

## Sublet or Assignment

RTA 2018: Section 10(1) 3

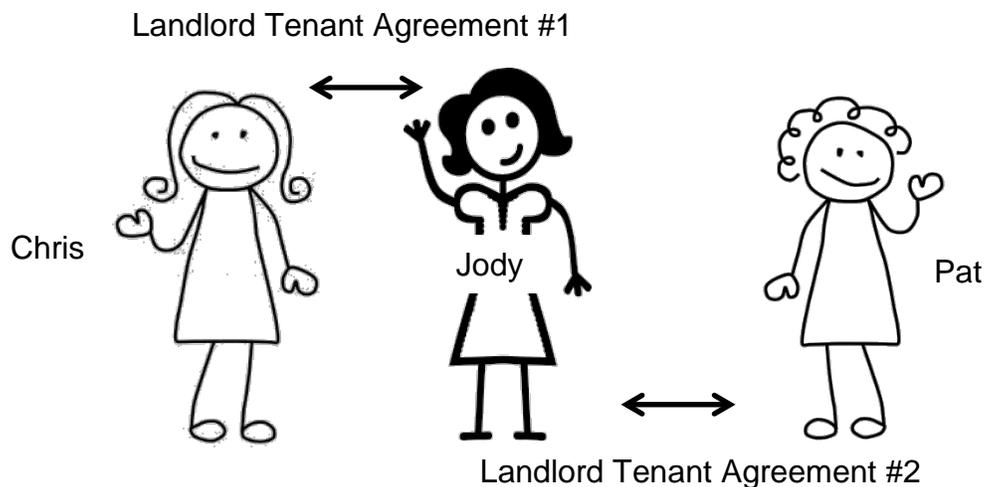
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Under the statutory provisions of the RTA, a tenant is permitted to sublet or assign the rental premises, with the written permission of the landlord. The landlord cannot unreasonably withhold permission and cannot charge a fee in excess of expenses actually incurred by the landlord associated with giving permission.

### **Sublet**

A sublet arrangement occurs when the original tenant moves out of their rental unit and allows someone else (the sub-tenant) to live in the rental unit and pay the rent for part of the term of the rental agreement.

Using the figures below, Chris is the landlord, who has entered into a fixed term rental agreement with tenant Jody for 12 months. Six months into the rental agreement, Jody wants to move to an apartment closer to work but is committed to the 12 month rental agreement with Chris. Therefore, Jody decides to enter into a second rental agreement with Pat for the remaining six months of the rental agreement Jody entered into with Chris. Chris provides a letter of approval to Jody regarding the arrangement.

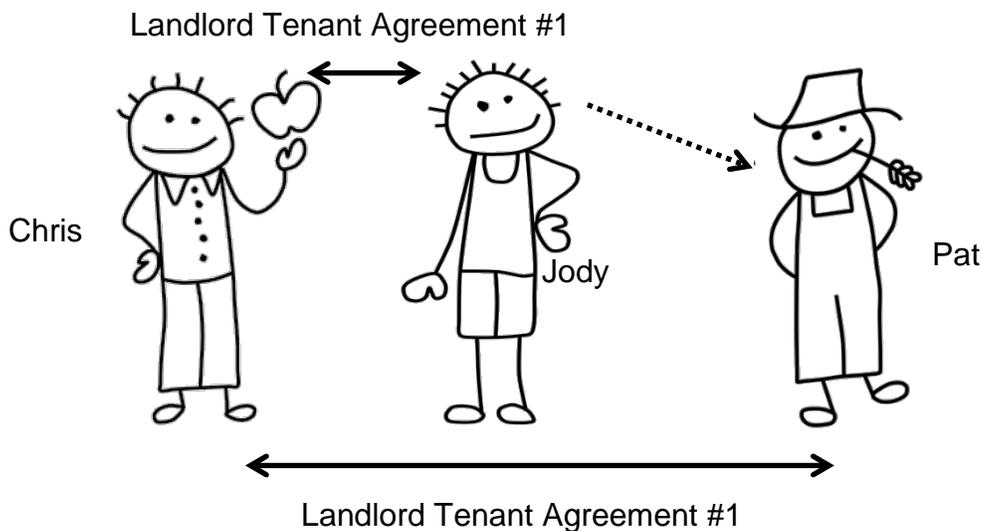


In this situation, Jody remains the tenant in the rental agreement with Chris but is also the landlord in a second tenancy agreement (a sublease agreement), entered into with the sub-tenant (Pat). Both this relationship and the one with the original landlord involve enforceable rights and responsibilities. The sub-tenant only has the same rights and obligations outlined in the original tenancy agreement. The agreement with the sub-tenant cannot contradict the original tenancy agreement. There is no contractual relationship between the original landlord and the sub-tenant.

## Assignment

An assignment takes place when the rental agreement is transferred from one tenant to another. In an assignment, a new person takes the place of the tenant, but all the terms of the rental agreement stay the same.

Using the figures below, Chris is a landlord who enters into rental agreement with tenant Jody for a 12 month fixed term. Six months into the rental agreement, Jody finds an apartment closer to work and wants to move, but they are committed to the 12 month rental agreement with Chris. Therefore, Jody decides to transfer the rental agreement to Pat for the remaining six months. Chris provides a letter of approval to Jody regarding the arrangement. So, Pat will replace Jody as the tenant in the rental agreement originally entered into by Jody and pay rent directly to Chris.



In this situation, Jody is released from the rental agreement. Pat takes over the terms and conditions of the rental agreement with Chris for the remainder of the fixed term.