



# Subletting or Assigning a Tenancy

A **sublet** is when the original tenant (“Tenant #1”) rents out the rental unit to a new tenant (“Tenant #2”). Tenant #1’s tenancy agreement with the original landlord continues to exist while the new subletting Tenant #2 lives there. The original Tenant #1 becomes a landlord to the subletting Tenant #2 and must have a written tenancy agreement with Tenant #2. Thus, there are two distinct tenancy relationships and agreements:

- 1) between the original landlord and Tenant #1;  
**and**
- 2) between Tenant #1 (now the 2<sup>nd</sup> landlord) and Tenant #2.

*\*There is **no** tenancy agreement or landlord/tenant relationship between the original landlord and Tenant #2.*

An **assignment** is where the original tenant gives up the rental unit to a new tenant who continues under the existing original tenancy agreement. The original tenant’s obligation to the landlord ends. The contractual relationship that continues is between the original landlord and the new tenant. The new tenant is not responsible for actions or failure of the original tenant prior to the assignment date. However, the parties **must** amend the original tenancy agreement to clearly indicate that the tenancy agreement continues, but that the parties have changed.

*NOTE: **Sublet automatically converted to assignment:** Where an individual agrees to sublet a tenancy for the entire remaining period of the tenancy (and does not reserve the last day or some period of time at the end of the sublease), the sublet agreement amounts to an assignment of the tenancy.*

*NOTE: In practice, this will only apply to fixed-term tenancies (not periodic tenancies which have no defined end date).*

A tenant must have the landlord’s **written consent** before subletting or assigning a rental unit to someone else. If the tenant does not get the landlord’s consent, the landlord may serve the original tenant with a 14-day notice to end the tenancy.

*NOTE: The landlord **cannot** unreasonably refuse to sublet or assign a tenancy, nor can the landlord charge a fee to assign or sublet an application.*

## EXAMPLES OF SUBLET AND ASSIGNMENT

SUBLET ONLY	SUBLET → ASSIGNMENT	ASSIGNMENT ONLY
<p>Tenant #1 obtains the landlord’s consent in writing to <b>sublet</b> the rental unit to a new tenant (Tenant #2) for a period of three months (a period less than the remainder of the tenancy).</p> <p>Tenant #1 becomes the landlord to Tenant #2, while Landlord #1 remains the landlord to Tenant #1. There are, in effect, two separate landlord and tenant relationships.</p> <p>Because a second distinct landlord-tenant relationship is created, there is a requirement for a second written tenancy agreement (as well as condition inspection reports) to be drawn up between Tenant #1 and Tenant #2.</p>	<p>Tenant #1 obtains the landlord’s consent in writing to <b>sublet</b> the rental unit to a new tenant (Tenant #2) <b>for the entire remainder of the fixed-term tenancy period.</b></p> <p>Because Tenant #2 has agreed to sublet the tenancy for the entire remaining period of the fixed-term tenancy, the sublet agreement amounts to an <b>assignment</b> of the tenancy.</p> <p>Thus, Tenant #2 has actually been assigned the tenancy [see “Assignment Only” information in next column].</p> <p><i>NOTE: This type of conversion from a sublet to an assignment <b>can only occur with fixed-term tenancies</b> which have a clear end date and not with periodic tenancies which by definition have an undefined end date.</i></p>	<p>Tenant #1 obtains the landlord’s consent in writing to <b>assign</b> the rental unit to a new tenant (“Tenant #2”).</p> <p>Tenant #1 is no longer a party to the original tenancy agreement. The only landlord-tenant relationship that exists is between Landlord #1 and Tenant #2.</p> <p><i>NOTE: Any security deposit paid by Tenant #1 will stay with the original tenancy agreement and will only be returned to Tenant #2 (not Tenant #1) at the end of the tenancy. Because Tenant #1 is giving up their right to the security deposit they paid, it is Tenant #1’s responsibility to come to an arrangement with Tenant #2 on how they want to deal with this issue.</i></p> <p><i>NOTE: Because the original tenancy agreement continues through the assignment, there is no requirement for a new tenancy agreement or condition inspection report. If Tenant #2 is concerned that they could be liable to Landlord #1 for damage caused by Tenant #1, they should take necessary steps such as having a new condition inspection report completed, which can assist in the event that they have to seek compensation from Tenant #1.</i></p>

### For More Information:

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