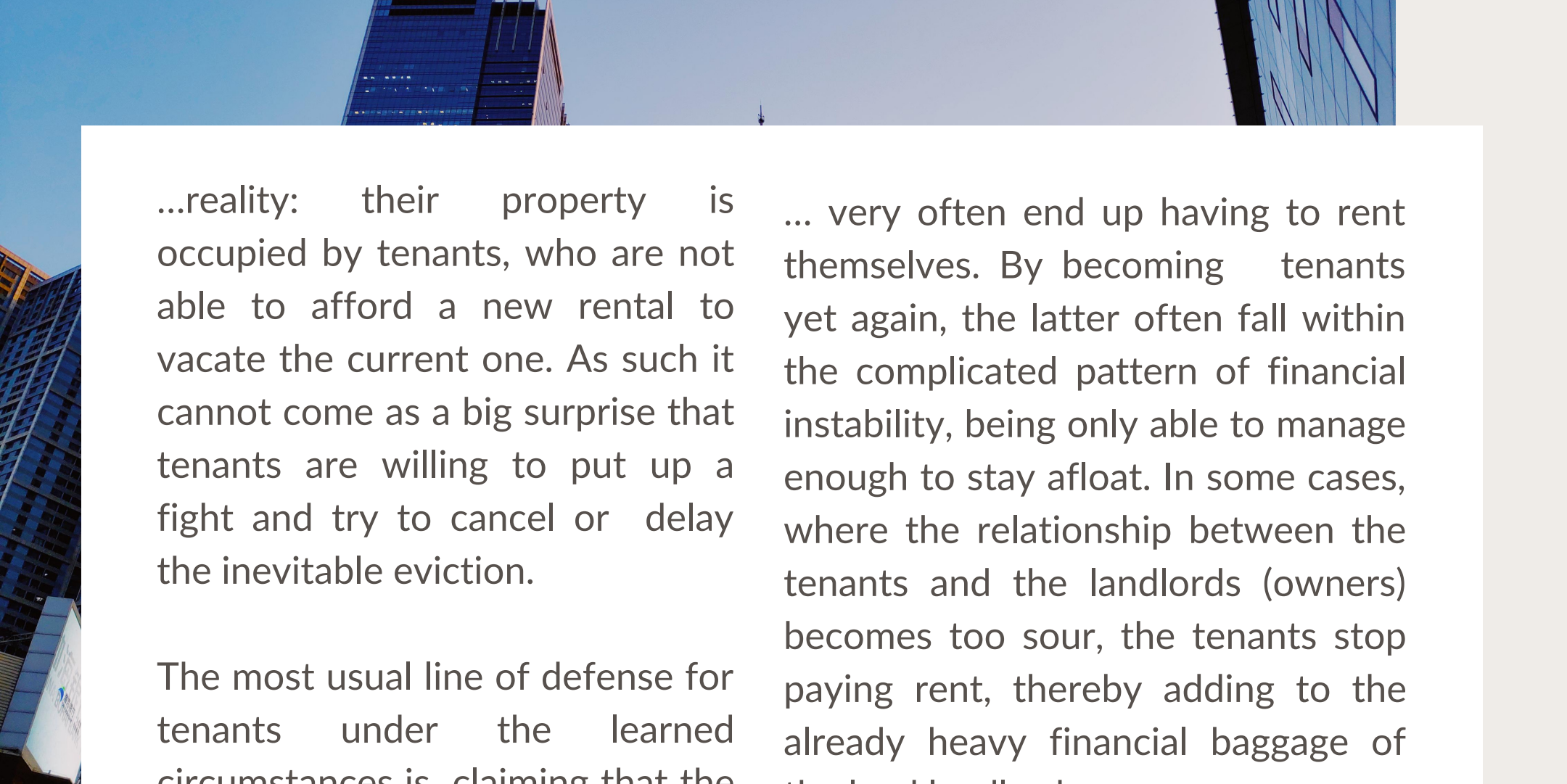


In a Fast Growing Real Estate Market Landlords Too Can Be Vulnerable.

11 March 2022

Today's real estate market is so fast and so drastic that landlords are not necessarily the ones with a higher ground. With security of tenure laws and immense delays at the Landlord & Tenant Board many landlords, especially the ones who just bought a property hoping to move in, are face the horrible...



...reality: their property is occupied by tenants, who are not able to afford a new rental to vacate the current one. As such it cannot come as a big surprise that tenants are willing to put up a fight and try to cancel or delay the inevitable eviction.

The most usual line of defense for tenants under the learned circumstances is claiming that the new landlords (owners) do not intend to live in the property and merely want them out to rent it out for more money.

Here is where the things get more complicated. The new landlords, having not been able to move into their freshly purchased property,...

... very often end up having to rent themselves. By becoming tenants yet again, the latter often fall within the complicated pattern of financial instability, being only able to manage enough to stay afloat. In some cases, where the relationship between the tenants and the landlords (owners) becomes too sour, the tenants stop paying rent, thereby adding to the already heavy financial baggage of the land landlords.

Sooner or later the tenants get evicted. The owner, overwhelmed with litigation costs, mortgage payments, utilities, ever-growing debt and their own rent are unable to make the move to their new property, so they decided to rent the place out again to win time to...



