

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 Landlord seeks to keep part of the Tenant's security deposit, in the amount of \$724.27.

DISPOSITION

- [3] I find that the Landlord will keep part of the Tenant's security deposit, in the amount of \$302.14.
- [4] The security deposit, including interest, totals \$1,287.84. The Landlord will return to the Tenant the security deposit balance, including interest, in the amount of \$985.70.

BACKGROUND

- [5] The Unit is a one-bedroom, one-bathroom rental unit in a two-unit building that the Landlord has owned since November or December of 2022.
- [6] The Landlord and the Tenant entered into a written, fixed-term tenancy agreement for the Unit from December 15, 2024 to August 31, 2025 (the "Tenancy Agreement"). On or about November 29, 2024 the Tenant paid the Landlord a security deposit of \$1,265.00. Rent in the amount of \$1,265.00 was due on the first day of the month.
- [7] On April 10, 2025 the Landlord served the Tenant with a *Form 4(A) Eviction Notice* with an effective date of May 31, 2025.
- [8] On May 31, 2025 the Tenant vacated the Unit.
- [9] On June 13, 2025 the Landlord filed a *Form 2(B) Landlord Application to Determine Dispute* (the "Application") with the Rental Office seeking to keep part of the security deposit, in the amount of \$724.27.
- [10] On June 17, 2025 the Landlord amended the Application to add the Landlord's representative's signature (the "Representative").
- [11] On July 3, 2025 the Rental Office sent the parties notice of a teleconference hearing scheduled for August 21, 2025, along with a copy of the Application.
- [12] On August 12, 2025 the Rental Office sent the parties an evidence package containing a 55-page PDF, audio evidence and video evidence.
- [13] On August 21, 2025 the Representative and the Tenant joined the teleconference hearing for determination of the Application. The parties confirmed that all evidence submitted to the Rental Office was included in the evidence package.

ISSUE

- A. Can the Landlord keep part of the Tenant's security deposit for floor damage?

ANALYSIS

- [14] The evidence establishes that on April 16, 2025 the Tenant damaged part of the Unit's kitchen floor when the Tenant dropped a hot pan. I find that this was undue damage beyond reasonable wear and tear.

- [15] The parties dispute whether the Tenant had the right to repair the floor under the *Act* and the monetary amount that is the Tenant's responsibility.
- [16] The Landlord's evidence included the following reasons disputing that the Tenant, or the Tenant's contractor, were permitted to repair the kitchen floor:
- The Tenant was not qualified to complete the repairs;
 - The Landlord wanted to ensure that the repairs were professionally completed;
 - Improper repairs could make the repair cost more expensive; and
 - The parties were in the middle of an eviction dispute.
- [17] Despite these reasons, I find that the Tenant was permitted to have the floor repaired under subsection 28(4) of the *Act*, which states:
- A tenant of a rental unit shall repair, in a good and professional manner, undue damage to the rental unit or common areas that is caused by the actions or neglect of the tenant or a person permitted on the residential property by the tenant.*
- [18] This finding is consistent with clauses 28(5) and 61(1)(g) of the *Act*.
- [19] The parties provided arguments based upon Schedule "D" of the Tenancy Agreement. However, the Tenant's right to repair remained because of section 5 of the *Act*, which states:
- Except as specifically provided in this Act, a waiver or release by a tenant of the rights, benefits or protections under this Act is void and of no effect.*
- [20] The evidence establishes that the Landlord dissuaded the Tenant from having the repairs completed when the Tenant could have avoided the floor repair labour cost through help from a family member or a friend. The Tenant provided evidence regarding qualifications, particularly regarding the Tenant's family member.
- [21] As a result, the Landlord's labour cost for the repairs is denied.
- [22] It has not been established that the Tenant could obtain comparable flooring materials at no cost or at a cost lower than the Landlord's quotes.
- [23] The Landlord's two quotes provide materials costs of \$436.77 (vinyl sheet, adhesive and HST) and \$402.50 (material plus HST), with the average being \$419.64. I am satisfied that these two quotes were provided based upon the Representative providing the floor dimensions to the two flooring companies and there should be no reduction regarding the amount of material.
- [24] I estimate that the floor was about 7 years into a 25-year life expectancy based upon the photographs submitted, the testimony provided by the parties and the other evidence provided. The floors were not new, however, there does not appear to be any significant pre-existing damage. I note that in this case a move-in inspection report was completed, which assists in the determination of the Unit's baseline condition. This report did not note any kitchen floor damage.
- [25] The betterment principle provides for a reduction from the materials cost because the floor was not new and the replacement materials are new. The Island Regulatory and Appeals Commission provided a detailed analysis regarding this principle in Orders LR24-06 and LR25-25. I find that a 28% deduction from the average cost is appropriate to reflect the expired life expectancy of the floors (7 years divided by 25 years).
- [26] As a result, I subtract \$117.50 from \$419.64 and a floor damage claim of \$302.14 is allowed.

- [27] The Landlord will return the security deposit balance, including interest, in the amount of \$985.70 (\$1,287.84 minus \$302.14) by the timeline below.

Tenancy Agreement Form

- [28] Since April 8, 2023 landlords on Prince Edward Island have been required to prepare a written tenancy agreement containing specific information.
- [29] Subsections 11(1) and (2) of the *Act* state:
- (1) *A landlord shall prepare a written tenancy agreement in respect of a tenancy that is entered into on or after the date this Act comes into force.*
 - (2) *The landlord shall ensure that the tenancy agreement complies with the requirements of this Act and the regulations and includes*
 - (a) the provisions set out in Division 4;*
 - (b) the correct legal names of the landlord and tenant;*
 - (c) the address of the rental unit;*
 - (d) the date the tenancy agreement is entered into;*
 - (e) the address for service and telephone number of the landlord, or the landlord's agent, and the tenant;*
 - (f) the services and facilities included in the rent;*
 - (g) the amount of rent that was charged, and the services and facilities that were provided, to the previous tenant of the rental unit, unless there was no previous tenant;*
 - (h) the name and contact information of any person the tenant is to contact for emergency repairs; and*
 - (i) the agreed terms in respect of*
 - (i) the date on which the tenancy starts,*
 - (ii) if the tenancy is a periodic tenancy, whether it is on a weekly, monthly or other periodic basis,*
 - (iii) if the tenancy is a fixed-term tenancy, the date on which the term ends,*
 - (iv) the amount of rent payable for a specified period,*
 - (v) the day on which the rent is due and the frequency of payment,*
 - and*
 - (vi) the amount of any security deposit and the date the security deposit was or is required to be paid.*
- [30] The Landlord must ensure that written tenancy agreements are prepared that include all mandatory information. The standard form tenancy agreement (*Form 1 – Standard Form of Tenancy Agreement*) is available on the Rental Office's website.

IT IS THEREFORE ORDERED THAT

1. The Landlord will keep part of the Tenant's security deposit, in the amount of \$302.14.
2. The Landlord will return to the Tenant the security deposit balance, including interest, in the amount of \$985.70 by September 22, 2025.

DATED at Charlottetown, Prince Edward Island, this 22nd day of August, 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.