance, the landlord must pay the tenant the equivalent of one month's rent plus the equivalent of 15 day's rent.

Since the landlord must pay compensation for ending a tenancy by the effective date of the notice or order, the landlord is also expected to refund rent owed to the tenant by the effective date of the notice or order.

2. Reasonable period

Under section 51(2) and 51.4(4), the stated purpose for ending a tenancy, or the renovations or repairs, must be accomplished within a "reasonable period" after the effective date of the notice or order.

The effective date of a notice to end tenancy under section 49 or an order under section 49.2 must be the day before the day in the month (or in the other period on which the tenancy is based). Consequently, there may inevitably be a short period between the effective date of the notice and the date the landlord or purchaser accomplishes the purpose for ending the tenancy.

For example:

- The Landlord issued a notice to end a periodic month-to-month tenancy under section 49 for the landlord or their close family member to occupy the rental unit. The notice had an effective date of August 30. The Landlord or their close family member began living in the rental unit on September 29. This would be considered a reasonable period.

Ultimately, what is considered a reasonable period will depend on the purpose for ending the tenancy and any relevant specific circumstances relating to the

50. Compensation for Ending a Tenancy

March
2025

property and the intended use. A longer period to accomplish the purpose for ending the tenancy may be reasonable if:

- The landlord needs to do substantial renovations to repair a property or to update an older property
- A purchaser discovers significant damage to the property that is to be repaired before moving in
- The initially planned work leads to unexpected additional repairs being required

If a landlord ended a tenancy to demolish the rental unit under section 49 (6) (a), a reasonable period may depend on several factors such as the size and scale of the building, the type of construction, the need for asbestos remediation, municipal requirements to deconstruct a building rather than bulldoze it, etc. A simple demolition of a stick-built single-family home may only take days to complete, while a complex demolition of a concrete and steel high-rise building could take months.

3. The stated purpose for ending the tenancy must be accomplished

The landlord or purchaser must accomplish the purpose for ending the tenancy set out on the notice to end tenancy. Another purpose cannot be substituted even if the other purpose would have been a valid reason for ending the tenancy (see [Schuld v. Niu](#), 2019 BCSC 949).

If a landlord gives a notice to end tenancy under section 49 with a stated purpose that the landlord or close family member will occupy the rental unit, the landlord cannot, for example, convert the rental unit to a non-residential use instead.

If an arbitrator grants a section 49.2 order for renovations and repairs, the landlord must complete the renovations or repairs that were the basis for the section 49.2 order. The landlord cannot instead perform cosmetic or minor repairs that could have been completed during the tenancy or decide to forego the renovation or repairs entirely and move into the unit.

A landlord or purchaser cannot end a tenancy to occupy the rental unit, and then re-rent the rental unit, or a separate, private portion of the rental unit, to a new tenant under a residential tenancy agreement or as travel accommodation

50. Compensation for Ending a Tenancy

March
2025

without first occupying the rental unit for the legally required period (see [Blouin v. Stamp](#), 2021 BCSC 411; [Koyanagi v. Lewis](#), 2021 BCSC 2062).

A landlord or purchaser who occupies a rental unit can, however, having paying roommates so long as those roommates share the bathroom or kitchen facilities with the owner.

4. *Extenuating circumstances*

If evidence of extenuating circumstances is present, the director must consider whether those circumstances prevented the landlord from meeting their legal requirements (see [Maasanen v. Furtado](#), 2023 BCCA 193).

Extenuating circumstances are circumstances where it would be unreasonable and unjust for a landlord to pay compensation, typically because of matters that could not be anticipated or were outside a reasonable landlord's control. The main question is whether the Legislature would have intended for the landlord to be captured by the compensation provisions, which have a punitive and deterrent element. (See also [Athwal v. Johnson](#), 2023 BCCA 460 and [Shigani v. Taylor](#), 2024 BCSC 979).

In *Furtado*, the Court found that the combination of unforeseen delays in completing renovations, difficulty getting tradespeople to complete work, a stop work order issued by a municipality and the health issues of a close family member were extenuating circumstances that excused the landlord's delay in occupying the rental unit within a reasonable period after the effective date of the notice to end tenancy. Other examples of extenuating circumstances could be:

- A landlord ended a tenancy so their parent can occupy the rental unit, and the parent dies one month after moving in.
- A landlord ended a tenancy to renovate the rental unit, and the rental unit is destroyed in a wildfire.
- A tenant exercised their right of first refusal, but did not notify the landlord of a further change of address after they moved out, so they did not receive the notice and new tenancy agreement.
- A landlord was delayed in moving into the rental unit on a more

50. Compensation for Ending a Tenancy

March
2025

permanent basis because their employer delayed a previously approved transfer.

