

INTRODUCTION

- [1] This decision determines two applications filed with the Residential Tenancy Office (the "Rental Office") under the *Residential Tenancy Act* (the "Act").
- [2] The Landlord seeks to keep the security deposit and compensation for a total claim of \$5,804.59.
- [3] The Tenants seek the return of the security deposit and compensation for a total claim of \$7,729.41.

DISPOSITION

- [4] The Landlord has not established his claims.
- [5] The Landlord will compensate the Tenants one month's rent of \$1,699.50 and moving expenses of \$1,699.50, totalling \$3,399.00.
- [6] The Landlord will return the security deposit, including interest, of \$580.41.
- [7] The Tenants have not established their rent increase compensation claim.

BACKGROUND

- [8] The Unit is one half of a duplex (the "Residential Property") that the Landlord owns.
- [9] On December 1, 2011, the Tenants and a previous landlord entered into a tenancy agreement for the Unit and paid a \$500.00 security deposit. The tenancy agreement was renewed as a fixed-term from December 1, 2020, to December 31, 2021.
- [10] In December 2021, the Landlord purchased the Residential Property, and the tenancy agreement continued on a month-to-month basis. Rent was \$1,699.50 monthly, due on the first day of the month. The security deposit was transferred to the Landlord.
- [11] On March 2, 2025, the Landlord served the Tenants with a *Form 4(B) Eviction Notice* with an effective date of July 2, 2025 (the "Notice") for the Landlord's own use of the Unit.
- [12] On May 14, 2025, the Tenants moved out of the Unit and the tenancy ended by mutual agreement.
- [13] On May 27, 2025, the Landlord filed a *Form 2(B) Landlord Application to Determine Dispute* (the "Landlord Application") with the Rental Office seeking to keep the security deposit and compensation.
- [14] On June 23, 2025, the Tenants filed an amended *Form 2(A) Tenant Application to Determine Dispute* (the "Tenant Application") with the Rental Office seeking a return of the security deposit and compensation.
- [15] On June 27, 2025, the Rental Office sent the parties notice of a teleconference hearing scheduled for August 14, 2025.
- [16] On August 7, 2025, the Rental Office shared a PDF evidence package and video evidence with the parties via Titan File.
- [17] On August 14, 2025, the Landlord and the Tenants participated in a teleconference hearing. The parties confirmed receipt of the evidence and stated that everything they had submitted to the Rental Office was included. After the hearing, the parties provided additional submissions, which were shared with each party.

ISSUES

- A. Must the Landlord compensate the Tenants under section 72 of the Act?
- B. Must the Tenants compensate the Landlord for repairs?
- C. Must the Landlord compensate the Tenants due to a rent increase?
- D. Must the Tenants compensate the Landlord for personal use of the Unit?

ANALYSIS**A. Must the Landlord compensate the Tenants under section 72 of the Act?**

- [18] The Tenants' evidence is as follows.
- [19] The Tenants were evicted from the Unit for the Landlord's personal use under section 62 of the Act. The Tenants stated they are entitled to one month's rent and moving expenses equivalent to one month's rent under section 72 of the Act. The Tenants submitted an invoice as evidence, which shows the Tenants paid more than the equivalent of one month's rent in moving expenses.
- [20] The Landlord agreed that the Tenants were entitled to compensation under section 72 of the Act, equivalent to one month's rent and moving expenses up to one month's rent.
- [21] I find that the Tenants have established that they are entitled to compensation under section 72 of the Act. The Landlord will pay the Tenants one month's rent of \$1,699.50 and moving expenses of \$1,699.50, totalling \$3,399.00.

B. Must the Tenants compensate the Landlord for repairs?

- [22] The Landlord's evidence is as follows.
- [23] On May 14, 2025, the Tenants and a Landlord representative completed a move-out inspection at the Unit. The representative noted that there was damage to the floors in both of the second-floor bedrooms. He also noted that there was damage to the first floor's laundry room walls.
- [24] The Landlord submitted photographs and videos of the damage as evidence. The Landlord obtained a quote to repair the damage, totalling \$4,685.00. The Landlord stated the damage is beyond reasonable wear and tear.
- [25] The Landlord referred to the Tenants' submitted statement from their first landlord ("CD"), who owned the Residential Property in 2011. CD stated that he had re-painted the floors before the Tenants moved in. The Landlord stated that if the floors had been repainted before the Tenants moved in, then they should be responsible for any damage to the floors after that time.
- [26] The Landlord stated that the drywall damage to the wall in the laundry room should be considered beyond reasonable wear and tear. He stated that he was not seeking compensation for repairs to another part of the wall that had sustained water damage.
- [27] The Tenants' evidence is as follows.
- [28] The Tenants stated that they should not be required to compensate the Landlord for repairing the floors or wall. The Tenants stated they had lived in the Unit for fourteen years, and any floor or wall damage should be considered reasonable normal wear and tear.

