

Renting Out a Room in Your Home



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Renting Out a Room in Your Home

If you are a homeowner and are thinking about renting out a spare room in your home, you should become familiar with the laws that relate to this living arrangement. While the idea of saving money by renting out a room in your house may be appealing, there are some risks associated with being a landlord. This publication will help you understand the laws that relate to this living situation.



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What are some advantages & disadvantages of renting out a room in my home?

Advantages

- You can use the rent money to offset expenses such as your mortgage payments and utility bills.
- If you currently live by yourself, having someone around may help you feel less alone or isolated.
- A tenant can help with difficult household duties (if you add this to your lease and your tenant agrees).
- Having someone around may help you feel more safe and secure. If you leave your home to go on holidays, someone will be around to help avoid things like potential break-ins, water leaks, and other problems.

Disadvantages

- You may need to adapt your lifestyle to accommodate your tenant.
- There is a risk you may not get along with your new tenant, even if you were friends before your living agreement.
- A tenant may affect your home insurance premiums.
- Rental income could impact your eligibility for federal and provincial social assistance.

If I rent out a room in my house, am I protected by the Residential Tenancies Act (RTA)?

If you are going to rent out a room in your house to someone and share some living space (such as a kitchen and/or a bathroom), you are **not** covered by the *Residential Tenancies Act (RTA)*. This means that the rental agreement made between you and your tenant will govern your rights or obligations during the tenancy.

What do I need to know about the RTA?

In Alberta, the *RTA* is the law that outlines the rights and responsibilities of landlords and tenants. Because the *RTA* is designed specifically for landlords and tenants in Alberta, it can provide helpful guidelines for the terms of your rental agreement.

Some of the issues that the *RTA* covers include:

- security deposits
- types of tenancy agreements
- notice periods to terminate a tenancy
- inspections
- landlord and tenant obligations
- minimum standards of conduct for landlords and tenants

Should I have a written rental agreement?

Yes. While a verbal agreement is legal, a written agreement will provide a record of the terms the parties agree to. In cases of disagreements, the terms of an oral agreement are much harder to prove.

Can I write my own rental agreement?

Yes you can, but there are many things to consider before you proceed. A rental agreement (often referred to as a “lease”) is one of the most important documents a landlord uses. To help avoid legal problems, it is a good idea to get a copy of a standard rental agreement from your local landlord and tenant advisory board or apartment association.

Standard rental agreements **do not** cover many of the issues that you will need to consider if you rent a room in your home. For example:

- Are there time constraints on when the tenant can use other parts of the house?
- When can your tenant have guests over?
- Will your tenant pay for their own groceries?
- Will your tenant use your telephone?
- Will the tenant use your computer or internet?
- How will cleaning duties for the shared spaces in the house be handled?
- Are there any areas in your home that your tenant cannot enter?
- Does the rent include use of the yard, laundry facilities, or garage?

Once you have considered all of the issues and have worked them into the rental agreement that you plan to use, have it reviewed and approved by a qualified lawyer. While this may cost you more money in the short term, a detailed rental agreement may help save you time and money in the future.

What are some things that should be included in the rental agreement?

In addition to issues covered in the previous question, your rental agreement should include all of the following points:

- the names of both you and your tenant and their contact information
- the address of your home
- the amount of the rent
- when the tenancy starts and when it will end
- when the rent is due, how it’s paid, and to whom it’s paid
- the amount of the security deposit
- any additional fees (late fees, pet fees, key fees)
- if the tenant is responsible for paying a portion of the utilities (gas, electric, water, cable, internet, and trash collection)
- who is responsible for any additional maintenance (cutting grass, shoveling snow)
- other conditions that apply to use of the property (such as smoking or non-smoking, or rules for common areas)
- what a security deposit covers (keys only, keys and damage, damage only, damage by pets only)
- details of how the tenancy may be ended including notice periods
- what is included in the property that is rented
- whether the rent includes a parking stall or storage

The written rental agreement should contain all of the terms that you and your tenant have agreed on, and should not contain anything that contradicts what you have both agreed to and discussed.

