

How to Deal with Rented Furnaces or Water Heaters on an *Offer to Purchase*

In some areas of Saskatchewan, furnaces or water heaters are rented from suppliers instead of owned by the homeowners.

As these appliances are typically considered fixtures that will change hands with the property:

- 1) The listing should indicate that the furnace or water heater is rented, and
- 2) The contract of purchase and sale should specifically state:
 - a. that the furnace or water heater is rented, and
 - b. how the parties will deal with the rental.

Paragraph 6.2(c) of the *Residential Contract of Purchase and Sale* asks the buyer to indicate whether or not the water heater is included in the purchase price. If a rented water heater is marked as being included on an offer received by a seller, the seller should respond with a counter offer indicating that the water heater is rented and how the parties will deal with the rental.

It is up to the buyers and sellers to decide how to proceed in the case of a rented furnace or water heater.

The seller's agent should begin by talking to the seller about the terms of the rental agreement to get a sense of what the seller can and cannot do with respect to the rented appliance. The buyer's agent should contact the seller's agent for information about the rental agreement and talk to the buyer to find out how they would like to proceed. For example, the buyer could choose to purchase a furnace or water heater to install in place of the rented unit or the seller may be able to assign the lease of the appliance to a third party.

If, after speaking to the registrants involved, the buyer or seller is unsure of the terms of the rental agreement, how the rented appliance should be dealt with, or how to write out the terms of the agreement, the buyer and seller should seek legal advice.