

INTRODUCTION

- [1] This decision determines two applications filed with the Residential Tenancy Office (“Rental Office”) under the *Residential Tenancy Act* (“Act”).
- [2] The Tenant seeks the return of double the security deposit, including interest.
- [3] The Landlords claim against the Tenant for damage and missing property, in the amount of \$500.00.

DISPOSITION

- [4] The Tenant has established a claim for double the security deposit, including interest, in the total amount of \$1,010.84.
- [5] The Landlords have established a claim for damage, in the amount of \$500.00. This amount is offset against the Tenant’s claim.
- [6] The Landlords must pay the Tenant \$510.84 by the timeline below.

BACKGROUND

- [7] The Unit is a one-bedroom, one-bathroom apartment in a two-unit building owned by the Landlords.
- [8] On November 1, 2024, the parties entered into a written, monthly tenancy agreement for the Unit. Rent in the amount of \$800.00 was due on the first day of the month. A \$500.00 security deposit was paid on October 31, 2024.
- [9] The parties were part of a prior Rental Office eviction dispute.
- [10] On March 31, 2025, the Rental Office issued Order LD25-124 which ordered that the tenancy ended effective April 30, 2025. However, the Landlords permitted the Tenant additional time to vacate the Unit.
- [11] On May 7, 2025, the overholding Tenant vacated the Unit.
- [12] On May 12, 2025, the Tenant filed a *Form 2(A) Tenant Application to Determine Dispute* (“Tenant Application”) with the Rental Office claiming for double the security deposit, including interest.
- [13] On June 12, 2025, the Rental Office provided the parties notice of a teleconference hearing scheduled for August 5, 2025, along with a copy of the Tenant Application.
- [14] On July 31, 2025, the Rental Office emailed the parties an evidence package.
- [15] On August 1, 2025, the Landlords filed a *Form 2(B) Landlord Application to Determine Dispute* (“Landlord Application”) with the Rental Office claiming against the Tenant for damage and missing property.
- [16] Collectively, the Tenant Application and the Landlord Application are referred to as the “Applications”.
- [17] On August 4, 2025, the Rental Office emailed the parties an updated 27-page evidence package.
- [18] On August 5, 2025, the Landlords joined the teleconference hearing for determination of the Applications. The Tenant did not join the teleconference hearing. The hearing was adjourned.

- [19] On August 12, 2025, the Rental Office emailed the parties an updated notice of a teleconference hearing scheduled for September 11, 2025.
- [20] On September 11, 2025 the Landlords and the Tenant joined the teleconference hearing for determination of the Applications. The parties confirmed that they received the evidence package and confirmed that all evidence submitted to the Rental Office was included in the evidence package.

ISSUES

- A. Must the Landlords pay the Tenant double the security deposit, including interest?
- B. Have the Landlords established claims against the Tenant for damage and missing property?

ANALYSIS

- A. **Must the Landlords pay the Tenant double the security deposit, including interest?**

Legal Basis

- [21] Section 40 of the *Act* addresses the retention and return of a security deposit, stating in part as follows:
- (1) *Except as provided in subsection (2) or (3), within 15 days after the date the tenancy ends or is assigned, the landlord shall either*
 - (a) *issue payment, as provided in subsection (5), of any security deposit to the tenant with interest calculated in accordance with the regulations; or*
 - (b) *make an application to the Director under section 75 claiming against the security deposit.*
 - (2) *A landlord may retain from a security deposit an amount that*
 - (a) *the Director has previously ordered the tenant to pay to the landlord; and*
 - (b) *remains unpaid at the end of the tenancy.*
 - (3) *A landlord may retain an amount from a security deposit if*
 - (a) *at the end of a tenancy, the tenant agrees in writing that the landlord may retain the amount to pay a liability or obligation of the tenant; or*
 - (b) *after the end of the tenancy, the Director orders that the landlord may retain the amount.*
 - (4) *Where a landlord does not comply with this section, the landlord*
 - (a) *shall not make a claim against the security deposit; and*
 - (b) *shall pay the tenant double the amount of the security deposit.*

Determination of Issue A.

