

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 claim against the Landlord for an unlawful rent increase of \$10,200.00, additional compensation of \$899.95, security deposit interest of \$50.48, and section 72 compensation of \$1,475.00, for a total claim of \$12,625.43.

DISPOSITION

- [3] I find that the Tenants have established claims for security deposit interest of \$50.48, and compensation of \$1,475.00 under section 72 of the Act.
- [4] The Tenants’ remaining compensation claims are denied.

BACKGROUND

- [5] The Unit is one-half of a duplex (the “Residential Property”) that the Landlord owned. The Residential Property was sold in September 2025, after the tenancy ended.
- [6] On October 31, 2019, the parties entered into an oral monthly tenancy agreement for the Unit. Rent was originally \$1,400.00 and increased to \$1,475.00 during the tenancy, due on the first day of each month. A security deposit of \$700.00 was paid at the beginning of the tenancy.
- [7] The Landlord’s representative (the “Representative”) stated that on May 1, 2025, the Tenants were served with a Form 4(B) Eviction Notice, with a vacate date of July 31, 2025, for a purchaser’s possession of the rental unit (the “Notice”). The Tenants disputed that they received a copy of the Notice.
- [8] The Tenants moved out on June 1, 2025, and the tenancy ended by mutual agreement. The security deposit, without interest, was returned on this date.
- [9] On July 18, 2025, the Tenants filed an amended *Form 2(A) Tenant Application to Determine Dispute* (the “Application”) with the Rental Office, claiming against the Landlord for an unlawful rent increase, additional compensation, and security deposit interest.
- [10] On October 8, 2025, the Rental Office sent the parties notice of a teleconference hearing scheduled for November 13, 2025.
- [11] On October 31, 2025, the Rental Office sent the parties a 21-page evidence package.
- [12] On November 13, 2025, the Tenants, the Representative, and the Landlord’s witness participated in a teleconference hearing. The parties confirmed that all the evidence submitted to the Rental Office was included in the evidence package.
- [13] After the hearing, the parties provided additional submissions, which were shared with the other party and added to the record.

PRELIMINARY MATTER

- [14] On November 13, 2025, after the hearing, I amended the Application under clause 80(3)(f) of the Act to determine the Tenants’ section 72 compensation. I requested submissions from the parties by November 17, 2025, regarding this matter; however, neither party made any submissions regarding this matter.

ISSUES

- A. Must the Landlord return the security deposit interest to the Tenants?
- B. Must the Landlord compensate the Tenants for an unlawful rent increase, spoiled food, a washing machine, and paint?
- C. Must the Landlord compensate the Tenants under section 72 of the Act?

ANALYSIS**A. Must the Landlord return the security deposit interest to the Tenants?**

- [15] The Tenants stated that the security deposit and interest should have been returned; however, the Landlord only returned the security deposit on June 1, 2025. The Representative agreed to return the security deposit interest to the Tenants.
- [16] I find that the Landlord will pay the Tenants the security deposit interest of \$50.88.

B. Must the Landlord compensate the Tenants for an unlawful rent increase, spoiled food, a washing machine, and paint?**Rent**

- [17] The Tenants stated that they are seeking \$10,200.00 in compensation for an unlawful rent increase of \$150.00 per month for 68 months. The Tenants stated that after moving in, they learned that the previous tenant had only paid \$1,250.00 per month.
- [18] The Tenants submitted a text message from a previous occupant of the Unit, whom the Tenants stated lived with the previous tenant. The occupant stated he believed the previous rent "was 1250." The Tenants also submitted a text message from a second individual who stated that she lived in the Unit and moved out in the summer of 2017. That individual stated their rent was \$1,100.00.
- [19] The Representative stated that the previous tenant of the Unit paid \$1,400.00 per month for rent. He stated that the previous occupant mentioned by the Tenants only lived with the previous tenant for a short time. The Representative submitted a copy of the previous tenant's tenancy agreement as evidence, stating that it shows the rent was \$1,400.00.
- [20] The Island Regulatory and Appeals Commission (the "Commission") commented on a similar matter in Order LR25-51, stating:

