

INTRODUCTION

- [1] The Tenants seek a monetary order against the Landlords for a return of rent for July 2024 in the total amount of \$3,000.00.

DISPOSITION

- [2] I find that the Tenants are entitled to a return of rent for July 2024 in the amount of \$3,000.00.

BACKGROUND

- [3] On June 14, 2024 the parties entered into written, fixed-term tenancy agreement for the period of July 2, 2024 to June 30, 2025. Rent was \$3,000.00 due on the first day of the month. A \$3,000.00 security deposit was paid to the Landlords, and then returned to the Tenants. The parties disputed the vacate date.
- [4] On August 5, 2024 the Tenants filed a *Form 2 (A) Tenant Application to Determine Dispute* (the "Application") with the Residential Tenancy Office (the "Rental Office"). The Application seeks a return of rent for July 2024. The Tenants emailed the Application to the Landlords.
- [5] On August 28, 2024 the Tenants amended the Application. The Tenants emailed the Landlords the amended Application.
- [6] On September 11, 2024 the Rental Office mailed and emailed the parties notice of a teleconference hearing, along with a copy of the Application.
- [7] On September 25, 2024 the Rental Office emailed the parties an evidence package.
- [8] On October 1, 2024 the Tenants and the Landlords participated in the hearing for determination of the Application. The parties confirmed receipt of the evidence package.

ISSUE

- A. Are the Tenants entitled to a return of rent?

ANALYSIS

- [9] For the reasons below, I find that the Tenants are entitled to a return of rent for July 2024 in the amount of \$3,000.00.
- [10] On July 1, 2024 the Tenants moved into the Unit. The Tenants stated that the Unit was not reasonably cleaned. Within the first week the Tenants discovered mould in the Unit, and informed the Landlords. The Landlords inspected the mould, however, described it as "surface mould". The Tenants stated that because of the mould they no longer felt safe in the Unit.
- [11] On July 9, 2024 the Landlords emailed the Tenants the details of their agreement for earlier termination of the tenancy agreement, which stated in part:

"As per your request to terminate the contract, we want to proceed and finish the contract. [Tenant] mentioned that you will need a few days to move, I will say Sat, July 13th, 2024, if that is the case, we are going to refund you the fully rent amount for the month and the security deposit. Otherwise, if you are planning to stay any longer or until the end of the fully month rent will be charged. Please advise."

- [12] In response email, the Tenants stated:

"Hello, thank you but I need it until the 15th of July, 2024. Can you please send in a professional cleaning crew to wash down all the mold. Please let me know the date and time."

[13] On July 10, 2024 the Landlord responded to the Tenants' email, which stated:

*"Hi [Tenant]
We will take back the house on Mon, July 15th, 2024. We have a crew coming on Monday to address the house issues."*

[14] The Tenants stated that they were unable to meet the July 15, 2024 deadline to move out of the Unit. However, the Tenants stated that the parties agreed to an extension.

[15] On July 17, 2024 the Tenants emailed the Landlords, which stated:

*"Good morning, [Landlord]
If you are serious about refunding my July rent and my security deposit, I will move out this weekend and end our lease. I would like you to send the July rent reimbursement today (July 17/24) and the security deposit on Sunday (July 21/24) when we leave the keys as a sign of good faith. You can e-Transfer to [redacted]."*

[16] The Landlords responded to the Tenants email, which stated in part:

"Yes, I am serious about my offer, you will receive all your money back when you move out."

[17] On July 19, 2024 the Tenants removed their personal belongings and vacated the Unit.

[18] On July 21, 2024 the Tenants emailed the Landlords to inform them that they vacated the Unit.

[19] On July 22, 2024 one of the Tenants and one of the Landlords inspected the Unit. The Tenants stated that during the inspection the Landlord required the Tenants to sign a termination agreement of the tenancy. The Tenants stated that after reviewing the document, they requested the document be amended to mention the return of rent. The parties disagreed over this amendment and the document was not signed. The Tenants stated that they attempted to return the keys to the Landlord, but the Landlord would not accept the keys until the document was signed.