- [29] The Tenants submitted a statement from CD, the former owner of the Residential Property. CD's statement indicated that the tenants who lived in the Unit prior to the Tenants used clear tape to fill in the gaps between the floor boards.
- [30] Before the Tenants moved in, CD repainted the floors, but he left the clear tape on the floor and painted over the tape. The Tenants stated that painting over the tape caused the paint on the floor to wear more quickly in the areas where the tape was, as shown in the Landlord's evidence.
- [31] Clause 39(2)(a) of the Act states that when a tenant moves out of a rental unit, the tenant is required to leave the rental unit "*reasonably clean and undamaged, except for reasonable wear and tear.*"
- [32] I find that the Landlord has not provided sufficient evidence to establish that the Tenants must compensate the Landlord for repairing the floors or walls.
- [33] Regarding the floors, the Landlord did not dispute that CD painted over tape on the floors in 2011 before the Tenants moved in. However, I note that painting over tape is not a common practice, and this would cause the paint to wear more quickly in those areas. I find that the Landlord's submitted evidence shows that most of the floor wear occurred in the areas where the tape would have been on the floors. As such, I find that the Tenants are not responsible for this floor wear.
- [34] Regarding the wall, the Tenants had lived in the Unit since 2011, and some reasonable wear and tear to the walls is to be expected. I find that the Landlord has not established that the "damage" is beyond reasonable wear and tear.

C. Must the Landlord compensate the Tenants due to a rent increase?

- [35] The Tenants' evidence is as follows.
- [36] The Tenants stated that in April 2022, the Rental Office approved a rent increase exceeding the allowable amount, as the Landlord stated that he was going to complete capital expense repairs to the Residential Property (Order LD22-067). The Tenants stated that the repairs had not been completed by the time they had moved out of the Unit.
- [37] The Tenants stated that the Landlord added a third unit onto the Residential Property that only the Landlord has access to. The Tenants stated that they and the other tenants of the Residential Property subsidized this additional unit with their additional rent payments. They stated there is an "imputed value" to this unit of \$600.00 per month.
- [38] The Tenants stated they are requesting a return of rent of \$100.00 per month from April 2022 until May 15, 2025, as they did not benefit from the rent increase.
- [39] The Landlord's evidence is as follows.
- [40] The Landlord stated that at the time of his rent increase application, he was operating at a loss of \$7,738.00 during the three years prior to the hearing. This operating loss was due to the Tenants' rent being 30% below the market rate. The Landlord stated that he wants to complete repairs to the Residential Property, but the rent increase still does not allow him to afford the repairs. The Landlord submitted copies of his operating budgets as evidence.
- [41] The Landlord stated that the back-extension room was only occupied by another tenant of the Residential Property after Hurricane Fiona damaged a bedroom. The other tenant lived in the back extension while repairs were being completed. Otherwise, this back extension has been primarily unoccupied.
- [42] I find that the Tenants have not provided sufficient evidence to establish their claims.

- [43] The Tenants are seeking compensation of \$100.00 per month from April 2020 until May 15, 2025. The Tenants stated that the Landlord did not complete capital expense repairs during that time and added additional living space to the Residential Property, which the rent increase paid for.
- [44] If the Tenants had disagreed with Order LD22-067, the Tenants could have appealed the Order at that time. Making an application with the Rental Office three years later is not the proper process to dispute a 2022 rent increase. Furthermore, I find that the Tenants did not sufficiently establish why they waited three years, and after they moved out, to make an application with the Rental Office for a determination of this matter.

D. Must the Tenants compensate the Landlord for personal use of the Unit?

- [45] The Landlord stated that he should be compensated \$200.00 per month from 2022 to 2024, to help cover operating losses incurred during the Tenants' tenancy. He also stated that he should be compensated \$1,700.00 because the Tenants had "personal use" of the Unit after they moved out, because they did not return a spare key until June 2025.
- [46] The Tenants disputed that they should have to compensate the Landlord for operating losses. The Tenants denied that they had entered the Unit after they had moved out. They stated they found a spare key after they moved and returned it to the Landlord.
- [47] I find that the Landlord has not provided sufficient evidence to establish his claims.
- [48] The Act does not allow a landlord to request a retroactive rent increase from a past tenant due to the landlord's past financial hardships. To request a rent increase, a landlord must follow the process set out in Part 3 of the Act to seek future additional rent increases.
- [49] I find that there is insufficient evidence to establish that the Tenants had "personal use" of the Unit after they vacated. There is insufficient evidence that the Tenants used or entered the Unit after they had vacated. Furthermore, if the Landlord believed that the Unit was not secure due to a missing key, the Landlord should have changed the locks after the Tenants had vacated.

CONCLUSION

- [50] The Landlord has not established his claims.
- [51] The Landlord will compensate the Tenants one month's rent of \$1,699.50 and moving expenses of \$1,699.50, totalling \$3,399.00.
- [52] The Landlord will return the security deposit, including interest, of \$580.41.
- [53] The Tenants have not established their rent increase compensation claim.

IT IS THEREFORE ORDERED THAT

1. The Landlord will pay the Tenants \$3,979.41 by October 14, 2025.

DATED at Charlottetown, Prince Edward Island, this 12th day of September, 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.