

Residential Tenancies Tribunal

Application 2024-1079-NL

Pamela Pennell
Adjudicator

Introduction

1. Hearing was called at 1:46 p.m. on 13-February-2025.
2. The applicant, [REDACTED], hereinafter referred to as "the applicant", attended by teleconference. [REDACTED] and [REDACTED], support persons for the landlord attended.
3. The respondents, [REDACTED] and [REDACTED], hereinafter referred to as "the respondents" attended by teleconference.

Preliminary Matters

4. During the preliminary stages of the hearing whereby the issue of jurisdiction must be determined, it was found that this tribunal had to adjudicate on its jurisdiction before proceeding with the hearing.

Issues before the Tribunal

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

Legislation and Policy

6. The jurisdiction of the Director of Residential Tenancies is outlined in sections 46 and 47 of the *Residential Tenancies Act, 2018*.
7. Also, relevant and considered in this decision is the following section of the *Residential Tenancies Act, 2018*: Section 3: Application of the Act. Also, relevant and considered in this decision is the following section of the *Residential Tenancies Policy Manual*: Section 1-8: Rent-to-Own and Option to Buy Agreements.

Issue # 1: Jurisdiction

Analysis

8. Section 3 of the Residential Tenancies Act, 2018 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 or clause in a mortgage or other instrument creating a security interest in residential premises.

9. Section 1-8 of the *Residential Tenancies Policy Manual* states:

Rent-to-Own and Option to Buy Agreements

Rent with Option to Buy agreements are not covered by the Residential Tenancies Act if the tenant holds any interest in the premises.

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.

10. The applicant and the respondents entered into a rental agreement whereby the tenants had the option to buy the property at a later date. The tenants invested approximately \$10,000 into the unit and paid for a home inspection on the property. In accordance with Section 3 of the Act as stated above and Section 1-8 of the *Policy*, I find that the tenants believed that they would be purchasing the property and invested funds into the property to maintain it and increase its value, thereby holding an interest in the property. For this reason, I find that this claim does not fall under the jurisdiction of the *Residential Tenancies Act, 2018* and as such, disputes may be heard in another court of competent jurisdiction.

Decision

11. The claim does not fall under the jurisdiction of the *Residential Tenancies Act, 2018*.

February 14, 2025

Date


Pamela Pennell, Adjudicator
Residential Tenancies Office