

Residential Tenancies Tribunal

Application 2024-0313-NL

Pamela Pennell
Adjudicator

Introduction

1. Hearing was called at 1:53 p.m. on 17-June-2024.
2. The applicant, [REDACTED] (applicant 1), hereinafter referred to as “the landlord”, attended by teleconference. The applicant, [REDACTED] (applicant 2), hereinafter referred to as “the landlord” did not attend.
3. The respondent, [REDACTED] (respondent 1), hereinafter referred to as “the tenant” attended by teleconference. The respondent, [REDACTED] (respondent 2), hereinafter referred to as “the tenant” did not attend.

Preliminary Matters

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

Issues before the Tribunal

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

Legislation and Policy

5. The jurisdiction of the Director of Residential Tenancies is outlined in sections 46 and 47 of the *Residential Tenancies Act, 2018*.
6. 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

7. During the preliminary stage of the claim, it was determined that the applicants and the respondents entered into a *Rent-to-Own Agreement* (LL#1, Part 7). I asked applicant 1 if they had entered into an agreement with the tenants whereby the tenants would pay \$300.00 per month to go towards the purchase price of the house in 2 years' time or there about and he responded that he did. I asked respondent 1 if it was her understanding that \$300.00 paid to the landlords each month was monies that would go towards the purchase price of the house in 2 years' time or there about and she responded that it most definitely was her understanding.
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-to-own 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.

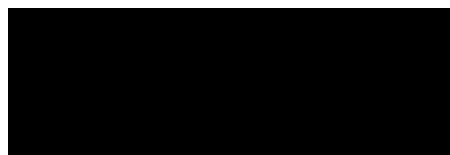
10. The applicants and the respondents entered into a rent-to-own agreement and in accordance with Section 3 and Section 1-8 as stated above, I find that this application does not fall under the jurisdiction of the *Residential Tenancies Act, 2018* and as such, disputes will have to be heard in another court of competent jurisdiction.

Summary of Decision

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

July 4, 2024

Date



Pamela Pennell, Adjudicator
Residential Tenancies Office