

INTRODUCTION

- [1] The Tenant is seeking a return of the security deposit.
- [2] The Landlord disputes the security deposit should be returned to the Tenant.

DISPOSITION

- [3] I find that the Landlord must pay the Tenant double the security deposit plus interest on the original security deposit, in the total amount of \$1,503.83.

BACKGROUND

- [4] The Unit is a room with shared common spaces in one half of a duplex.
- [5] On August 8, 2024, the parties entered into a written, fixed-term tenancy agreement for the period of September 1, 2024, to August 31, 2025. On August 8, 2024, the Tenant paid a \$750.00 security deposit to the Landlord. Rent in the amount of \$750.00 was due on the first day of the month.
- [6] On September 26, 2024, the Tenant 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 the \$750.00 security deposit.
- [7] On September 27, 2024, the Rental Office emailed the parties notice of a teleconference hearing scheduled for October 24, 2024.
- [8] On October 22, 2024, the Rental Office emailed the parties an evidence package.
- [9] On October 23, 2024, the Rental Office emailed the parties a supplementary evidence package.
- [10] On October 24, 2024, the Tenant and the Landlord participated in a teleconference hearing for determination of the Application. Both parties confirmed receipt of the evidence packages and that everything submitted to the Rental Office was included.

ISSUE

- A. Must the Landlord return the security deposit to the Tenant?

ANALYSIS

- [11] The Tenant stated on August 8, 2024, the parties entered into a written fixed-term tenancy agreement which was to begin on September 1, 2024. On August 31, 2024, the Tenant notified the Landlord that due to personal circumstances, she was unable to move into the Unit. The Tenant requested a return of the \$750.00 security deposit but it was not returned.
- [12] The Landlord stated the Tenant only notified him the day before she was to move into the Unit that she was no longer going to be moving in. The Tenant did not provide at least one month's notice and the Landlord was unable to re-rent the Unit until October 1, 2024. The Landlord also incurred expenses traveling to PEI to try to re-rent the Unit. The Landlord stated he is seeking to retain the security deposit for rent owing for September 2024.

[13] Section 40 of the *Residential Tenancy Act* (the “Act”) addresses the retention and return of a security deposit, stating in part as follows:

(1) Except as provided in subsection (2) or (3), within 15 days after the date the tenancy ends or is assigned, the landlord shall either

- (a) issue payment, as provided in subsection (5), of any security deposit to the tenant with interest calculated in accordance with the regulations; or*
- (b) make an application to the Director under section 75 claiming against the security deposit.*

(2) A landlord may retain from a security deposit an amount that

- (a) the Director has previously ordered the tenant to pay to the landlord; and*
- (b) remains unpaid at the end of the tenancy.*

(3) A landlord may retain an amount from a security deposit if

- (a) at the end of a tenancy, the tenant agrees in writing that the landlord may retain the amount to pay a liability or obligation of the tenant; or*
- (b) after the end of the tenancy, the Director orders that the landlord may retain the amount.*

(4) Where a landlord does not comply with this section, the landlord

- (a) shall not make a claim against the security deposit; and*
- (b) shall pay the tenant double the amount of the security deposit.*

[14] The evidence establishes that the parties entered into a fixed-term tenancy agreement beginning September 1, 2024. The Tenant provided notice the day before the start of the fixed term that she was not moving into the Unit and the Landlord was able to secure a new tenant for October 1, 2024. I find that the tenancy agreement between the parties ended on September 30, 2024.

[15] After the tenancy agreement ended, the Landlord had 15 days to either return the security deposit to the Tenant or file an application with the Rental Office to retain the security deposit, but the Landlord did neither. There are no earlier Rental Office decisions authorizing the Landlord to retain the security deposit. At the end of the tenancy the parties did not enter a written agreement permitting the Landlord to retain the security deposit.

[16] As a result, I find that the Landlord did not comply with the section 40 requirements for retaining a security deposit. Therefore, the Landlord must pay the Tenant double the security deposit plus interest on the security deposit balance in accordance with subsection 40(4), as calculated below.

CONCLUSION

[17] The Application is allowed.

[18] I find that the Landlord must pay the Tenant double the security deposit plus interest on the original security deposit, by the timeline below. This amount is calculated as follows:

Item	Amount
Security Deposit	\$750.00
Interest (Aug. 8/24 – Oct. 30/24)	\$3.83
Security Deposit (Double Awarded)	\$750.00
Total	\$1,503.83

IT IS THEREFORE ORDERED THAT

1. The Landlord must pay the Tenant \$1,503.83 by November 19, 2024.

DATED at Charlottetown, Prince Edward Island, this 30th day of October, 2024.

(sgd.) Mitchell King
Mitchell King
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.