

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 Tenants seek a return of the security deposit plus additional compensation in the amount of \$10,000.00 due to a devaluation of the tenancy agreement.
- [3] The Landlord seeks to keep the security deposit of \$1,500.00 plus additional compensation of \$2,500.00, for a total rent owing claim of \$4,000.00.

DISPOSITION

- [4] The Tenants’ compensation claims are denied.
- [5] The Landlord has established a rent owing claim of \$1,419.35.
- [6] The Landlord must return the security deposit balance, including interest, to the Tenants in the amount of \$147.22.

BACKGROUND

- [7] The Unit is a single-family house owned by the Landlord.
- [8] The parties entered into a one-year written fixed-term tenancy agreement for the Unit from January 22, 2024, to January 22, 2025. The tenancy agreement was then renewed for an additional fixed term from January 22, 2025, to January 31, 2026. Rent of \$2,000.00 was due on the first day of the month.
- [9] A \$1,500.00 security deposit was paid in three installments: January 26, 2024 (\$500.00), March 1, 2024 (\$500.00), and April 4, 2024 (\$500.00).
- [10] On August 2, 2025, the Landlord served the Tenants with a *Form 4(A) Eviction Notice* effective August 22, 2025, for failing to pay rent of \$2,000.00 (the “Notice”).
- [11] On August 2, 2025, the Tenants moved out of the Unit.
- [12] On August 4, 2025, the Landlord filed a *Form 2(B) Landlord Application to Determine Dispute* with the Rental Office seeking to keep the security deposit of \$1,500.00 and additional compensation of \$2,500.00 for rent owing (the “Landlord Application”).
- [13] On September 26, 2025, the Tenants filed an amended *Form 2(A) Tenant Application to Determine Dispute* with the Rental Office seeking the return of the security deposit plus additional compensation of \$10,000.00 due to a devaluation of the tenancy agreement (the “Tenant Application”).
- [14] On October 22, 2025, the Rental Office sent the parties notice of a teleconference hearing scheduled for December 11, 2025.
- [15] On December 1, 2025, the Rental Office shared a 57-page evidence package with the parties.
- [16] On December 4 and 11, 2025, the Landlord submitted additional evidence to the Rental Office and the Tenants.

- [17] On December 11, 2025, the Landlord's representative (the "Representative"), the Landlord's legal counsel, the Tenant (representing both Tenants) and the Tenant's interpreter participated in a teleconference hearing. The parties confirmed that all evidence they submitted to the Rental Office was included in the evidence package, and the Tenant stated she received the Landlord's additional evidence.
- [18] After the hearing, both parties submitted additional evidence, which was shared with the other party and added to the record.

ISSUES

- A. Have the Tenants established claims against the Landlord for a devaluation of the tenancy agreement?
- B. Has the Landlord established rent owing claims against the Tenants?

ANALYSIS

- A. Have the Tenants established claims against the Landlord for a devaluation of the tenancy agreement?**

Tenants' evidence and submissions

- [19] The Tenant stated that she was seeking a return of rent of \$500.00 per month from January 2024 to April 2025 (16 months), totalling \$8,000.00, due to non-functioning windows, structural sinking, and occasional heating issues in the Unit.
- [20] The Tenant stated that she was seeking a return of rent of \$700.00 per month from mid-May 2025 to August 2025 (approximately 2.8 months), totalling \$2,000.00, due to hot water problems.
- [21] The Tenant stated that several windows in the Unit would not open, were difficult to open, or had limited egress. There was no window in the bathroom. The issues with the windows caused ventilation problems, mould in the Unit, and health problems for her family. She stated she told the Landlord of the issues, but nothing was done. She stated that she inspected the Unit before she moved in, but she did not check all the windows.
- [22] The Tenant stated that the floor was sinking and was uneven, and that the sinking started after she moved in. She stated she told the Landlord, but nothing was done, so her husband put some wood under the floor joists to stabilize it. The Tenants submitted photos, which the Tenant stated show the unevenness of the floors. The basement had also flooded and was always damp.
- [23] The Tenant stated that the repair issues affected her family's health, causing headaches and nosebleeds. She also became pregnant, and the Unit's condition concerned her. She stated her family's health conditions improved after they moved out.
- [24] The Tenant stated that there were issues with the hot water not working between May and August 2025. The Landlord had a plumber attend the Unit, which fixed the issue for a while. The hot water would not work after that, but the Tenants found it was an electrical issue, which they were able to fix themselves.
- [25] The Tenant stated that when she entered into the tenancy agreement, the Landlord offered \$1,600.00 without oil or \$2,000.00 with oil included, and they chose oil included. The Tenant stated she had requested a full breakdown of heating oil costs since she moved in, as she was charged a flat heating fee without being provided actual consumption records. She stated that she should be entitled to transparency regarding the Unit's utility costs, despite the oil costs being included in the tenancy agreement.

