

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 Landlord seeks to retain \$409.88 of the security deposit for damages and utilities.

DISPOSITION

- [3] The Landlord has not established their claims.
- [4] The Landlord must return the security deposit, including interest, of \$766.76 by the timeline below.

BACKGROUND

- [5] The Unit is a room with shared common facilities in a building owned by the Landlord (the “Residential Property.”)
- [6] On March 27, 2025, the Landlord and the Tenant entered into a written fixed-term tenancy agreement for the Unit, commencing on April 1, 2025, and ending on April 30, 2026. The monthly rent was \$750.00 due on the first day of the month, and a \$750.00 security deposit was paid on March 27, 2025.
- [7] The Tenant moved out of the Unit on August 31, 2025, and the tenancy ended by mutual agreement.
- [8] On September 12, 2025, the Landlord filed a *Form 2(B) Landlord Application to Determine Dispute* (the “Application”) with the Rental Office seeking to keep part of the security deposit for damages and utilities. The Tenant was served the Application by email on September 12, 2025.
- [9] On December 4, 2025, the Rental Office sent the parties notice of a teleconference hearing scheduled for January 20, 2026.
- [10] On January 7, 2026, the Rental Office sent the parties a 74-page PDF evidence package.
- [11] On January 20, 2026, the Landlord’s representative (the “Representative”) and the Tenant participated in a teleconference hearing. The parties confirmed receipt of the evidence package and that all evidence they had submitted to the Rental Office was included.
- [12] After the hearing, the parties submitted additional evidence, which was shared with the other party and added to the record.

ISSUE

- A. Has the Landlord established compensation claims against the Tenant?

ANALYSIS

- [13] The Representative stated that the Landlord is seeking to keep \$409.88 of the security deposit. The Landlord is seeking \$300.00 for repairs and \$109.88 in electricity expenses. None of the security deposit has been returned to the Tenant.
- [14] The Representative stated that the Tenant broke a faucet and damaged the walls, an interior door, and the flooring. He stated that the Landlord received an oral repair estimate from a handyman to repair the damage; however, none of the damage has been repaired yet.
- [15] The Representative stated that the Landlord had checked the Unit on April 1, 2025, before the Tenant moved in; however, he is unsure whether the inspection was conducted in person or via video call. He stated that the Unit was in good condition before the Tenant moved in.
- [16] The Representative stated that when the Tenant moved in, the Landlord was not present but had asked the Tenant to let the Landlord know of any damage in the Unit. The Representative stated that the Tenant did not inform the Landlord of any damages. The Representative stated that no move-in inspection report was completed.
- [17] The Representative stated that the Landlord inspected the Unit in person on August 25, 2025, and found that a faucet was broken. The Landlord offered to fix it for free if the Tenant paid for the parts. The Representative stated that the Tenant told the Landlord that she would fix it herself, but it was not repaired.
- [18] The Representative stated that after the Tenant moved out, the Landlord found damage to the walls, the door, and the flooring. He stated that he is unsure whether the Landlord personally inspected the Unit after the Tenant moved out, or who took the photos of the damage in evidence.
- [19] The Representative stated that the Tenant owes \$109.88 in unpaid electricity expenses. He stated that all the tenants in the Residential Property shared the electricity expenses. He stated that another tenant complained that electricity costs increased around June 2025 because the Tenant was using the heat pump in her Unit for air conditioning.
- [20] The Representative stated that the Tenant was the only one with a heat pump in the Residential Property. He stated that the Tenant agreed to pay 20% of the Residential Property's electricity costs for June, July, and August 2025, totalling \$109.88.
- [21] The Tenant stated that she caused some minimal wall damage where she hung some items, but denied causing the other damages the Landlord is claiming. The Tenant stated that the faucet came off due to repeated wear and tear and was not damaged by her, so she refused to pay for it. The Tenant stated that the photos in evidence were taken by a tenant who moved into the Unit after she moved out, who then sent them to the Landlord.
- [22] The Tenant stated that she didn't pay attention to the walls when she moved into the Unit. She stated that she assembled all her furniture in the Unit and didn't damage the walls. She stated that the wall damage must have occurred before she moved in.
- [23] The Tenant stated that there was nothing in the tenancy agreement that prohibited her from using the heat pump. She stated she never spoke to the Landlord about using the heat pump when she moved in. She stated that nine tenants lived in the Residential Property, and only one tenant complained about the increased electricity costs. The electricity costs were split evenly among the tenants each month.
- [24] The Tenant stated she did not agree to pay any increased electricity costs without proof. She stated that other tenants may have been using different devices in their rooms and that she should not be held responsible for any extra costs incurred because she used the heat pump.

