

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 Landlords want to keep the Tenants' security deposit plus additional compensation for cleaning and damage, in the total amount of \$2,488.64.

DISPOSITION

- [3] For the reasons below, I find that the Landlords have established part of their claims, in the amount of \$2,098.64.
- [4] The Landlords will keep the Tenants' security deposit, including interest, in the amount of \$1,540.10. The Tenants must pay the Landlords additional compensation in the amount of \$558.54 by the timeline below.

BACKGROUND

- [5] The Unit is a three-bedroom, one-and-a-half-bathroom single family dwelling that the Landlords have owned since it was newly built, about three years. The Landlords live in the Unit for about three months during the summer and rent out the Unit the rest of the year.
- [6] The Landlords and the Tenants entered into a written, fixed-term tenancy agreement for the Unit for the period of September 1, 2024 to May 31, 2025 (the "Tenancy Agreement"). A security deposit of \$1,500.00 was paid on August 30, 2024. Rent in the original amount of \$1,500.00 was due on the first day of the month.
- [7] On May 31, 2025 the Tenancy Agreement ended on the completion of the fixed-term.
- [8] On June 13, 2025 the Landlords filed a *Form 2(B) Landlord Application to Determine* with the Rental Office seeking to keep the Tenants' security deposit plus additional compensation. On June 16, 2025 the Landlords amended their application to provide additional contact information for the Tenants (the "Application").
- [9] On August 20, 2025 the Rental Office sent the parties notice of a teleconference hearing scheduled for October 2, 2025.
- [10] On September 25, 2025 the Rental Office sent the parties an email with access to a 92-page PDF, one landlord video and one tenant video (the "Evidence Package").
- [11] On October 2, 2025 one of the Landlords and one of the Tenants ("AB") joined the teleconference hearing. I telephoned the other tenant ("FA"), who briefly participated in the hearing. FA confirmed that AB would represent both Tenants.
- [12] The Landlords and AB confirmed that they received the Evidence Package and they confirmed that all evidence submitted to the Rental Office was included, except for one video AB had tried unsuccessfully to send to the Rental Office. AB stated that the second video was very similar to the other video AB had submitted into evidence. AB was satisfied with just the one video being part of the evidence.

PRELIMINARY MATTER

- [13] The Tenants dispute that FA should be responsible for the Landlords' claims. AB stated that FA moved out of the Unit in November 2024 and only stayed at the Unit for brief periods after this time.
- [14] AB stated that he would transfer the rent payments to FA and FA would make the rent payments directly to the Landlords.
- [15] The Landlords stated that they did not know that FA had moved out of the Unit. Most of the Landlords communications were with FA, including communications near the end of the tenancy. The Landlords maintain their claims against both Tenants.
- [16] I find that both Tenants are responsible for the claims established below. Both of the Tenants signed the Tenancy Agreement. The evidence establishes that the Landlords did not know that FA had moved out of the Unit early until near the end of the tenancy or afterwards. The Tenants' arrangement for FA paying the rent would indicate to the Landlords that FA continued to rent the Unit.
- [17] Further, I note that one tenant moving out of a rental agreement does not automatically end or amend a tenancy agreement.
- [18] As a result, the Landlords can recover their established claims from one or both of the Tenants up to the total amount of the established claims. It would be a matter directly between AB and FA to make any adjustments for the Landlords keeping the security deposit and additional compensation collected from the Tenants.

ISSUE

- A. Have the Landlords established claims against the Tenants for cleaning and damage?

ANALYSIS

- [19] At the hearing AB agreed to the \$32.35 charge for a missing television remote.
- [20] The Tenants disputed all of the Landlords' other claims, which are primarily based upon cigarette smoking in the Unit.
- [21] For the reasons below, I find that the Tenants are responsible for the cleaning and the damage caused by smoking in the Unit.
- [22] Clause 39(2)(a) 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...*
- [23] Schedule D of the Tenancy Agreement prohibits smoking.
- [24] The Landlords do not smoke. The Landlords lived in the Unit during the Summer of 2024, shortly before the Tenants moved in. The Unit did not have any smell of smoking at the beginning of the Tenancy Agreement. The parties signed a move-in inspection report dated August 31, 2024 which does not identify any smoking odour issues.
- [25] The Tenants smoke. AB quit smoking after moving out of the Unit and FA quit smoking at an earlier date.

