

INTRODUCTION

- [1] This decision determines two applications 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 the Tenants’ security deposit, including interest and additional compensation for rent owing, damage and cleaning, in the total amount of \$11,750.00.

DISPOSITION

- [3] The Landlord has established its claim for rent owing, in the total amount of \$9,400.00.
- [4] The Landlord will keep the Tenants’ security deposit, including interest, in the amount of \$2,401.89. The Tenants must pay the Landlord the remaining balance, in the amount of \$6,998.11 by the timeline below.

BACKGROUND

- [5] The Unit is a three-bedroom, two-bathroom half of a duplex (the “Residential Property”) owned by the Landlord.
- [6] On March 1, 2025 the parties entered into a fixed-term *Form 1 Standard Form of Rental Agreement* for the period of March 1, 2025 to February 28, 2026. Rent in the amount of \$2,350.00 was due on the first day of the month. A \$2,350.00 security deposit was paid.
- [7] On June 29, 2025 the Tenants gave the Landlord notice that they intended to vacate the Unit by July 31, 2025 due to financial hardship.
- [8] On July 31, 2025 the Tenants vacated the Unit.
- [9] On August 5, 2025 the Landlord’s representative (the “Representative”) filed a *Form 2(B) Landlord Application to Determine Dispute* (the “Security Deposit Application”) with the Rental Office seeking to keep the Tenants’ security deposit for damage and cleaning. The Security Deposit Application was served to the Tenants on August 6, 2025.
- [10] On August 5, 2025 the Representative filed another *Form 2(B) Landlord Application to Determine Dispute* (the “Rent Owing Application”) with the Rental Office seeking rent owing, in the total amount of \$9,400.00. The Rent Owing Application was served to the Tenants on August 6, 2025.
- [11] On August 11, 2025 the Landlord amended the Security Deposit Application and served it to the Tenants.
- [12] On October 22, 2025 the Landlord amended the Rent Owing Application and served it to the Tenants. Collectively, the Security Deposit Application and the Rent Owing Application are referred to as the “Applications.”
- [13] On October 29, 2025 the Rental Office emailed the parties notice of a teleconference hearing scheduled for December 4, 2025.
- [14] On November 27, 2025 the Rental Office emailed the parties a 110-page PDF evidence package (“EP”).
- [15] On December 4, 2025 the Representative and the Tenants joined the teleconference hearing for determination of the amended Applications. The parties confirmed that they received the evidence package and confirmed that all evidence submitted to the Rental Office was included.

[16] During the hearing the Representative removed the damage and cleaning claims.

ISSUE

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

ANALYSIS

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

[18] The Landlord seeks rent owing against the Tenants, in the total amount of \$9,400.00. The amount is calculated at the monthly rate of \$2,350.00 from July 2025 to October 2025.

[19] For the reasons below, I find that the Landlord's evidence establishes a valid rent owing claim against the Tenants in the total amount of \$9,400.00.

Summary of the Evidence

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

[21] The Representative stated that the Tenants provided insufficient notice under a fixed-term agreement. The Representative stated that the Tenants vacated the Unit on July 31, 2025 without paying July 2025 rent. The Representative stated that he advertised the Unit once the Tenants provided their notice. The Representative stated that he received 28 requests for a rental application. However, only 2 applications were completed. One of the applicants failed to attend the viewing of the Unit.

[22] The Representative stated that the Unit was re-rented on November 1, 2025.

[23] The Representative stated that the Tenants did not show up for the move-out inspection and did not agree to end the tenancy early or to apply the security deposit to the rental arrears at the time.

[24] Included in the Landlord's evidence were screen shots of the Facebook Marketplace and Kijiji advertisement for the Unit and the other rental unit on the Residential Property. The Representative stated that while the Unit was being advertised for rent, the Residential Property was also on the market for sale. The Representative stated that the Residential Property was only being sold to potential investors.

[25] The Tenants evidence was summarized and presented by the Tenants.

[26] The Tenants stated that due to financial hardship they gave the Landlord notice that they were vacating the Unit before the fixed-term end date. The Tenants stated that they allowed the Landlord to keep the security deposit for July 2025's rent.

[27] The Tenants stated that the Landlord made no genuine effort to re-rent the Unit because the focus was to sell the Residential Property.

Determination

[28] I find that the evidence establishes that the Tenants owe rent from July 2025 to October 2025.

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

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.*

[30] The evidence establishes that the tenancy agreement was for a fixed-term with an end date of February 28, 2026. The Tenants gave notice on June 29, 2025 and vacated the Unit on July 31, 2025. This was insufficient notice under subsection 55(3) because the earliest end date was February 28, 2026 under clause 55(3)(b).

[31] Further, I find that the evidence does not establish that the Landlord agreed to end the tenancy early. I find that in a July 17, 2025 email, a representative of the Landlord stated (EP 85):

*“Good morning,
I’m sorry to hear of your unfortunate situation. After the final walk through on the 31st of this month, it will then be determined if your security deposit can be applied to July’s rent. Our attempts at finding a new suitable tenant to move in for August 2025 continue to be unsuccessful. Once the results of the final walk through are discussed, you will hear from us on what the next steps will be.”*

[32] As a result, I find that the Tenants owe the Landlord July, August, September and October 2025 rent. I find that the evidence establishes that the Landlord has taken adequate steps in mitigating its losses under section 46.

[33] The Applications are allowed.

[34] The Landlord has established its claim for rent owing, in the total amount of \$9,400.00.

[35] The Landlord will keep the Tenants’ security deposit, including interest, in the amount of \$2,401.89. The Tenants must pay the Landlord the remaining balance, in the amount of \$6,998.11 by the timeline below.

IT IS THEREFORE ORDERED THAT

1. The Landlord will keep the Tenants’ security deposit, including interest, in the amount of \$2,401.89.
2. The Tenants must pay the Landlord \$6,998.11 by March 16, 2026.

DATED at Charlottetown, Prince Edward Island, this 14th day of January, 2026.

(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.