Damages

- [25] Clause 39(2)(a) of the Act states:
(2) *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.*
- [26] The Landlord has the onus to prove their claims against the Tenant 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.
- [27] All tenancy agreements commencing on or after April 8, 2023, require a pre-tenancy and post-tenancy inspection report to be completed under sections 18 and 38 of the Act. However, the Representative stated that a pre-tenancy inspection report was not completed with the Tenant at the beginning of the tenancy.
- [28] The parties agreed that the Landlord asked the Tenant to report any pre-existing damage upon moving into the Unit. However, I note that this is not a tenant's responsibility under the Act. As such, I have insufficient evidence to establish the condition of the Unit at the time the Tenant moved in.
- [29] Furthermore, there is insufficient evidence that the Landlord inspected the Unit with the Tenant at the end of the tenancy or that the Landlord completed a post-tenancy inspection report. The Tenant stated that a tenant who moved into the Unit after the Tenant moved out took photographs of the Unit and sent them to the Landlord.
- [30] There is also insufficient evidence of what damages, other than the faucet, the Landlord may have observed in the Unit during their August 25, 2025, inspection. The Representative stated that the Landlord addressed the damaged faucet with the Tenant during the inspection, and there is insufficient evidence of any other damage the Landlord may have observed.
- [31] In Order LR25-12, the Island Regulatory and Appeals Commission (the "Commission") made the following comments regarding landlords who fail to complete the inspection reports according to the Act (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] I find that the Landlord has provided insufficient evidence to establish that the Tenant left the Unit damaged beyond reasonable wear and tear upon moving out. As noted above, because I have insufficient evidence to establish the Unit's pre-tenancy condition, it is unclear whether the damages in the Landlord's evidence existed at the beginning of the tenancy.

- [33] Despite the Tenant stating that she caused wall damage by hanging items in the Unit, I find that the photographs in evidence do not establish that the damage depicted was beyond reasonable wear and tear. Furthermore, there is insufficient evidence of the Landlord's estimated cost to repair the "damage."
- [34] As noted by the Commission, the onus to establish damage claims rests on the Landlord, and a failure to comply with sections 18 and 38 "raises the bar" with regard to the evidence submitted to support the Landlord's claim. In this case, I find that the Landlord has provided insufficient evidence to support their damage claims.

Electricity

- [35] The Representative stated that the Tenant owes \$109.88 in electricity expenses from June, July, and August 2025, for using the heat pump in the Unit. He stated this expense equals 20% of the Residential property's electricity costs for those months.
- [36] I note that the tenancy agreement states that electricity is an excluded service. However, I find that there is no clause in the tenancy agreement that restricts the Tenant from using the heat pump in the Unit. There is also nothing in the tenancy agreement that sets out how electricity costs were to be divided among the nine tenants living in the Residential Property. Based on the Tenant's evidence, the electricity costs were split evenly among the tenants each month.
- [37] Furthermore, I find that the Representative has provided insufficient evidence to establish that the Tenant's usage of the heat pump would equate to 20% of the overall electricity costs in the Residential Property. I find that the Representative has not established how much electricity the other tenants in the Residential Property used during that timeframe, relative to the Tenant's electricity use. This claim is denied.

IT IS THEREFORE ORDERED THAT

1. The Landlord must return to the Tenant the security deposit, including interest, of \$766.76 by March 11, 2026.

DATED at Charlottetown, Prince Edward Island, this 11th day of February, 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.