

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 to end the fixed-term tenancy early, on October 31, 2025.

DISPOSITION

- [3] I find that the tenancy agreement will end on October 31, 2025.

BACKGROUND

- [4] The Unit is a two-bedroom, two-bathroom apartment located in a 95-unit building (the "Residential Property") that the Landlord has owned since it was built about three years ago.
- [5] The Landlord and the Tenants entered into a first written, fixed-term agreement from May 5, 2023 to May 4, 2024. A security deposit in the amount of \$1,795.00 was paid on March 7, 2023.
- [6] The parties entered into a second written, fixed-term agreement from May 1, 2024 to April 30, 2025 (the "Second Agreement").
- [7] The parties entered into a third written, fixed-term agreement from May 1, 2025 to April 30, 2026 (the "Third Agreement"). This agreement states that rent in the amount of \$1,890.00 is due on the first day of the month. There is an additional charge for parking.
- [8] On September 3, 2025 the Tenants served the Landlord with a *Form 3 Tenant Notice of Termination* with an effective date of November 1, 2025.
- [9] On September 3, 2025 the Tenants also emailed the Rental Office a *Form 2(A) Tenant Application to Determine Dispute* (the "Application") requesting that the Third Agreement be terminated early. I note that the Application is considered filed on September 4, 2025 because it was received by email after the Rental Office's regular business hours on September 3, 2025.
- [10] On September 12, 2025 the Rental Office sent the parties notice of a teleconference hearing scheduled for October 7, 2025, along with a copy of the Application.
- [11] On September 29, 2025 the Rental Office sent the parties a 93-page PDF evidence package.
- [12] On October 7, 2025 the Tenants and the Landlord's representative (the "Representative") participated in a teleconference hearing. The parties confirmed receipt of the evidence package and the parties confirmed that all evidence submitted to the Rental Office was included. The Landlord submitted into evidence a copy of the Second Agreement during the hearing.

ISSUE

- A. Should the Third Agreement be terminated early, on October 31, 2025?

ANALYSIS

[13] For the reasons below, I find that the Third Agreement is terminated effective October 31, 2025.

Mandatory Tenancy Agreement Information

[14] Landlords are required to prepare written tenancy agreements. When residential rental issues arise, the first place landlords and tenants commonly check are the provisions of their written tenancy agreements.

[15] Sections 10 and 11 of the *Act* set out the required content of tenancy agreements.

[16] In particular, subsection 11(2) states:

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.*

[17] As of April 8, 2023, landlords have been required to include Part 2, Division 4 (sections 19 to 37) in all written tenancy agreements.

[18] These sections inform tenants of their rights and responsibilities regarding many aspects of a typical landlord-tenant relationship during a tenancy. The inclusion of these provisions in tenancy agreements helps prevent confusion regarding the proper processes that landlords and tenants need to follow.

[19] Section 30 addresses rights, responsibilities and procedures for assigning and subletting tenancy agreements.

- [20] In particular, subsections 30(1) and (2) provide tenants with a right to sublet as follows:

A tenant may, with the written consent of the landlord, sublet or assign a rental unit or part of a rental unit to another person.

A landlord shall not arbitrarily or unreasonably withhold consent to a sublet or assignment of a rental unit or part of it.

- [21] The Second Agreement was entered into almost 11 months after the *Act* came into force. The Third Agreement was entered into about 22 months after the *Act* came into force.

- [22] The Second and Third Agreements should have included these mandatory terms from Part 2, Division 4 of the *Act*.

- [23] On August 5, 2024 the Tenants received the following email from a previous representative of the Landlord:

"...We want to remind you of the importance of your lease agreement and the rules regarding who can live in your apartment.

We chose you as a tenant because we believe you are a great fit for our community! Please remember that subletting or using Airbnb is not allowed on our property. It's also important to inform us if someone new is moving in so we can update your file accordingly..."

- [24] The Representative provided possible interpretations or meanings of this communication.

- [25] However, I find that the previous representative's message plainly communicated that the Tenants could not sublet. The email does not indicate that subletting was permitted with the Landlord's written consent.