The following would not likely be considered extenuating circumstances:

- The tenancy ended under section 49 (5), and after taking possession, the purchaser decided the rental unit did not suit their needs and decided not to occupy the unit ([Mawani v Dobbs](#), 2022 BCSC 1285)
- The landlord or close family member failed to occupy the unit for the required period of time because they had planned an extended vacation during the occupancy period ([Potherat v Slobodian](#), 2021 BCSC 1536)
- The landlord ended a tenancy to occupy the rental unit because they planned to move for work, but they had never been offered a job near the rental unit and, ultimately, chose to take a job in different city.
- A landlord ended a tenancy to renovate the rental unit but did not adequately budget for the planned renovations and cannot complete them because they ran out of funds.

5. Intent of the landlord is not a relevant consideration

In determining whether compensation is owed to a tenant under section 51(2), 51.2, 51.3 or 51.4, whether the landlord intended to contravene those sections is not a relevant consideration. If the section was contravened and extenuating circumstances are not present, then compensation is owed (see [Chen v Hung](#), 2022 BCSC 894). Similarly, whether the landlord intended to end the tenancy in good faith is not a relevant consideration (see [Ball v Beacham](#), 2024 BCSC 21).

Proof that a landlord did not act in good faith cannot be a basis for compensation under s. 51(2) or 51.4, if the landlord did in fact use the rental unit within a reasonable period and for the duration required or accomplished the required renovations or repairs ([Shigani v Taylor](#), 2024 BCSC 979).

Compensation may still be available under section 7 of the RTA, if it is discovered that a notice to end tenancy under section 49 was given in bad faith despite the landlord fulfilling the requirements set out in section 51. For more information, see Policy Guideline 16: [Compensation for Damage or Loss](#).

50. Compensation for Ending a Tenancy

March
2025

6. Double compensation is not allowed

If a tenant receives compensation under section 51(2), 51.1, 51.2, or 51.3, they cannot also bring a claim seeking compensation for damage or loss against the landlord on the basis of the same contravention. For example, if the tenant received 12 months' rent as compensation under section 51(2) because the landlord failed to occupy the rental unit for at least 12 months, the tenant cannot also claim damages under section 7 for moving expenses on the basis that the landlord contravened section 44.1 of the RTA by unlawfully giving them the notice to end tenancy that led to the section 51 compensation. (see [Gordon v Guang Xin Development Ltd.](#), 2022 BCSC 1544.)

F. Limitation Periods

Under section 60(1) of the RTA, the limitation period for filing an application for dispute resolution is two years from the date the tenancy ends or is assigned. There are no different limitation periods for these types of compensation claims and the director has no authority to extend the two-year limitation period or otherwise accept a dispute submitted after it has expired. A respondent to a claim can file a counterclaim even if outside of the two-year limitation period so long as the other party's original claim was filed within the limitation period and the dispute resolution proceeding of that original claim has not concluded.

If a landlord has not accomplished the stated purpose, or the required period of use has not finished, and the two-year limitation period is nearing, a tenant would need to submit an application for dispute resolution before the two years expires to bring a claim for compensation.

G. 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.

50. Compensation for Ending a Tenancy

 March
2025

H. Changes to Policy Guideline

Section	Change	Notes	Date Guideline Changed
All	New	New policy guideline	2018-05-17
All	Am	Added reference to MHPTA	2018-06-06
E	New	New information on fixed term tenancies	2018-10-25
All	Am	Updated to reflect new RTA sections 49.2 and 51.4 and amendments to section 51	2021-07-01
F	New	Updated to reflect new RTA section 51.1	2022-07-11
All	Am	Sections re-lettered and formatting changes made for consistency.	2023-01-12
A	Am	Corrected reference to other section in Policy Guideline.	2023-01-12
All	Am	Formatted to new template	2023-11-30
G	Am	Updated to reflect amendments made to section 51.1	2023-11-30
All	Am	Updated to reflect legislative amendments to the occupancy period. Reformatted to improve clarity.	2025-03-26

Change notations

am = text amended or changed

del = text deleted

new = new section added