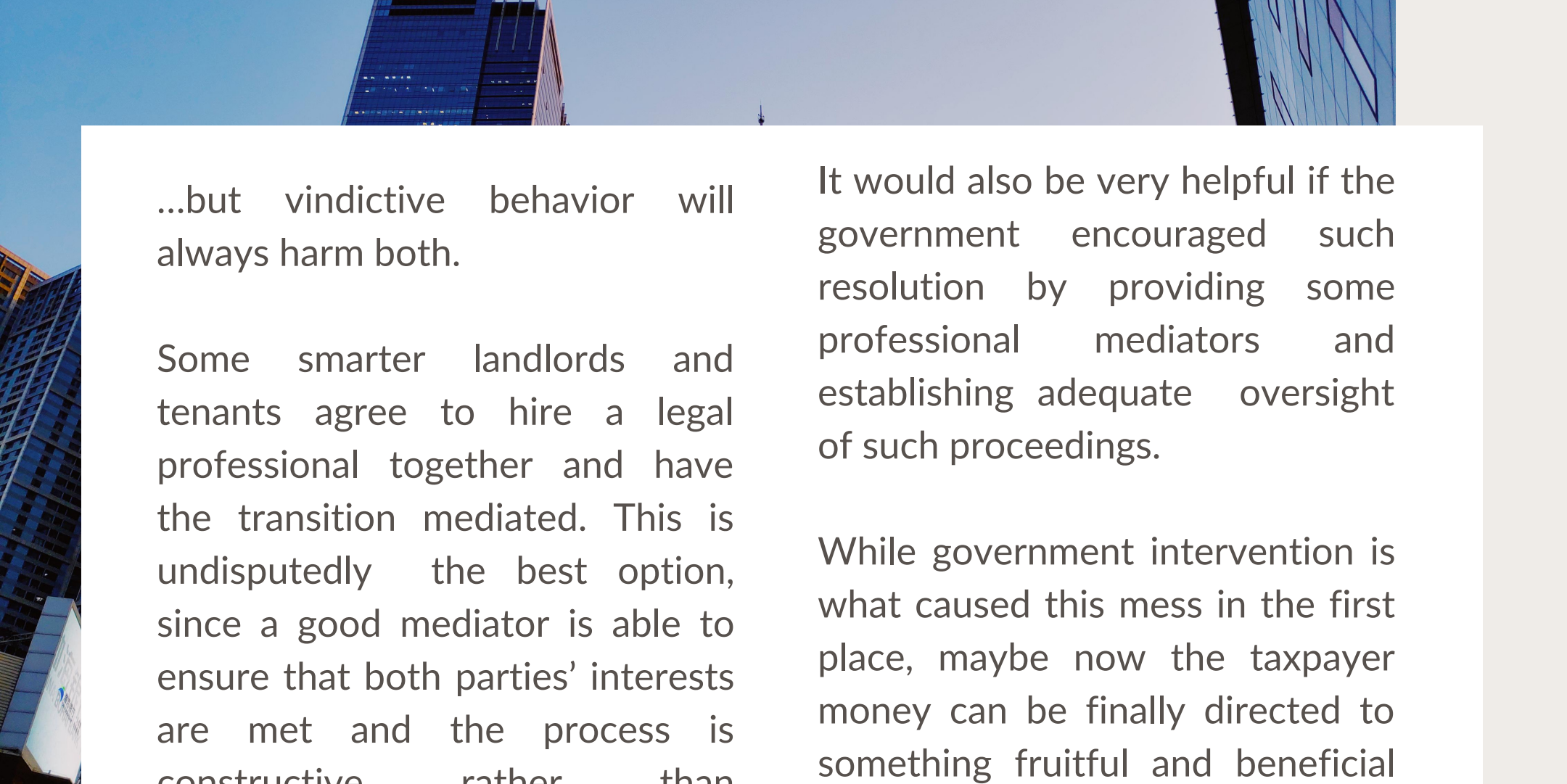
...recover.

The former tenants, on the other hand, having struggled with a legal battle, house hunting, moves and resettling, understandably do not care much about the circumstances of their executioners, and rush to launch yet another litigation, in attempts to recoup some expense they incurred and maybe to avenge for the sufferings they have endured.

These litigations usually fail, resulting in more legal costs for both parties, each left with an impression of being victimized by a system that is designed to work against them.

Among other consequences, this whole situation results in driving up the cost of rentals, along with making the tenant screening process much harsher than it reasonably ought to be.

It seems that there is no other solution to this but both parties cooperating in good faith: landlords should recognize that finding a new rental is a nightmare and should go an extra mile in trying to assist the tenant be it financially or otherwise, in turn, tenants should recognize that the property belongs to the landlord and they should be and will be able to make use of it, thus, not waste time and money on petty litigation. None of this is to suggest that there aren't black sheep on either side ...



...but vindictive behavior will always harm both.

Some smarter landlords and tenants agree to hire a legal professional together and have the transition mediated. This is undisputedly the best option, since a good mediator is able to ensure that both parties' interests are met and the process is constructive rather than destructive.

It is important, nevertheless, that that landlords take initiative in introducing this process, given the inherent position of greater bargaining power. The mediator, however, must be retained by both, to ensure that no conflict of interest arises.

It would also be very helpful if the government encouraged such resolution by providing some professional mediators and establishing adequate oversight of such proceedings.

While government intervention is what caused this mess in the first place, maybe now the taxpayer money can be finally directed to something fruitful and beneficial for those very taxpayers.