

# Tenant Occupied Property – Buyer's Notice to Seller for Vacant Possession Revision Guide

#### **EXPLAINING THE CHANGE**

### What Changed?

An information page has been incorporated into the Tenant Occupied Property – Buyer's Notice to Seller for Vacant Possession form. This update aims to educate buyers and sellers on Bill 14's impact on the *Residential Tenancy Act* and the new requirements and implications for requesting vacant possession.

#### Guidance and Limitations for REALTORS® and Licensees

REALTORS® and licensees must not operate outside the scope of their license. While REALTORS® can support their clients by providing general guidance, they must ensure that any assistance they offer with the Residential Tenancy Branch (RTB) Web Portal complies with regulations set forth by the BC Financial Services Authority.

#### **Updated Requirements for Requesting Vacant Possession**

Buyers must now meet stricter requirements under the *Residential Tenancy Act* to request vacant possession. The Contract of Purchase and Sale (CPS) must clearly outline how the parties will address the existing tenancy upon completion. Additional actions are now required beyond the proper completion of the CPS, creating an obligation for the seller / landlord to issue a notice to end the tenancy.

#### **Personal Information Requirements to Generate Notice**

The seller / landlord must register for a Basic BCeID to access the RTB Web Portal. Specific personal information is required to generate a notice for vacant possession to the tenant. To ensure timely notice generation, it is recommended that the required buyer's personal information and tenancy details be gathered as early as possible in the process.

#### **Potential Legal and Financial Penalties for Non-Compliance**

Failure to comply with the updated requirements or serving bad-faith evictions can result in significant legal and financial penalties. Buyers and sellers must ensure they understand and adhere to the new rules to avoid potential penalties.

## Why the Change?

The implementation of Bill 14 introduced increased obligations for both buyers and sellers when dealing with tenanted properties. The changes also impact how REALTORS® support their clients in these transactions. To address this, an information page has been included in the Tenant Occupied Property – Buyer's Notice to Seller for Vacant Possession form. This addition aims to increase awareness of the buyer and seller's obligations to serve notice for vacant possession. It also provides guidance on the required information and the process to serve notice through the RTB Web Portal.

### What Is the Implication of the Change?

REALTORS® must work in the best interest of their clients while acting within the scope of their licence when assisting in the purchase and sale of tenanted properties. This includes obtaining and understanding the details of the tenancy agreement. Careful consideration should also be taken when planning the dates in the CPS to allow sufficient time to complete all the necessary steps, such as generating a notice to end the tenancy after the contract becomes unconditional. It is important that REALTORS® recognize the limits of their expertise and refer their clients to the appropriate professionals when needed. Failure to act in the client's best interest or acting outside an area of expertise can result in financial or legal penalties.

#### WHERE TO FIND THIS FORM

The updated form will be available on Wednesday, January 22, 2025, through <u>CREA WEBForms</u><sup>®</sup> for use in real estate transactions.

#### INFORMATION ABOUT THE

# TENANT OCCUPIED PROPERTY — BUYER'S NOTICE TO SELLER FOR VACANT POSSESSION

THIS CONSOLIDATED INFORMATION IS PROVIDED SOLELY TO ASSIST THE PARTIES AND IS NOT PART OF THE NOTICE. FOR FURTHER DETAILS, PLEASE REFER TO ADDITIONAL RESOURCES, SUCH AS THE RESIDENTIAL TENANCY BRANCH (RTB).

If a residential property being sold is tenanted, the Contract of Purchase and Sale (CPS) for that property must address how the parties will deal with the tenancy on completion. In these cases, the property can either be transferred subject to the tenancy (in which case the Buyer will become the Landlord after completion of the purchase) or, in some circumstances, the Buyer may be able to request the Seller to deliver vacant possession on a specified date.

The inclusion of the requirement for vacant possession in the CPS does not on its own create an obligation for the Seller / Landlord to issue a notice to end the tenancy. Similarly, it does not create an obligation for the Buyer to deliver the Seller / Landlord a notice to end the tenancy.

Under Section 49 (5) of the *Residential Tenancy Act*, if a Buyer or their close family member (as defined in the Act) intends to occupy a tenanted property, the Buyer should give the Seller / Landlord of the tenanted property written notice of this intention. This notice enables the Seller / Landlord to lawfully end the tenancy provided that all conditions of Section 49 (5) of the Act are met. The Buyer's Notice to Seller for Vacant Possession form can be used for this purpose.