[19] Exhibit E-6 is a memo from the previous owner of the fourplex stating that rent for the Rental Unit was \$1,150.00 per month at the time the building was sold to the Landlords on September 29, 2023. However, the previous owner was not a witness at the hearing before the Rental Office nor was he a witness at the hearing before the Commission. Exhibit E-16 is an email from the Landlords' real estate agent to the Landlords dated September 15, 2023, two weeks before the property sale closing. The real estate agent notes the rent for the Rental Unit as \$1,500.00 per month. Exhibit E-15 is a June 19, 2025 email from a previous tenant for the Rental Unit stating the rent was \$1,500.00 monthly heat and water included. These exhibits are in direct conflict. One supports the Tenant's position while the other two support the Landlord's position. The onus is on the Tenant, as the party asserting that the previous rent was less than \$1,500.00 per month, to provide clear evidence to establish their position on a balance of probabilities. As there was no testimony or sworn affidavit from the previous owner, or other such evidence to convince the Commission to assign more evidentiary weight to Exhibit E-6, the Tenant has not met the burden of proof.

- [21] I find that the Tenants have provided insufficient evidence to establish their compensation claim or that an unlawful rent increase occurred at the Unit.
- [22] Similar to Order LR25-51, the parties' evidence is in direct conflict. The Tenants' text messages support the Tenants' position while the previous tenancy agreement supports the Landlord's position. However, the onus is on the Tenants, as the party asserting that the rent was unlawfully increased, to provide clear evidence to establish their position on a balance of probabilities.
- [23] As there was no testimony from the authors of the text messages or other evidence to assign greater evidentiary weight to the Tenants' evidence, the Tenants have not met their burden of proof. Furthermore, I note that the Tenants waited approximately 6 years before applying to the Rental Office after learning of the possible unlawful rent increase. This claim is denied.

Food

- [24] The Tenants stated that the Unit's refrigerator stopped working about two days after they moved into the Unit. They stated the Representative replaced the refrigerator, but not their spoiled food. They stated that they are seeking \$200.00 in compensation for the spoiled food.
- [25] The Representative stated that when he was informed that the refrigerator was not working, he did his best to get a new refrigerator to the Tenants in a timely fashion. He disputed that he should compensate the Tenants for the spoiled food.
- [26] I find that the Tenants have provided insufficient evidence to establish that the Landlord must compensate the Tenants for the spoiled food.
- [27] I find that the evidence presented does not establish that the refrigerator failed due to a breach of the Act or a willful or negligent act by the Landlord. Furthermore, the Tenants have provided insufficient documentary evidence, such as photographs or receipts, to establish the cost of the food lost due to the broken refrigerator. Furthermore, I note that the Tenants waited approximately 6 years before applying to the Rental Office after the event occurred. This claim is denied.

Washing Machine

- [28] The Tenants stated the Unit's washing machine was half full of water and not in working condition when they moved in. The Representative told them to use their own washing machine and said it would be replaced when it stopped working. The Tenants stated they did not request that the Representative repair the Unit's washing machine at that time.
- [29] The Tenants stated that their washing machine broke about 3–4 months before they moved out. Although a new washing machine was purchased for the Unit, the Unit was sold with the washing machine included, leaving the Tenants without one. The Tenants stated they are seeking \$500.00 in compensation for their washing machine. They stated they do not have a receipt or invoice for their washing machine.
- [30] The Tenants submitted a text message exchange with the Representative from October 2024. Regarding the washer and dryer, the Representative stated, *"I am going to wait until they are completely done. No worries they will be replaced."*
- [31] The Representative stated that the Unit's washing machine worked when the Tenants moved in. He stated that the Tenants asked if they could use their own washing machine. The Representative agreed and removed the Unit's washing machine.
- [32] I find that the Tenants have provided insufficient evidence to establish that the Landlord must compensate the Tenants for their washing machine claim.

