

## Residential Tenancies Tribunal

Application 2024-0854-NL

Michael Reddy  
Adjudicator

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### Introduction

1. Hearing was held at 1:48 PM on 22 October 2024 via teleconference.
2. The applicant, [REDACTED], attended.
3. The respondents, [REDACTED] and [REDACTED], attended.

### Preliminary Matters

4. The applicant submitted an affidavit (L#1) with the application stating the respondents had been served via registered mail ([REDACTED]) and by text ([REDACTED]) on 1 October 2024 at approximately 5:56 PM. There was no dispute from the tenants regarding service.
5. During the presentation of the claim, an issue with respect to jurisdiction arose which requires a decision prior to deciding on the issues in the Application for Dispute Resolution.

### Issues before the Tribunal

6. The tribunal is required to adjudicate on its jurisdiction to hear this claim.

### Legislation and Policy

7. The jurisdiction of the Director of Residential Tenancies is outlined in Sections 46 and 47 of the *Residential Tenancies Act, 2018*.
8. Also relevant and considered in this decision is Sections 3 the *Residential Tenancies Act, 2018*, as well as Residential Tenancies Program Policy 01-008: Rent-to-Own and Option to Buy Agreements.

## **Issue 1: Jurisdiction**

9. During the hearing both parties agreed that they entered into a rent-to-own agreement in 2017. The terms of the agreement were set at monthly payments of \$775.00 from the tenant(s) to the landlord for a term period of 300 months (25 years).

### Applicant's Position

10. The applicant testified that while the paperwork for the rent-to-own agreement was drafted and had been signed by the respondents, it had never been signed by him and his brother. He noted that there had been a fee associated with the agreement that had been the responsibility of the tenants that had not been paid. The landlord testified that approximately 1 ½ to 2 years ago, the rent-to-own agreement transitioned to a verbal month-to-month rental agreement.

### Respondent's Position

11. The respondents testified that the rent-to-own agreement was signed by them. They stated they had requested the signed rent-to-own agreement multiple times from the landlord without success. On one occasion, they attended the office of lawyer for the landlord to discuss the agreement between themselves and the landlord at which time they were informed by the lawyer, the applicant would be handling this matter himself. The respondents maintain they are under a rent-to-own agreement.

## **Analysis**

12. This Tribunal's jurisdiction is restricted to the general administration of the *Residential Tenancies Act, 2018*, and Section 3 of this Act states:

### ***Application of Act***

*3. (1) Notwithstanding another Act or agreement, declaration, waiver or statement to the contrary, this Act applies where the relationship of landlord and tenant exists in respect of residential premises.*

*(2) Notwithstanding another Act or agreement, declaration, waiver or statement to the contrary, this Act applies to residential premises, residential complexes and rental agreements, whether made before or after this Act comes into force.*

.....

*(4) This Act does not apply to*

*(k) an attornment clause in a mortgage or other instrument creating a security interest in residential premises;*

13. As noted in Residential Tenancies Program Policy 01-008, rent-to-own agreements are not covered by the *Residential Tenancies Act, 2018*. Purchasers do not qualify as

tenants. Under a rent-to-own agreement, the original owner still holds an interest in the property as does the tenant, therefore, they are both part owners. An agreement to sell creates the relationship of vendor and purchaser, not landlord and tenant. An individual who wishes to file a claim regarding rent to own agreements should be directed to seek legal counsel and advised that this division has no authority to deal with this matter.

14. Both parties confirm that they entered into a rent-to-own agreement regarding the property in 2017. However, their testimonies differ with respect to the dissolution of the aforementioned agreement, and there was a lack of evidence provided to establish that the vendor purchaser relationship has ended.
15. By entering into the rent-to-own agreement, the relationship between applicant and respondents becomes one of vendor and purchaser, and not that of landlord and tenant, as characterized in Section 3 of the *Act*, just quoted. As this Tribunal's authority and powers are restricted to the relationship of landlord and tenants, and as it can make no ruling or order concerning relationships between vendors and purchasers, I conclude that this matter falls outside our jurisdiction.

### **Decision**

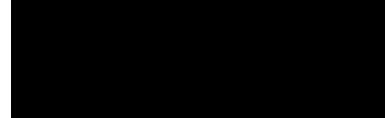
16. This matter falls outside the jurisdiction of this Tribunal, as set out in Section 3 of the *Residential Tenancies Act, 2018*.

### **Summary of Decision**

17. The application is dismissed.

29 November 2024

Date



Michael Reddy,  
Adjudicator  
Residential Tenancies Office