Buyers should be aware that Section 49 (5) of the Act requires that the person(s) moving into the property must intend in good faith to occupy it for at least 12 months. Non-compliance with this occupancy requirement could result in legal and financial consequences, including compensation to the displaced Tenant.

The Act also requires that in order to end the existing tenancy, the Seller / Landlord and the Buyer must upload certain information to the RTB Web Portal. This obligation is one that the Seller / Landlord and the Buyer (and not their REALTORS®) should be performing. Information required for the RTB Web Portal includes:

- **General Details**: Type of property, number of units in the building, general classifications, declaration of the occupant's relationship to the Buyer and occupancy terms, rental unit address, residential property identifiers, rental amount and frequency, tenancy agreement details, and preferred method to serve documents.
- Landlord Details: Number of Landlords, general classifications, declaration to act on behalf of the Landlord, Landlord name(s), date of birth, property / mailing address, residential property identifiers, email address, and phone number.
- **Notice Signatory Details**: Individual(s) providing notice and a self-declaration of authorization.
- **Tenant Details**: The current number of occupants, tenant name(s) and details, contact information, property / mailing address, and the number of adults and children living in the rental unit.
- Occupancy Information: Buyer's ownership date of the rental unit, Contract of Purchase and Sale Information #RTB-58 form, Buyer's written request to end the tenancy (for RTB purposes only), date of birth, address, occupant's relation to the Buyer, occupant's current address, phone number, and email address.

The RTB Web Portal will use this information to generate the proper notice to be given to the Tenant (RTB-32P Three Month Notice to End Tenancy for Purchaser's Use of Property). To ensure timely access to the necessary tools and information, Sellers / Landlords should register in advance for a Basic BCeID to access the portal.

Buyers and Sellers / Landlords should compile all necessary details as early as possible for this purpose. This will also help them understand what transaction details and personal information of the Buyer, the Seller / Landlord, and who will occupy the property will be collected, used, and disclosed to the RTB Web Portal and the Tenant.

For additional guidance, Buyers and Sellers can refer to the RTB guide outlining the process to terminate a tenancy in connection with a purchase and sale and the information that the Seller / Landlord must upload into the RTB Web Portal. A full list of requirements is available on the Information Required to Complete Landlord Use Notice Generator resource.

Both Buyers and Sellers should consider the various dates in their CPS and the term of the existing tenancy so that they can allow sufficient time for all necessary steps to be completed.

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# TENANT OCCUPIED PROPERTY — BUYER'S NOTICE TO SELLER FOR VACANT POSSESSION

			(the <mark>"</mark> Seller(s) <mark>"</mark> )
PR	OPERTY:		
Wŀ	HEREAS:		
A.	The undersigned (the "Buyer(	(s)") and the Seller(s) have ente	ered into the Contract of Purchase and Sale dated
			espect <mark>to</mark> the purchase and sale of the above-noted
	Property (the "Purchase Agree		
В.	All conditions on which the purchase and sale of the Property under the Purchase Agreement depend have been satisfied or waived in accordance with the Purchase Agreement.		
C.	The Property is currently rented to <mark>T</mark> enant(s).		
D.	The Buyer(s) (or one or more of the spouse, children, and parents of the Buyer(s) or, in the case of a family corporation (as defined in the <i>Residential Tenancy Act</i> ), voting shareholders of the Buyer(s) intend in good faith to occupy the Property.		
Ter — wri	ting to vacate and surrender th	nancy and requiring the Ter , use Property on or prior to such	nant(s) of the Property pursuant to the <i>Residential</i> nant(s) to vacate the Property by 1:00 pm on inless the Tenant(s) have otherwise agreed in date.  the <i>Residential Tenancy Act</i> , the Buyer(s) address is:
			and the Buyer(s) hereby
	nsent to the Seller(s) including the stion 49(7) of the Residential Ten		address on the Tenant Notice for the purpose of
Exe	ecuted by the Buyer(s) this	day of	·
	BUYER	BUYER	BUYER
	PRINT NAME	PRINT NAME	PRINT NAME
	WITNESS	WITNESS	WITNESS

\*PREC represents Personal Real Estate Corporation

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