

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 Subtenant seeks a return of the security deposit.
- [3] The Tenant seeks to keep the security deposit and additional compensation, for a total claim of \$837.77.

DISPOSITION

- [4] The parties settled the two applications.
- [5] The Tenant will keep \$187.77 of the security deposit for utilities owed.
- [6] The Tenant will return the remaining portion of the security deposit, \$462.23, to the Subtenant by the timeline below.

BACKGROUND

- [7] The Unit is a room and shared common spaces in an apartment (the “Residential Property”) that the Tenant sublet to the Subtenant. The Tenant also lived in the Residential Property.
- [8] On February 1, 2025, the parties entered into an oral month-to-month tenancy agreement for the Unit. Rent of \$650.00 was due on the first day of the month, and a security deposit of \$650.00 was paid on January 18, 2025.
- [9] On March 1, 2025, the Subtenant moved out of the Unit.
- [10] On May 20, 2025, the Subtenant filed a *Form 2(A) Tenant Application to Determine Dispute* (the “Subtenant Application”) with the Rental Office seeking the return of the security deposit.
- [11] On July 16, 2025, the Tenant filed a *Form 2(B) Landlord Application to Determine Dispute* (the “Tenant Application”) with the Rental Office seeking to keep the security deposit and additional compensation.
- [12] On September 17, 2025, the Rental Office sent the parties notice of a teleconference hearing scheduled for October 30, 2025.
- [13] On October 24, 2025, the Rental Office sent the parties a 60-page evidence package.
- [14] On October 30, 2025, the parties participated in the teleconference hearing. The parties confirmed receipt of the evidence package and stated that all evidence submitted to the Rental Office was included.

INTEREST

- [15] In Order LR24-72, the Island Regulatory and Appeals Commission (the “Commission”) reviewed the definition of “landlord” in the Act. The Commission observed that a tenant who sublets and also occupies a rental unit is not a “landlord” within the meaning of the Act. In this case, the Tenant lived in the Residential Property and sublet the Unit to the Tenant.
- [16] Subsection 14(9) of the Act only requires a “landlord” to credit security deposit interest to a tenant. As the Tenant is not a “landlord,” the Subtenant has not been credited with security deposit interest in this decision.

- [17] Further, the formula for calculating interest in section 3 of the *Residential Tenancy Regulations* would not be applicable.

SETTLEMENT

- [18] At the hearing, the parties settled the Subtenant Application and the Tenant Application on the following terms:

- The Tenant will keep \$187.77 of the security deposit for utilities owed.
- The Tenant will return the security deposit balance of \$462.23 to the Subtenant.

IT IS THEREFORE ORDERED THAT

1. The Tenant will keep \$187.77 of the security deposit for utilities owed.
2. The Tenant will return the remainder of the security deposit of \$462.23 to the Subtenant by December 3, 2025.

DATED at Charlottetown, Prince Edward Island, this 3rd day of November, 2025.

(sgd.) Mitch King

Mitch King
Residential Tenancy Officer

NOTICE**Right to Appeal**

The parties may seek to appeal this Order 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.