

OWNING A PROPERTY THAT YOU RENT TO A TENANT IS A MAJOR INVESTMENT AND RESPONSIBILITY

As you are no doubt aware, the use of rented dwellings for marijuana grow operations is an increasing problem. Some instances involve older homes, but there are situations in which residences in well-to-do, upscale neighbourhoods have been turned into marijuana growing operations. Your insurance policy does not provide coverage for the damage done by your tenant if they are using the dwelling for illegal purposes.

It is in your interest as the owner of a rented dwelling to protect your investment by ensuring that you have selected the type of tenant you want, and that all aspects of the tenancy are clearly defined before the tenancy begins. When all conditions are clearly defined in writing, the relationship has a much better chance of being clearly understood and satisfactory to all parties.

As the owner of the rented dwelling you should keep yourself aware of any obvious signs of a grow operation. The Residential Tenancy Act allows you, or your authorized representative, to inspect the premises at any time with 24 hours notice to the occupants. You should visit your property at least once every 2 to 3 months but preferably every month. Lack of supervision of the property may keep you unaware of the activities of your tenant.

A marijuana crop can be grown, harvested and disposed of within 3 months. It is in your interest to identify suspicious situations before serious damage is done to the dwelling. Some indications of illegal activity include:

- windows totally covered (cardboard, tinfoil, black plastic) to control the grow environment
- removal of interior walls for the purpose of venting
- changes made to the electrical and/or plumbing installations. This may cause damage to your dwelling
- presence of the “skunky” odour of mature plants
- removal of exhaust stack from hot water tanks to facilitate plant growth and to introduce carbon dioxide or carbon monoxide into the residence to disguise odour
- ducting or ionizers installed to disperse odours
- incense burning to mask odours
- little or no furniture in dwelling
- lack of normal residential activity (talk to the neighbours)
- constant high humidity, which could ultimately cause damage to the structure of the dwelling
- doors or windows that are boarded up and /or barred to conceal and control the grow environment.

IF YOU HAVE ANY SUSPICIONS THAT YOUR DWELLING IS BEING USED FOR GROW OPERATION PURPOSES, OR ANY OTHER ILLEGAL ACTIVITY, REPORT IT IMMEDIATELY TO THE POLICE.

Even before renting your property, there are telltale signs that should be a “red flag” to you. They include:

- tenant wants to pay in cash, and may offer more than market price
- vague, incomplete answers on application form
- no references and/or no identification
- utilities to be registered in a different name
- tenant shows great interest in the electrical services
- tenant doesn't show any interest in the layout of the dwelling (ie. number of bedrooms, cable outlets, etc.)
- no current home phone number – tenant only wants to provide you with a cell phone or pager number

The primary responsibility for ensuring the tenants of a rented dwelling are suitable rests on your shoulders as the owner of the dwelling. When you are selecting a new tenant:

- always complete a formal application to rent, which should include the name and address of the most recent landlord
- check credit references promptly and verify information of the most recent landlord
- get information on the tenant's current employment
- require a fixed term tenancies (6-month or a one-year lease). A fixed-term tenancy gives you some additional security
- include terms in the tenancy agreement barring illegal activities.
- require your tenant to maintain insurance coverage (a tenant's package).
- carry out regular inspections of the premises
- issue breach letters and end tenancy if you suspect illegal activities in your dwelling
- if you are an absentee landlord, you must make arrangements with a professional real estate company to adequately supervise and look after your property during your absence

When you are renting your dwelling, advise the selected tenants that:

- your insurance policy will NOT provide protection for the renter
- the premises WILL be inspected on a regular basis
- you WILL report any suspicious activities or evidence of a grow operation to the police

This material is provided for informational purposes only. The provisions of your policy prevail. Please read your policy in detail and consult your broker if you have any questions.