INTRODUCTION

[1] This decision determines an application filed by the Landlord with the Residential Tenancy Office (the "Rental Office") under the *Residential Tenancy Act*, cap. R-13.11 (the "*Act*").

[2] The Landlord wants to keep a portion of the Tenants' security deposit for damage, in the amount of $890.58.

[3] The Tenants' security deposit plus interest totals $1,168.00.

DISPOSITION

[4] The Landlord's evidence is insufficient to establish a claim against the Tenants. The Landlord must return the Tenants' security deposit, including interest, in the amount of $1,168.00 by the timeline below.

BACKGROUND

[5] The Unit is a one-bedroom, one-bathroom apartment in a 10-unit apartment building (the "Residential Property") owned by the Landlord since 2021.

[6] On May 30, 2023 the Tenants moved into the Unit and paid the Landlord a $1,100.00 security deposit.

[7] On January 22, 2024 the parties renewed a written, fixed-term tenancy agreement for the period of February 1, 2024 to January 31, 2025. Rent in the amount of $1,133.00 was due on the first day of the month.

[8] On July 10, 2025 the Tenants vacated the Unit and the tenancy ended by mutual agreement.

[9] On July 14, 2025 the Landlord's representative (the "Representative") filed a *Form 2(B) Landlord Application to Determine Dispute* (the "Application") with the Rental Office seeking to keep a portion of the Tenants' security deposit. The Application was emailed to the Tenants on July 12, 2025.

[10] On October 17, 2025 the Rental Office emailed the parties notice of a teleconference hearing scheduled for November 27, 2025 (the "Notice of Hearing").

[11] On October 20, 2025 the Rental Office emailed the parties the Notice of Hearing due to the Notice of Hearing attachment not being included in the October 17 email.

[12] On November 14, 2025 the Rental Office emailed the parties an 86-page PDF evidence package.

[13] On November 27, 2025 the Representative and the Tenants joined the teleconference hearing for determination of the Application. 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.

ISSUE

A. Has the Landlord established a claim against the Tenants for damage?

ANALYSIS

[14] The Landlord has the onus of proving its claims against the Tenants on a balance of probabilities. This means that there must be sufficiently clear and convincing evidence to find that the claims are more likely correct than not.

[15] The Landlord seeks compensation against the Tenants in the total amount of $890.58.

Evidence & Determination

[16] The Landlord's evidence was presented and summarized by the Representative.

[17] The Representative stated that no pre-tenancy or post-tenancy inspection reports were completed.

[18] The Representative stated that there was damage to the bathroom caused by mould. The Representative stated that the Tenants did not inform the Landlord right away, which caused more damage to the bathroom.

[19] The Representative stated that the Tenants' evidence stated that they knew of the mould since February 2025. However, the Tenants did not inform the Landlord until May 25, 2025.

[20] The Representative stated that the mould was removed and the walls and ceiling of the bathroom were repaired. The Landlord submitted into evidence an invoice from Sanjeev Sharma – Painting Services. The invoice totaled $866.46. The Landlord also submitted a receipt from Home Depot, for $24.12 for supplies. The Representative stated that the work was completed on May 29, 2025.

[21] The Representative stated that the Unit was last painted in 2020 or 2021.

[22] The Tenants' evidence was presented and summarized by one of the Tenants (the "Tenant").

[23] The Tenant stated that she noticed some dark spots in the bathroom at the end of February 2025. The Tenant stated that she wiped down the dark spots. The Tenant stated that in May 2025 she noticed the spots again and it seemed to have worsened. The Tenant stated that she informed the Landlord immediately.

[24] The Tenant stated that the mould damage was not the Tenants' fault and that the reporting was timely and responsible. The Tenant stated that any damage or painting would fall under reasonable wear and tear. The Tenant stated that any mould issues may have been caused by the poor ventilation in the bathroom, which is the Landlord's responsibility under section 28 of the *Act*.

[25] I have reviewed the parties' evidence and testimony. I find that the Landlord has provided insufficient evidence to establish its claim against the Tenants.

[26] Clause 39(2)(a) of the *Act* outlines a tenant's responsibilities at the end of a tenancy stating:

> *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.*

[27] I find that the Landlord's evidence does not establish, on a balance of probabilities, that the Tenants directly caused or negligently caused the mould damage to the bathroom.

[28] I accept the Tenants' evidence that they took reasonable steps to clean the "dark spots" and when it became clearer to the Tenants that the spots worsened, they reached out to the Landlord. There is no evidence to support that the Tenants caused the mould or failed to inform the Landlord in an unreasonable amount of time.

[29] I find that painting the Unit would be an expected expense after the tenancy ended and is considered reasonable wear and tear. The Unit was last painted in 2020 or 2021.

[30] Further, I find that the Landlord did not complete a pre-tenancy or post-tenancy inspection report. The inspection report is a *Form 5 Landlord Condition Inspection Report* (available on the Rental Office's website).

[31] In Order LR25-12 the Island Regulatory and Appeals Commission made the following comments regarding landlords who fail to complete the inspection reports (paragraphs 34 & 35):

> *The Commission finds that the Landlord failed to comply with section 18 and section 38 statutory requirement for pre-tenancy and post-tenancy inspections. These requirements are in place to protect both landlords and tenants and to provide the Rental Office and the Commission with the best possible evidence of the condition of a rental unit at the start and at the end of the tenancy. A deterioration in the condition of the unit during the tenancy will then be more clearly apparent.*
>
> *Where a landlord has failed to comply with both sections 18 and 38, the Commission can only award a damage claim to a landlord if that claim is supported by objective and compelling evidence with respect to who caused the damage and how much it costs to repair. The onus to establish such damage and who caused it rests on the party seeking the damage claim and a failure to comply with sections 18 and 38 "raises the bar" thus making it more difficult, but not impossible, to support the claim.*

[32] In this case, I find that the Landlord has not provided objective and compelling evidence to establish its claim. The Application is denied.

[33] The Landlord must return the Tenants' security deposit, including interest, in the amount of $1,168.00 by the timeline below.

IT IS THEREFORE ORDERED THAT

1. The Landlord must pay the Tenants $1,168.00 by January 23, 2026.

DATED at Charlottetown, Prince Edward Island, this 24th day of December, 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.