- [26] This communication was made in the context of the Second Agreement omitting the mandatory terms from Part 2, Division 4 of the *Act* because the Landlord used an expired form that had been prescribed under the former residential rental legislation. In particular, this agreement omitted the Tenants' right under the *Act* to sublet or assign the Unit with the Landlord's written consent, which could not be arbitrarily or unreasonably withheld.

- [27] The August 5, 2024 email regarding no subletting was non-compliant with the *Act*.

- [28] If the Landlord had advised the Tenants of their current right to sublet through the tenancy agreements and communications, then the Tenants could already have searched for replacement tenants and helped avoid any future rental income losses.

- [29] As a result, I find that the Tenants have a valid basis to end the Third Agreement effective October 31, 2025.

- [30] The Landlord must ensure that all tenancy agreement content complies with the *Act*.

- [31] The standard form tenancy agreement (*Form 1 – Standard Form of Tenancy Agreement*) is available on the Rental Office's website.

Renewal Information

- [32] The Tenants argued that they were misled by a previous Landlord representative regarding their options for continuing to live in the Unit after the end of the Second Agreement's fixed-term.
- [33] The Tenants submitted into evidence email correspondence from January 2025 where the previous representative essentially told the Tenants that they would need to sign a new lease or vacate the Unit. The Tenants requested a month-to-month term but were advised that the Landlord did not offer this type of lease.
- [34] The Representative argued that it was not the Landlord's responsibility to educate the Tenants on their rights and obligations. The Landlord operates 485 rental units on Prince Edward Island and another province and the Landlord needs to use one-year fixed-term tenancy agreements for business purposes.
- [35] As noted above, landlords operating on Prince Edward Island have a responsibility to advise tenants of part of their rights and obligations in the *Act* because of the section 11 mandatory tenancy agreement information.
- [36] Further, upon a review of the evidence I find that the Tenants were misled by the previous representative. The previous representative provided the Tenants with two options and omitted the third option that the Second Agreement would continue on a month-to-month basis by operation of law. When the Tenants specifically asked for this third option they were told it was not offered by the Landlord.
- [37] I find that the Tenants have established a second basis for ending the Third Agreement early because the Landlord, through the communications of the previous representative, provided the Tenants with misleading information regarding their right to continue living in the Unit after the fixed-term ended.
- [38] Subsection 52(1) of the *Act* states as follows:

Where a tenancy agreement ends on a specific date and does not include an option to renew, and the landlord has not terminated the agreement in accordance with Division 3 of this Part, the landlord and tenant are deemed to renew the tenancy agreement on that date as a monthly tenancy with the same rights and obligations as existed under the former tenancy agreement, subject to any rent increase that complies with this Act.

- [39] The Landlord could have included an option to renew as part of its tenancy agreements. Such a clause could have prevented the Second Agreement from converting to a month-to-month agreement by operation of law.
- [40] However, upon review of the Second Agreement, this type of clause is absent. The Second Agreement would have continued on a month-to-month basis if the Tenants did not sign the Third Agreement.

Termination Date

- [41] Section 55 of the *Act* provides for termination dates on the day before the day that rent is due.
- [42] In this case rent is due on the first day of the month. As a result, I find that the Third Agreement is terminated effective October 31, 2025 at 5:00 p.m.

CONCLUSION

[43] The Application is allowed.

[44] The tenancy is terminated as provided below. The Tenants and all occupants must vacate the Unit by this timeline. The Tenants are not responsible for paying further rent as provided below.

[45] The Landlord must ensure that it is familiar with and in compliance with the entirety of the *Residential Tenancy Act* and the *Residential Tenancy Regulations*.

IT IS THEREFORE ORDERED THAT

1. The tenancy between the parties will terminate effective 5:00 p.m. on October 31, 2025.
2. The Tenants and all occupants must vacate the Unit by this time and date.
3. A certified copy of this Order may be filed in the Supreme Court and enforced by Sheriff Services as permitted by the *Act*.
4. The Tenants are not responsible for paying any of the Unit's rent that is due after October 31, 2025.

DATED at Charlottetown, Prince Edward Island, this 10th 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.