

INTRODUCTION

- [1] This decision determines an application filed with the Residential Tenancy Office (the “Rental Office”) under the *Residential Tenancy Act* (the “Act”).
- [2] The Tenants seek compensation of one month’s rent and moving expenses, for a total claim of \$2,049.00.

DISPOSITION

- [3] I find that the Landlords will compensate the Tenants one month’s rent and moving expenses totalling \$2,049.00.

BACKGROUND

- [4] The Unit is one-half of a duplex.
- [5] In 2013, the Tenants and a previous landlord entered into a written, fixed-term tenancy agreement for the Unit. A security deposit of \$750.00 was paid at the beginning of the tenancy.
- [6] In March 2016, the Landlords purchased the Unit, and the parties entered into a one-year fixed-term tenancy agreement, which they renewed annually. The final tenancy agreement was from May 1, 2024, to April 31, 2025, and rent was \$1,349.00 monthly, due on the first day of the month.
- [7] On January 7, 2025, the Landlords served the Tenants with a *Form 4(B) Eviction Notice* with an effective date of May 7, 2025 (the “Notice”) for possession of the Unit for the Landlords’ son.
- [8] I note that the effective date should have been at least four months after the notice was given (May 31, 2025), which is the minimum notice period under subsection 62(2) of the Act.
- [9] On March 31, 2025, the Tenants moved out of the Unit and the tenancy ended by mutual agreement.
- [10] On April 7, 2025, the Tenants filed a *Form 2(A) Tenant Application to Determine Dispute* (the “Application”) with the Rental Office seeking compensation of one month’s rent and moving expenses totalling \$2,049.00.
- [11] On May 1, 2025, the Rental Office mailed and emailed the parties notice of a teleconference hearing scheduled for May 29, 2025.
- [12] On May 16, 2025, the Rental Office emailed a 25-page PDF to the parties (the “Evidence Package”).
- [13] On May 29, 2025, the Tenants and the Landlords participated in a teleconference hearing. The parties stated they received a copy of the Evidence Package and confirmed that all evidence submitted to the Rental Office was included.

ISSUE

- A. Must the Landlords compensate the Tenants?

ANALYSIS

- [14] The Tenants stated that they are seeking compensation of one month's rent of \$1,349.00 and \$700.00 for moving expenses, totalling \$2,049.00, because they were evicted for possession of the Unit for the Landlords' son. The Tenants stated that when they moved, they rented a truck, hired two people, and paid family members to help them move. They stated that it took them approximately 2 weeks and 70 trips with their own vehicle to move to their new residence.
- [15] The Tenants stated that the Landlords served them the Notice on January 7, 2025, and they started looking for another place to live. After receiving the Notice, the Tenants spoke to the Landlords twice in person, and the Landlords told them they could continue living in the Unit.
- [16] The Tenants stated that they were unsure what to do and were scared that the Landlords' son might want to move into the Unit at a later time, and they would have nowhere to live. The Tenants stated that on February 21, 2025, they found a new residence and paid a security deposit to take possession on March 15, 2025.
- [17] The Tenants stated that on February 26, 2025, the Landlords notified them in writing that they no longer had to move out of the Unit for the Landlords' son's possession, but that the Landlords were going to sell the Unit instead. The Tenants stated that after they received the written notice on February 26, 2025, it was too late to change their plans, as they would have lost the security deposit at their new residence. They stated that on February 27, 2025, they notified the Landlords in writing that they were still planning on moving out by March 31, 2025.
- [18] The Tenants stated that the Unit was sold on April 2, 2025. They stated that they spoke to the purchaser, who told them that they had bought the Unit to move into. The Tenants stated that if they had remained living in the Unit, they would have had to move out anyway for the purchaser's occupation.
- [19] The Landlords stated that they served the Notice because they wanted their son to move into the Unit. The Landlords stated that about a week prior to January 18, 2025, they spoke to the Tenants and told them they did not have to move out of the Unit because they felt bad for the Tenants. The Landlords stated they had a similar conversation with the Tenants about a week after January 18, 2025.
- [20] The Landlords stated that the Unit was listed for sale around February 18, 2025. They stated that on February 26, 2025, they notified the Tenants by email that they had the option to remain in the Unit, as their original reason for eviction was no longer valid. The Landlords stated that the Tenants should not be entitled to compensation because they withdrew the Notice.
- [21] The Landlords stated that the Unit was sold on April 2, 2025, and that they would have sold it even if the Tenants had decided to remain.
- [22] The evidence establishes that on January 7, 2025, the Landlords served the Tenants the Notice for possession of the Unit for the Landlords' son under clause 62(1)(c) of the Act which states:

A landlord who is an individual may end a tenancy by giving a notice of termination if the landlord in good faith requires possession of the rental unit for the purpose of residential occupation for a period of at least one year by

a child, parent or a dependent of the landlord or the landlord's spouse.

[23] The Tenants are seeking compensation under section 72 of the Act, which states:

A landlord shall compensate a tenant who receives a notice of termination of a tenancy under section 62 or 63 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.

[24] The parties agreed that they had two conversations in January 2025, after the Notice had been served, in which they discussed the Tenants being allowed to remain living in the Unit. The Notice was then formally withdrawn in writing on February 26, 2025. However, the Tenants told the Landlords they were still moving out of the Unit, and they vacated on March 31, 2025.

[25] The Island Regulatory and Appeals Commission (the "Commission") noted in Order LR24-12:

18. ...The wording of section 72 is clear in that the Tenant's entitlement to compensation is tied to the fact that the Tenant was served with the notice of eviction by the Landlord who wanted possession of the rental unit for her own use.

19. There is no provision in the Act which makes reference to such compensation being negated by a tenant serving a notice of early termination to the landlord. In this case, the parties agree that the Tenant received a notice of termination under section 62 of the Act because the Landlord required the property for her own use. Given that the Tenant received such a notice, section 72 applies and the tenant is entitled to compensation.

[26] Although the Landlords withdrew the Notice in writing before the vacate date, as noted by the Commission, there is no provision in the Act which refers to a tenant's compensation under section 72 being negated by a tenant serving a notice of early termination to the landlord.

[27] Given that the Tenants received the Notice under section 62, section 72 applies and the Tenants are entitled to compensation.

[28] I find that the Tenants have established that the Landlords must compensate the Tenants, \$1,349.00, equal to one month's rent, plus reasonable moving expenses of \$700.00, totalling \$2,049.00.

[29] The Application is allowed.

IT IS THEREFORE ORDERED THAT

1. The Landlords will pay the Tenants \$2,049.00 by July 21st, 2025.

DATED at Charlottetown, Prince Edward Island, this 19th day of June, 2025.

(sgd.) Mitch King

Mitch 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.