- [26] The Tenant stated that she had requested someone from Environmental Health attend to inspect the Unit, but no inspection was completed before she moved out. She stated that most of her repair requests to the Landlord were oral. The Tenant stated that the structural issues in the Unit contravened the Act and the National Building Code of Canada.

Landlord's evidence and submissions

- [27] The Representative stated that on May 15, 2025, the Tenants notified him that there was no hot water in the Unit. He had a plumber attend the Unit the next day, and the issue was repaired. A plumbing invoice and messages between the parties were submitted as evidence.
- [28] The Representative stated on May 26, 2025, the Tenants notified the Representative of another issue with the hot water. Later that day, the Tenants notified the Representative that it was an electrical issue and that they had corrected the problem. The Tenants did not notify the Landlord of any heating or hot water issues after May 26, 2025.
- [29] The Representative stated that oil is included in the tenancy agreement, so the Landlord is not obligated to show the Tenant the heating costs.
- [30] The windows in the Unit are all up to code. The Unit is over 100 years old, so some of the windows are older-style windows. There is no evidence of any broken windows. The windows are in the same condition as when the Tenants moved in. The three bedrooms in the Unit all have windows that will open.
- [31] The Representative stated the Tenant did not advise the Landlord about any structural issues with the floors. The Unit is old, so some of the floors may not be level. The floor did not impair the Tenants' use of the Unit. The Act states that the Unit's age should be considered when determining the need for repairs.
- [32] The Representative stated that there was no mention of mould in the Tenants' evidence or the Tenant Application. The Tenants did not provide any doctor's notes regarding the health issues the Tenants are alleged to have experienced.
- [33] The basement did flood once due to a fitting letting go. The Landlord was able to fix it the next day. The Landlord had also installed poly and gravel in the basement to help improve air quality in the Unit.
- [34] The Representative stated that the Tenant noted that she only contacted Environmental Health shortly before she moved out. He argued that if the Tenant had concerns, the Tenant could have contacted Environmental Health earlier in the tenancy.
- [35] Clauses 8(1) and 9(a) of the *Public Health Act Rental Accommodation Regulations* ("Public Health Regulations") state:

8(1) *All buildings and dwelling units shall be weather-proof and capable of being adequately heated with a reasonable consumption of fuel and the heating equipment in any building or dwelling shall be in working order and in good repair.*

9. *The owner of any dwelling shall, when necessary*

(a) carry out repairs or alterations to such dwelling in order to make it sound, weatherproof, damp-proof, vermin-proof, safe and sanitary in every respect;

[36] Subsection 28(1) of the Act states

(1) A landlord shall provide and maintain the residential property in a state of repair that
(a) complies with the health, safety and housing standards required by law; and
(b) having regard to the age, character and location of the rental unit, makes it
suitable for occupation by a tenant.

Hot water and heat

[37] Regarding the May 15, 2025, hot water issue, the evidence establishes that the Tenants notified the Landlord of the issue that day, and the Landlord fixed it the next day. Regarding the May 26, 2025, hot water issue, the Tenants fixed the problem themselves the same day.