Where can I get a standard rental agreement or other forms?

Both the Alberta Residential Landlord Association and the Calgary Residential Rental Association sell landlord forms. Some of these forms include:

- rental applications
- rental agreements (leases)
- move in and out inspections
- notices and statement of accounts

If you live in Edmonton, the Landlord and Tenant Advisory Board may have forms. For more information, see the end of this publication.

I want to be sure that my tenant can afford the rent. What personal information can I request from a potential tenant?

In Alberta, the *Personal Information Protection Act (PIPA)* outlines what you can and cannot reasonably ask your potential tenant. For example, a landlord may request information that is necessary to make a decision about whether to rent to a tenant (e.g., proof that a tenant is capable of paying rent, references from another landlord). *PIPA* also governs how you collect, use, and disclose personal information of tenants and prospective tenants. Refer to the Office of the Information and Privacy Commissioner's website listed at the end of this publication for more information.

What do I do if I run into problems or have a disagreement with my tenant?

Because the *RTA* does not cover landlords and tenants that share a living space, you are not able to access the same services as a landlord in a traditional renting situation would.

Before you seek outside assistance, you should first discuss the problem with your tenant and try to find a solution. If you have a situation that cannot be dealt with on your own, you may need to go to Provincial Court, Civil Division, to apply for a remedy.

I've heard that there is a service called the Residential Tenancy Dispute Resolution Service (RTDRS). Can I use this service as an alternative to going to court?

No. The RTDRS only deals with rental situations that are covered under the *RTA*.

How much notice must I give my tenant before evicting them?

The notice required depends on the reason for the eviction and on the terms in your rental agreement.

If you feel threatened, call 911.

Can I take classes, attend workshops, or take a course to learn more?

Yes. The Calgary Residential Rental Association, Alberta Residential Landlord Association, and the Edmonton Landlord and Tenant Advisory Board offer courses, workshops, and educational opportunities to landlords in Alberta. Before you register for a course, make sure that the course will apply to situations where landlords and tenants share living space.



Contacts: Information, Advice and Assistance

Calgary Residential Rental Association

Provides forms, workshops and information for landlords in rental situations under the *RTA*.
An annual membership is required.

403-265-6055
www.crra.ca

Alberta Residential Landlord Association

Provides forms, workshops and information for landlords in rental situations under the *RTA*.
An annual membership is required.

780-413-9773
www.albertal landlord.org

Edmonton Landlord and Tenant Advisory Board (Edmonton LTAB)

Provides landlord and tenant legal information that relates to living situations only covered by the *RTA* for City of Edmonton residents. Edmonton LTAB is a useful resource for general information, and for obtaining forms such as rental agreements that you can use as a starting point for adapting to your situation.

780-496-5959
www.edmonton.ca/ltab

Law Society of Alberta Lawyer Referral Service

Provides the names of three lawyers. Each lawyer to provide half-hour consultation free of charge.

To contact either office:
Toll Free: 1-800-661-1095
In Calgary: 403-228-1722
www.lawsociety.ab.ca/public/lawyer-referral

Office of the Information and Privacy Commissioner of Alberta

Provides information about the *Personal Information Protection Act (PIPA)*.

Toll Free: 1-888-878-4044
www.oipc.ab.ca

Residential Tenancy Dispute Resolution Service

Provides an alternative to court for dealing with disputes between landlords and tenants covered under the *RTA*. This service is available in most parts of Alberta.

310-0000 then 780-644-3000
www.servicealberta.ca/rtdrs/

Service Alberta's Consumer Contact Centre

Provides landlord and tenant information that relates to living situations covered by the *RTA*, and is a useful resource for more general information and referrals relating to landlord and tenant matters.

780-427-4088
Toll Free: 1-877-427-4088
www.servicealberta.ca/Consumer_Info.cfm

For a full list of where to find help and resources, refer to our website:

www.landlordandtenant.org

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