

INTRODUCTION

- [1] The Landlord seeks a monetary order for rent owed in the total amount of \$4,850.00.
- [2] The Landlord seeks to retain \$300.00 from the Tenants' portion of the security deposit for rent owed and seeks additional compensation for the remaining balance of rent owed.

DISPOSITION

- [3] I find that the Landlord will retain the \$315.40 security deposit including interest, for rent owed.
- [4] The Tenants must pay the Landlord \$4,384.60 for rent owed by the timeline below.

BACKGROUND

- [5] The Unit is a room in a twenty-five room motel (the "Residential Property").
- [6] On August 20, 2022 the Tenants and two co-tenants signed a written, month-to-month tenancy agreement with the Landlord. Rent was \$1,000.00 due on the first day of the month. A security deposit of \$600.00 was paid. The Tenants' portion of the security deposit was \$300.00.
- [7] On September 1, 2022 the Tenants and the co-tenants moved into the Unit.
- [8] In September 2022 one of the co-tenants vacated the Unit and their tenancy ended.
- [9] In February 2023 the other co-tenant vacated the Unit and their tenancy ended.
- [10] In May 2023 the rent was reduced to \$900.00, due on the first day of the month.
- [11] In July 2024, the rent was increased to \$950.00, due on the first day of the month.
- [12] On September 30, 2024 the Tenants vacated the Unit and the tenancy ended by mutual agreement.
- [13] On October 7, 2024 the Landlord filed two *Form 2(B) Landlord Application to Determine Dispute* (the "Applications") with the Residential Tenancy Office (the "Rental Office") seeking to claim the Tenants' security deposit for rent owed, and a monetary order for the remaining balance of rent owed.
- [14] On October 29, 2024 the Rental Office emailed the parties notice of a teleconference hearing scheduled for November 28, 2024.
- [15] On November 25, 2024 the Rental Office emailed the parties a 56-page evidence package.
- [16] On November 27, 2024 the teleconference hearing was postponed at the Representative's request to amend the Applications and withdraw another application filed with the Rental Office.
- [17] On December 5, 2024 the Rental Office emailed the parties an updated notice of a teleconference hearing scheduled for January 14, 2025.
- [18] On January 8, 2025 the Rental Office emailed the parties a 35-page PDF document (the "Evidence Package" or "EP").
- [19] On January 14, 2025 the Landlord's representative (the "Representative") joined the teleconference hearing for determination of the Application. The Tenants and the Tenants' representative did not join. I telephoned the Tenants' representative and left a voicemail message. After a ten-minute delay, the hearing proceeded in the Tenants' absence.

ISSUE

- A. Has the Landlord established a claim against the Tenants for rent owed?

ANALYSIS

[20] The Landlord's undisputed evidence establishes that the Tenants owed rent to the Landlord. The Representative submitted a rent ledger showing the rent owed and the payments and partial payments made by the Tenants throughout the tenancy.

[21] The Representative stated that the rent was \$1,000.00, however, when the two co-tenants vacated the Unit, he reduced the rent to \$900.00 in July 2023 to assist the Tenants. The Representative stated that in December 2023, the Tenants fell behind with paying rent (EP30). In July 2024 the rent was increased to \$950.00.

[22] Subsections 47(1) and 49(1) of the *Residential Tenancy Act* states:

A landlord shall not increase rent except in accordance with this Part.

No landlord shall increase the rent charged for a rental unit by more than the allowable annual increase, except in accordance with section 50.

[23] Despite the agreed upon \$1,000.00 rent, the Landlord reduced the rent and charged the rent at \$900.00. To increase the rent, the Landlord would have had to follow subsection 49(1).

[24] I note that in 2024 the allowable annual guideline set by the Director of Residential Tenancy was 3.0%, which means the Landlord could have only increased the rent by \$27.00 or the Landlord would have had to apply to the Rental Office for an additional rent increase.

[25] I find that the Landlord has established that the Tenants owed rent. I deduct \$150.00 from the total amount for July, August and September 2024 arrears (\$50.00 per month). I further deduct the security deposit and interest from the total amount owed. The Tenants owe the Landlord \$4,384.60 in rent, calculated as follows:

Rent owed from December 2023 to September 2024	\$4,850.00
Deduct the unlawful rent increase (July, August & September 2024)	- \$150.00
Deduct the security deposit including interest	- \$315.40
Balance owed to the Landlord	\$4,384.60

[26] The Applications are allowed in part.

IT IS THEREFORE ORDERED THAT

1. The Landlord will retain the Tenants' security deposit including interest, in the amount of \$315.40.
2. The Tenants must pay the Landlord \$4,384.60 by April 25, 2025.

DATED at Charlottetown, Prince Edward Island, this 26th day of February, 2025.

(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.