[38] I find that Tenants have provided insufficient evidence establishing that the Landlord had contravened subsection 28(1) of the Act. The Landlord was notified of the hot water issues, and the matters were rectified within a day, either by the Landlord or the Tenants. There is also insufficient evidence of a significant devaluation of the tenancy agreement regarding the Unit's hot water. There is also insufficient evidence of any other heating issues in the Unit.

[39] Furthermore, the Tenants have provided insufficient evidence of any heating or hot water issues they experienced after May 26, 2025.

[40] These claims are denied.

Windows and floors

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

[42] The Act states that a landlord is required to maintain the residential property in a state of repair that complies with the health, safety and housing standards required by law, and having regard to the age and character of the Unit.

[43] The Landlord stated the Unit is over 100 years old. As such, it would not be unreasonable to expect that some of the windows in the Unit may be older and function differently from modern windows. There is also insufficient evidence that the Unit's windows do not comply with the health, safety, or housing standards as required by law.

[44] Regarding the floors, I note that the Tenants submitted photographs of the Tenant holding a carpenter's level on the Unit's floors. I agree that the photographs show some unevenness to the floors. However, I find the photographs provide insufficient evidence of "structural sinking" or of significant unevenness in the floor, which would warrant devaluing the tenancy agreement. Furthermore, the parties presented conflicting evidence regarding whether the Tenants had notified the Landlord of the flooring issue during the tenancy.

[45] There is no evidence that the Tenants had the Unit inspected by Environmental Health during the tenancy or that the Unit was uninhabitable. There is also insufficient evidence that the Unit's condition contravened the National Building Code of Canada or the Act.

[46] In Order LR25-32, the Island Regulatory and Appeals Commission (the "Commission" noted that tenants have a general duty to mitigate their losses once they become aware of a possible breach of the Act. The Commission stated:

31...*The Tenants' evidence is that they only realized that the rent increase in 2019 was unlawful when they were on the Rental Office's website in May 2024. Despite realizing this in May, the Tenants did not bring an application to the Rental Office until December 2024, after already moving out of the Rental Unit. In the Commission's opinion, the Tenants had a general duty to mitigate their losses once they became aware that they had been subject to an unlawful increase. However, in this case, the Tenants testified that they knew they were going to be moving, so they chose not to raise the issue until they moved out of the Rental Unit to avoid an uncomfortable situation until they left.*

[47] I note that the Tenants could have filed a *Form 2(A) Tenant Application to Determine Dispute* with the Rental Office for repairs when these issues arose. However, the Tenants waited until after the tenancy ended to file the Tenant Application. If the Tenants had applied to the Rental Office earlier in the tenancy, this could have helped mitigate their claims and resolved these matters earlier.

[48] These claims are denied.

B. Has the Landlord established rent owing claims against the Tenants?

Landlord's evidence and submissions

[49] The Representative stated that he is seeking to keep the security deposit and additional compensation of \$500.00 for rent owing for August 2025. He is also seeking an additional \$2,000.00 in compensation for the rent owing for September 2025.

[50] The Representative stated that the Tenants provided the Landlord with insufficient notice to end the fixed-term tenancy agreement. The Tenants provided the Landlord notice on July 6, 2025, that they would be moving out of the Unit by August 6, 2025, and left on August 2, 2025.

[51] The Unit was advertised for rent, but the Representative was unable to re-rent it until October 1, 2025. The Representative stated that the Tenant should owe rent for August and September 2025 because the fixed term was supposed to run through January 2026.

[52] The Representative stated that after the Tenants provided their notice, he sent the Tenants a message stating that they could leave on August 31, 2025, but that August's rent would still be due. He stated that the August 31, 2025, date was contingent on re-renting the Unit for September 1, 2025; however, the Unit could not be re-rented until October 1, 2025.