- [26] The Landlords submitted into evidence photographs showing cigarette butts near a couch and the Unit's oven. The Landlords provided their direct evidence regarding smoke odour in the Unit and through the written statement of a witness.
- [27] I also note the following admissions in AB's email dated September 18, 2025, which states in part:
- "I acknowledge that I occasionally smoked during my tenancy. However, I dispute the landlord's claim of \$2,661.04 in damages as excessive and unsupported by objective documentation. I request that only reasonable, necessary, and professionally verified expenses be considered..."*
- *Smoke odor: No strong smell was present."*
- [28] Based upon the evidence presented, I am satisfied that the Unit smelled of smoke because of smoking in the Unit that the Tenants engaged in or permitted.
- [29] Due to the Tenancy Agreement's no-smoking clause, it would be expected that the Unit would not smell of smoke at the end of the tenancy. I find that the Tenants are responsible for the Landlords' costs to remove the smoking smell.
- [30] The Landlords' estimate that 75% of their 19.5 hours cleaning the Unit were to address the smoking smell, being 14.6 hours. I find that the Tenants are responsible for this cleaning work. However, the Landlords completed this work themselves and in this context a \$40.00 hourly cost is excessive. I find that an hourly rate of \$25.00 is appropriate, being approximately 1.5 times minimum wage. As a result, this part of this claim is allowed, in the amount of \$365.00.
- [31] The Landlords provided numerous photographs of the Unit showing specific areas of uncleanliness. However, the Tenants' video shows that most of the Unit was in reasonably clean condition. I find that one additional hour of cleaning, in the amount of \$25.00, is appropriate for bringing the Unit to a reasonably clean condition.
- [32] I find that the Landlords' other expenses were necessary for addressing the smoking smell.
- [33] The Landlords attempted unsuccessfully to clean a couch, chair and headboard using a rented commercial upholstery cleaner.
- [34] The Landlords purchased a used couch and a used chair as replacements because the smoking smell remained. The Landlords' evidence is essentially that the used couch that they purchased was in better condition and the used chair was in worse condition.
- [35] I find that the Landlords engaged in reasonable mitigation efforts purchasing a used couch and chair. When considered together, the replacements are comparable to the smoky couch and chair. As a result, I find that the betterment principle does not apply.
- [36] The Island Regulatory and Appeals Commission provided a detailed analysis regarding the betterment principle in Orders LR24-06 and LR25-25.
- [37] I note that AB admitted that the Tenants were responsible for the stained headboard but denied that the damage was caused by smoking. I also note that the Landlords did not claim for this replacement cost.
- [38] Service Master ran an ozone machine to address the smoking smell. The Landlords had originally claimed \$546.25 for smoke removal work by Service Master based upon a quote. However, the actual cost was \$373.75 and the Landlords reduced their claim to this lower amount.

- [39] I find that the Landlords have established claims in the total amount of \$2,098.64, calculated as follows.

Established Claims	
Item	Amount
TV remote	\$32.35
Cleaning hours re. smoking	\$365.00
Other cleaning	\$25.00
Upholstery cleaner rental	\$83.32
Cleaning supplies	\$219.22
Couch replacement	\$700.00
Chair replacement	\$300.00
Service Master	\$373.75
Total	\$2,098.64

- [40] The Tenants raised other issues in their evidence. However, I find that these issues do not alter the Tenants' responsibility for the Landlords' established cleaning and damage claims.
- [41] One issue AB raised was the cleanliness of the Unit at the beginning of the Tenancy Agreement. However, I note that uncleanliness was not identified as a problem on the move-in inspection report. Another issue AB raised related to a final move-out inspection. I note that, although the Landlords cancelled a planned move out inspection, the Landlords later text-messed FA on June 2, 2025 offering to complete a move-out inspection. I am also not satisfied that the Unit's driveway was in a condition that supports towing expenses for the Tenants.
- [42] The Landlords will keep the Tenants' security deposit, in the amount of \$1,540.10. The Tenants must also pay the Landlords additional compensation in the amount of \$558.54 by the timeline below, calculated as follows:

Additional Compensation	
Item	Amount
Established claims	\$2,098.64
Security deposit	-\$1,500.00
Security deposit interest	-\$40.10
Balance	\$558.54

CONCLUSION

- [43] The Application is allowed in part.
- [44] The Landlords have established a total claim of \$2,098.64.
- [45] The Landlords will keep the Tenants' security deposit, including interest and the Tenants must pay the Landlords additional compensation as provided below.

IT IS THEREFORE ORDERED THAT

1. The Landlords will keep the Tenants' security deposit, including interest, in the amount of \$1,540.10.
2. The Tenants must also pay the Landlords additional compensation in the amount of \$558.54 by November 6, 2025.

DATED at Charlottetown, Prince Edward Island, this 6th day of October, 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.