[20] On July 22, 2024 the Landlords emailed the Tenants, which stated:

"Our agreement was to give you the money back if you move out by July 21st, 2024. However, today you walked through the house with [Landlord] and you refused to sign the termination agreement and to give him the keys back, as I mentioned in my previous email we are willing to send your money back once you do that. This agreement valid until tomorrow afternoon July 23, 2024."

[21] The Tenants responded to the email, which stated:

"We will meet you today at 6pm. I think the easiest is to just bring cash. We will give you the keys. We can meet you at the house. Does this work for you?"

[22] On July 23, 2024 the Tenants stated that the parties met and disagreed over the wording in the document. The Landlord left the Unit after refusing to accept the keys. The Tenants stated that they left the keys in the Unit's mailbox, and informed the Landlords around 8:00 p.m. of the keys location.

- [23] The Landlords stated that the Tenants did two walkthroughs of the Unit. The first walkthrough was on June 14, 2024 and the second was on July 1, 2024. The Landlords stated that the Tenants were aware of the condition of the Unit and did not raise any issues.
- [24] The Landlords stated that they tried to help and accommodate the Tenants. The Landlords purchased a dehumidifier and had someone inspect the Unit. The person who inspected the Unit informed the Landlords that it was only surface mould. After the Tenants vacated the Unit, the Landlords had Service Master inspect the Unit. The Landlords included Service Master's submission in the evidence package.
- [25] The Landlords stated that the Tenants never complied with their agreement. The Landlords stated that they gave the Tenants an extension but they still were unable to vacate the Unit. The Landlords stated that the Tenants did not return the keys until July 24, 2024 and they lost a month of rent.
- [26] The Landlords denied that they refused to accept the keys from the Tenants. The Landlords stated that the Tenants demanded the \$3,000.00 returned to them in cash before the keys were returned. The Landlords stated that there was a lack of trust between the parties.
- [27] I have reviewed the documentary evidence, and considered the parties' testimony provided at the hearing. I find that the Tenants are entitled to a return of rent in the amount of \$3,000.00.
- [28] The documentary evidence, particularly the email correspondence shows that the parties had an agreement to end the tenancy. The Landlords provided the Tenants with extensions to vacate the Unit, and still have their rent and security deposit returned. The correspondence shows that the Landlords attempted to add additional conditions to the agreement (signing the termination agreement). However, I find that the signing such an agreement was not necessary as the parties already agreed to end the tenancy by mutual agreement.
- [29] Further, I find that the initial agreement sent by the Landlords does not mention that the Tenants must sign the termination agreement. The mutual agreement was to have the Tenants vacate and return the keys to the Landlords, and the Landlords would return the rent and the security deposit.
- [30] In these circumstances, the Tenants expected that the Landlords would bring their rent money, and that and exchange for the Unit's keys would happen. If the Landlords were unable to retrieve the cash, then an e-Transfer could have been sent.
- [31] I accept the Tenants' testimony that they removed all their belongings on July 19, 2024. Further, I accept the Tenants' testimony that after the meeting with the Landlords on July 23, 2024 they left the Unit's keys in the mailbox and gave up possession of the Unit to the Landlords.
- [32] The Application is allowed. The Landlords must pay the Tenants \$3,000.00 by the timeline below.

IT IS THEREFORE ORDERED THAT

1. The Landlords must pay the Tenants \$3,000.00 by October 29, 2024.

DATED at Charlottetown, Prince Edward Island, this 8th day of October, 2024.

(sgd.) Cody Burke
Cody Burke
Residential Tenancy Officer

NOTICE

Right to Appeal

This Order can be appealed to the Island Regulatory and Appeals Commission (the "Commission") by serving a Notice of Appeal with the Commission and every party to this Order within **20 days of this Order**. If a document is sent electronically after 5:00 p.m., it is considered received the next day that is not a holiday. If a document is sent by mail, it is considered served on the third day after mailing.

Filing with the Court

If no appeal has been made within the noted timelines, this Order can be filed with the Supreme Court of Prince Edward Island and enforced as if it were an order of the Court.