Tenants' evidence and submissions

[53] The Tenant stated she should not owe any additional rent. The Tenant stated that she provided notice to end the fixed-term early due to structural and repair issues with the Unit. She stated that the repair issues affected her family's health and caused headaches and nosebleeds. She also became pregnant, and the Unit's condition concerned her. She stated her family's health conditions improved after they moved out.

[54] The Tenant stated that on July 6, 2025, she provided written notice to end the tenancy, effective 30 days later, which was August 6, 2025. She stated the Tenants moved out on August 2, 2025, which was before the 30-day timeline.

[55] The Tenant stated that the Notice required the Tenants to vacate by August 22, 2025, which they did. She stated that the Representative had also agreed to end the tenancy agreement on August 30, 2025.

[56] Subsection 55(3) of the Act states:

(3) A tenant may end a fixed-term tenancy by giving the landlord a notice of termination effective on a date that

(a) is not earlier than one month after the date the landlord receives the notice;

(b) is not earlier than the date specified in the tenancy agreement as the end of the tenancy;
and

(c) is the day before the day that rent is payable under the tenancy agreement.

[57] The Tenants provided notice on July 6, 2025, to end the tenancy by August 6, 2025. However, the Act states that under a fixed-term tenancy, a tenant's notice of termination cannot end the tenancy before the date specified in the tenancy agreement as the end of the tenancy, which, in this case, was January 31, 2026.

[58] However, on August 2, 2025, the Landlord served the Tenants with the Notice, which required the Tenants to vacate the Unit by August 22, 2025. I note that once the Landlord served the Tenants with the Notice, then the Tenants' notice requirements under subsection 55(3) no longer applied. The evidence establishes that the Tenants moved out the same day the Notice was served.

[59] The Tenants did not file an application with the Rental Office to dispute the Notice or pay the rent owing. Therefore, I find that the Tenants are deemed to have accepted that the tenancy ended on August 22, 2025, under subsection 60(5) of the Act.

[60] Therefore, based on the August 22, 2025, vacate date in the Notice and the Act's deeming provisions, I find that the tenancy ended on August 22, 2025. Despite the Tenants stating they moved out on August 2, 2025, I note that vacating a Unit does not automatically end the tenancy.

[61] Additionally, despite the Tenants stating that they vacated due to experiencing issues with the Unit, the Tenants were still required to pay rent under subsection 19(1) of the Act, which states:

A tenant shall pay rent when it is due under the tenancy agreement, whether or not the landlord complies with this Act, the regulations or the tenancy agreement, unless the tenant has an express right under this Act to deduct or withhold all or a portion of the rent.

[62] I find that the Landlord has established that the Tenants owe the Landlord rent for the period from August 1 to August 22, 2025 (22 days / 31 days x \$2,000.00), in the amount of \$1,419.35.

[63] Furthermore, as the Tenants had vacated the Unit by the vacate date of August 22, 2025, and were not overholding, I find that the Landlord has not established that the Tenants owe rent past this date. The Landlord's remaining rent owing claims are denied.

CONCLUSION

[64] The Tenants' compensation claims are denied.

[65] I find that the Landlord has established a rent owing claim in the amount of \$1,419.35.

[66] The Landlord must return the security deposit balance to the Tenants in the amount of \$147.22.

[67] My calculations are as follows:

Item	Amount
Rent owing	\$1,419.35
Security deposit	(\$1,500.00)
Interest on \$500.00 (Jan. 26/24 – Feb. 29/24)	(\$1.05)
Interest on \$1,000.00 (Mar. 1/24 – Apr. 3/24)	(\$2.03)
Interest on \$1,500.00 (Apr. 4/24 – Jan. 8/26)	(\$63.49)
Total	(\$147.22)

IT IS THEREFORE ORDERED THAT

1. The Landlord will keep \$1,419.35 of the security deposit for rent owing.
2. The Landlord must return the security deposit balance to the Tenants, in the amount of \$147.22, by February 9, 2026.

DATED at Charlottetown, Prince Edward Island, this 8th day of January, 2026.

(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.