- [33] The parties presented conflicting evidence regarding whether the Unit's washing machine was in working order when the Tenants moved in. The Tenants stated that the washing machine was partially filled with water; however, they stated they did not request that the Representative repair it during the tenancy. The evidence establishes that the parties agreed that the Tenants would use their own washing machine in the Unit.
- [34] The Tenants stated that the Representative agreed to replace their washing machine if it broke, but that the Representative failed to do so. However, the parties presented conflicting evidence as to whether this was agreed upon. Despite the Landlord sending the Tenants a message in October 2024 stating that the washer and dryer would be replaced, the message does not indicate whether the Tenants would be entitled to keep the replacements.
- [35] Furthermore, I find that the Tenants have provided insufficient documentary evidence, such as a receipt or invoice, to establish the value of their washing machine. This claim is denied.

Paint

- [36] The Tenants stated they had asked the Representative for some paint for the Unit, because the walls were in poor condition, and the type of paint used made it difficult to wash off marks and stains. The Tenants stated that the Representative did not respond to them, so in June 2024, they purchased their own paint for the Unit. The Tenants stated that they are seeking \$199.95 in compensation for paint and submitted a receipt as evidence.
- [37] The Representative stated that if the Tenants wanted to paint in the Unit, he had no issue. He stated he was not aware they had painted. He disputed the compensation claim.
- [38] I find that the Tenants have provided insufficient evidence to establish that the Landlord must compensate them for the painting expense.
- [39] The Tenants stated that they asked the Representative for paint for the Unit, but the Representative did not respond to their request. The Tenants stated that they painted the Unit at their own cost.
- [40] One issue I must decide is whether the painting that the Tenants completed in the Unit would be considered "*emergency repairs*" as defined by the Act. Subsection 29(1) of the Act states that emergency repairs must be urgently required and necessary for the health or safety of anyone or the preservation or use of the Unit.
- [41] Based on the evidence presented, I find that the Tenants have not established that the painting would be considered "*emergency repairs*" or that the painting was "*urgently required*" for the health or safety of anyone or the preservation or use of the Unit.
- [42] As the painting would not be considered emergency repairs, I must then decide if the Landlord failed to maintain or repair the Unit. Subsection 28(1) of the Act states that a landlord is required to comply with the health, safety and housing standards required by law and, regarding the age, character and location of the rental unit and make it suitable for occupation by a tenant.
- [43] Clause 9(a) of the *Public Health Act Rental Accommodation Regulations* (the "Regulations") states that a landlord is required to complete necessary repairs to a rental unit to ensure it is sound, weatherproof, damp-proof, vermin-proof, safe, and sanitary.
- [44] I find that the Tenants have provided insufficient evidence to establish that the Landlord breached the Act or the Regulations regarding painting the Unit. This claim is denied.

C. Must the Landlord compensate the Tenants under section 72 of the Act?

- [45] The parties agreed that the Tenants were evicted for a purchaser's possession of the Unit under section 63 of the Act. Both parties stated that they were unaware of the section 72 compensation provisions of the Act, which state:

A landlord shall compensate a tenant who receives a notice of termination of a tenancy under section 62 or 63 in an amount equal to one month's rent plus reasonable moving expenses in accordance with the regulations or offer the tenant another rental unit acceptable to the tenant.

- [46] After the hearing, I requested additional submissions from the parties on this matter; however, neither party submitted any additional evidence regarding the section 72 compensation.
- [47] Based on the evidence presented at the hearing, I find that the Landlord will compensate the Tenants in the amount of \$1,475.00, which is equal to one month's rent under section 72 of the Act. I find there is insufficient evidence to establish a claim for the Tenants' moving expenses.

CONCLUSION

- [48] I find that the Tenants have established a claim for the security deposit interest in the amount of \$50.48.
- [49] I find that the Landlords will compensate the Tenants \$1,475.00, which is equal to one month's rent under section 72 of the Act.
- [50] The Tenants' remaining compensation claims are denied.

IT IS THEREFORE ORDERED THAT

1. The Landlord will pay the Tenants \$1,525.48 by December 22, 2025.

DATED at Charlottetown, Prince Edward Island, this 21st day of November, 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.