- [22] Based upon the evidence presented, I find that the Landlords have not complied with section 40 of the *Act*. As a result, the Landlords must pay the Tenant double the security deposit balance.
- [23] The evidence establishes that the tenancy ended on April 30, 2025, and the overholding Tenant vacated the Unit on May 7, 2025. This means that the Landlords had until May 15, 2025 to either return the security deposit or file an application with the Rental Office to request the retention of the security deposit. I find that the Landlords did neither.

- [24] I note that the 15-day timeline begins at the end of the tenancy and not when a tenant vacates a rental unit. An overholding tenant continuing to occupy a rental unit does not automatically reinstate or continue the tenancy (see subsection 74(1) of the *Act*).
- [25] I further note that the Landlords did not file an application with the Rental Office until August 1, 2025. In any circumstances this was well past the 15-day deadline required under the *Act*.
- [26] I find that there are no earlier Rental Office decisions authorizing the Landlords to retain the security deposit under subsection 40(2).
- [27] The parties did not agree in writing that the Landlords could retain the security deposit under subsection 40(3).
- [28] As a result, the Landlords must pay the Tenant double the security deposit balance, including interest on the original amount, in accordance with subsection 40(4).
- [29] The Tenant's established claim, totals \$1,010.84, calculated as followed:

Item	Amount
Security deposit	\$500.00
Double the security deposit	\$500.00
Interest on \$500.00 (31 OCT 24 to 18 SEP 25)	\$10.84
Total	\$1,010.84

- [30] The Tenant Application is allowed.

B. Have the Landlords established claims against the Tenant for damage and missing property?

Legal Basis

- [31] A party making a claim against another party has the onus to prove their claim(s), on the civil standard of the balance of probabilities.
- [32] The Landlords are claiming against the Tenant for damage and missing property, in the amount of \$500.00.
- [33] Clause 39(2) of the *Act* states:

When a tenant vacates a rental unit, the tenant shall
(a) *leave the rental unit reasonably clean and undamaged, except for reasonable wear and tear...*

- [34] For the reasons below, I find that the Landlords have established a claim against the Tenant for damage.

Summary of the Evidence

- [35] The Landlords stated that the Tenant damaged a table owned by the Landlords in the Unit. The Landlords stated that the Tenant also stained the bathtub with purple dye, which cannot be removed with extensive cleaning. The Landlords stated that the bathtub will have to be replaced.
- [36] The Landlords stated that it cost approximately \$200.00 to refinish and repair the table. The Landlords stated that they do not have an estimate to replace the bathtub.

- [37] The Landlords stated that there was property missing from the Unit, which had to be replaced.
- [38] The Tenant stated that the Unit was cleaned by Merry Maids before she vacated.
- [39] The Tenant did not dispute that her cats may have caused some damage to the Unit.
- [40] The Tenant also did not dispute causing the purple dye stains in the bathtub.
- [41] The Tenant stated that she did not take the Landlord's property from the Unit. The Tenant stated that Merry Maids may have taken some items when cleaning and moving.

Determination of Issue B.

- [42] I find that the Landlords have established a claim against the Tenant for damage, which is beyond reasonable wear and tear.
- [43] I find that the evidence provided establishes that the damage to the Unit, including the stained bathtub is beyond reasonable wear and tear. The Landlords did not provide any receipts or quotes into evidence.
- [44] Based on the damage represented in the Landlords' photographs, I find that the Landlords' claim, in the amount of \$500.00 is reasonable.
- [45] However, I find that the Landlords provided insufficient evidence to establish that property was missing from the Unit and/or taken by the Tenant.
- [46] The Landlords' established claim of \$500.00 is offset against the Tenant's established claim. The Landlords must pay the Tenant \$510.84 by the timeline below, calculated as followed:

Item	Amount
Security deposit	\$500.00
Double the security deposit	\$500.00
Interest on \$500.00 (31 OCT 24 to 18 SEP 25)	\$10.84
Landlords' established claim	(\$500.00)
Total	\$510.84

- [47] The Landlord Application is allowed.

CONCLUSION

- [48] The Tenant Application is allowed.
- [49] The Landlord Application is allowed.
- [50] The Landlords must pay the Tenant \$510.84 by the timeline below.

IT IS THEREFORE ORDERED THAT

1. The Landlords must pay the Tenant \$510.84 by October 9, 2025.

DATED at Charlottetown, Prince Edward Island, this 18th day of September, 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.