

**INTRODUCTION**

- [1] The Landlord claims against the Tenant for rent owing. The Landlord had served the Tenant with evictions notices for demolitions and non-payment of rent.

**DISPOSITION**

- [2] I find that the Landlord has established a rent owing claim of \$964.00 for January 2025 rent and pro-rated February 2025 rent, in the amount of \$482.00.
- [3] The Landlord's claims are offset from the Tenant's security deposit and the Tenant's section 71 compensation related to an eviction notice for demolitions.

**BACKGROUND**

- [4] The Tenant originally rented another rental unit from the Landlord. The Tenant paid a \$363.50 security deposit on September 11, 2006.
- [5] On December 1, 2020 the Landlord and the Tenant commenced a tenancy agreement for the Unit. The security deposit for the former rental unit became the security deposit for the Unit. Rent of \$964.00 was due on the first day of the month.
- [6] On July 23, 2024 the Landlord served the Tenant with a *Form 4(B) Eviction Notice* for demolitions with an effective date of January 31, 2025 (the "Demolitions Notice").
- [7] On February 3, 2025 the Landlord served the Tenant with a *Form 4(A) Eviction Notice* for non-payment of rent with an effective date of January 31, 2025 (the "Rent Notice"). I note that the effective date regarding non-payment of rent is automatically changed to February 23, 2025 under section 54 of the *Residential Tenancy Act* (or the *Act*).
- [8] On February 5, 2025 the Landlord filed a *Form 2(B) Landlord Application to Determine Dispute* (the "Application") with the Residential Tenancy Office (the "Rental Office") seeking rent owing, vacant possession of the Unit, and for the Sheriff to put the Landlord in possession. The Landlord taped a copy of the Application to the Unit's door.
- [9] On February 6, 2025 the Rental Office mailed the parties notice of a teleconference hearing scheduled for February 18, 2025. The Rental Office emailed the Landlord a copy of the notice of hearing. The Landlord had a copy of the notice of hearing taped to the Unit's door on February 11, 2025.
- [10] On February 13, 2025 the Rental Office emailed the Landlord a 23-page evidence package (the "Evidence Package") which the Landlord had delivered to the Unit.
- [11] On February 18, 2025 the hearing was moved to February 19, 2025 due to a winter storm closure.
- [12] On February 19, 2025 the Landlord's two representatives (the "Representatives") joined the teleconference hearing for determination of the Application. I telephoned the Tenant's number on the Application but I received a message that the number was not in service. I waited about ten minutes before proceeding with the hearing in the absence of the Tenant. The Representatives withdrew the delivery of possession claim (Docket No. 25-105) because the Tenant has vacated the Unit.

**ISSUE**

- A. Does the Tenant owe rent to the Landlord?

**ANALYSIS**

- [13] The Landlord's evidence establishes that the Tenant did not pay rent for January 2025, in the amount of \$964.00.
- [14] The Landlord's evidence also establishes that the Tenant owes pro-rated rent from February 1 to 14, 2025, in the amount of \$482.00 (14 days divided by 28 days multiplied by \$964.00). The Tenant continued to live in the Unit after the effective date in the Demolitions Notice. On February 14, 2025 the Landlord became aware that the Tenant had in fact vacated the Unit.
- [15] The total rent owing is \$1,446.00.
- [16] The Tenant's security deposit, including interest, totals \$432.32. The Application is amended to include a claim for retention of the security deposit effective February 19, 2025 under clause 80(3)(f) of the *Act*.

**Section 71 Compensation**

- [17] I note that sections 71 and 73 of the *Act* require a landlord to pay compensation to a tenant who receives a termination notice for demolition of a rental unit. These sections state as follows:
71. *A landlord shall compensate a tenant in an amount equal to one month's rent plus reasonable moving expenses in accordance with the regulations or offer the tenant another rental unit acceptable to the tenant where*
- (a) the tenant receives notice of termination of a tenancy under section 64 for the purposes of demolition or conversion to non-residential use; and*  
*(b) in the case of a demolition, it was not ordered to be carried out under the authority of any other enactment or a municipal bylaw.*
73. *Where the landlord is required to compensate a tenant under section 70, 71 or 72, the landlord shall compensate the tenant no later than the termination date specified in the notice of termination of the tenancy given by the landlord.*
- [18] Subsection 6(1) of the *Residential Tenancy Regulations* (the "*Regulations*") states:
- For the purposes of subsections 70(1) and (2) and sections 71 and 72 of the Act, reasonable moving expenses are the lesser of the actual expenses of the move or one month's rent.*
- [19] It appears to me that, despite the Tenant being served with the Rent Notice, the Tenant remains entitled to section 71 compensation. The Landlord has not paid the Tenant the one-month's rent or the moving expenses compensation.
- [20] In the case *Marineland of Canada Inc. v. Olsen*, 2011 ONSC 6522, the Ontario Supreme Court determined a residential landlord and tenant appeal from the Landlord and Tenant Board ("LTB"). A landlord had served a termination notice for converting a rental unit to a non-residential use. However, the landlord later served an eviction notice for non-payment of rent and obtained a LTB eviction order due to non-payment of rent. At paragraphs [10] and [11] of the decision the Court stated as follows:
- "The landlord also argued that the Board erred in ordering payment of compensation to the tenants, since their tenancy was terminated for non-payment of rent and not because of the landlord's planned conversion.*

*It was reasonable for the Board to conclude that the Act creates an immediate legal obligation on the landlord to compensate a tenant once the landlord has given notice to terminate for purposes of conversion (see, for example, Darragh, above at para. 24). It is clear that the purpose of the required payment is to compensate the tenant for the bother and expense of locating and moving into alternate premises. Therefore, the subsequent termination of the Olsens' tenancy for non-payment of rent did not release the landlord from its obligation to compensate them."*

- [21] Similarly, the service of the Demolitions Notice for the demolition of the Unit created an immediate legal obligation for the Landlord to pay the Tenant compensation as of the effective date in the Demolitions Notice. I find that the Landlord must still compensate the Tenant under section 71.
- [22] Further, I note that the Tenant moved out of the Unit after the effective date of the Demolitions Notice and before the earliest possible effective date of the Rent Notice.
- [23] To provide compensation equal to one month's rent, as required by section 71, I offset \$964.00 from the rent owed by the Tenant. Compensation equal to one month's rent is therefore considered paid under this Order. I note that the moving expenses compensation is capped at \$964.00 under subsection 6(1) of the *Regulations*. At this time the Tenant's moving expenses are unknown.
- [24] However, I am satisfied that the Tenant's moving expenses were at least the nominal amount of \$49.68, the remaining balance of the rent owed by the Tenant to the Landlord after crediting the security deposit and one-month's rent compensation. As a result, I find that the Tenant's moving expenses are credited by \$49.68 under this Order.

## CONCLUSION

- [25] The rent owing of \$1,446.00 by the Tenant to the Landlord is offset by amounts payable by the Landlord to the Tenant, calculated as follows:

Item	Amount
Rent owing	\$1,446.00
Security deposit (including interest)	-\$432.32
Section 71 one-month rent compensation	-\$964.00
Section 71 moving expenses credit	-\$49.68
Balance	\$0.00

- [26] The Landlord will keep the Tenant's security deposit, including interest. The rent owing balance is offset by the section 71 compensation stated above.

## IT IS THEREFORE ORDERED THAT

1. The Landlord's claim for January 2025 rent is offset by the Tenant's one month's compensation under section 71 of the *Act*.
2. The Landlord will keep the Tenant's security deposit, including interest, in the amount of \$432.32. The Tenant's section 71 moving expenses are credited by the nominal amount of \$49.68. The Landlord's claim for pro-rated February 2025 rent (\$482.00) is offset by these credits.

**DATED** at Charlottetown, Prince Edward Island, this 24th day of February, 2025.

(sgd.) Andrew Cudmore

---

**Andrew Cudmore**  
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.