

INTRODUCTION

- [1] This decision determines three applications filed with the Residential Tenancy Office (the "Rental Office") under the *Residential Tenancy Act* (the "Act").
- [2] The Landlord seeks to keep the Tenant's security deposit plus additional compensation for rent owing, in the total amount of \$1,900.00.
- [3] The Tenant seeks one-month's rent and moving expenses under section 72 of the *Act* and the return of the security deposit, including security deposit interest, in the total amount of \$4,631.26.

DISPOSITION

- [4] I find that the Tenant owes the Landlord rent in the amount of \$1,900.00.
- [5] The Tenant has established claims for section 72 compensation and the security deposit totaling \$4,631.26.
- [6] These amounts offset. The Landlord must pay the Tenant the net amount of \$2,731.26 by the timeline below.

BACKGROUND

- [7] The Unit is a one-bedroom, one-bathroom condominium unit that the Landlord has owned since early November of 2023. There are five units in the building and the Landlord owns solely the Unit.
- [8] The Landlord and the Tenant entered into a written, fixed-term tenancy agreement from December 1, 2023 to April 30, 2025. A security deposit of \$1,000.00 was paid in two installments of \$500.00. The first installment was paid around November 1, 2023 and the second was paid around December 1, 2023. Rent in the amount of \$1,900.00 was due on the first day of the month.
- [9] On December 26, 2024 the parties extended the fixed-term to August 31, 2025.
- [10] On April 21, 2025 the Landlord emailed the Tenant providing "*official notice*" that the tenancy agreement would end on August 31, 2025.
- [11] On July 31, 2025 the Tenant sent the Landlord an email which stated in part as follows:

"As you must be aware, the PEI Residential Tenancy Act states when the Landlord is terminating the lease for their own personal use, the Landlord is obligated to pay one(1) month's rent plus reasonable moving expenses incurred by the Tenant up to a maximum of one months rent.

I have reviewed the circumstances of our tenancy with the Office of the Director of Residential Rental Property (Rental Office) and they agree with my conclusions that you would owe me one months rent and reasonable moving expenses.

I am choosing to not pay the August 1 rent to soften the blow of this one months rent financial obligation on your part, leaving only the return of the damage deposit (conditional on inspection) and the costs of the moving expenses to be paid."

- [12] The Tenant did not pay August 2025 rent.
- [13] On August 11, 2025 the Landlord filed a first *Form 2(B) Landlord Application to Determine Dispute* with the Rental Office seeking rent owing for August 2025 in the amount of \$1,900.00. The particulars of this application state in part:

"...The fixed term was defined from the beginning of our agreement and the tenant has known the end date of the agreement since signing the agreement.

The agreement is coming to its end this month – 31 Aug 2025. The tenant was also given written email 'reminder' notice, four months in advance of the end date of the lease.

He also signed this fixed-term agreement, agreeing to the terms of the lease, which also identified the end date of the lease.

As part of the agreement, the tenant agreed to pay the rent monthly via e-transfer, on the first day of the month, each and every month that was part of the fixed-term lease.

The tenant emailed me on 31 July 2025 and claimed that because I 'terminated the rental agreement', I would have to pay his moving expenses, and to 'soften the blow' of this, he was not paying his August 2025 rent.

I have not terminated his lease. The fixed-term lease agreement is coming to an end..."

- [14] On August 31, 2025 the Tenant moved out of the Unit.
- [15] On September 10, 2025 the Landlord filed a second *Form 2(B) Landlord Application to Determine Dispute* (the "Application") with the Rental Office seeking to keep the Tenant's security deposit plus additional compensation for the rent owing.
- [16] On October 22, 2025 the Rental Office sent the parties notice of a teleconference hearing scheduled for December 2, 2025.
- [17] On November 26, 2025 the Rental Office provided the parties with a 27-page PDF evidence package.
- [18] On December 1, 2025 the scheduled hearing was postponed at the Landlord's request.
- [19] On December 18, 2025 notice of a rescheduled teleconference hearing was sent to the parties for a hearing on January 13, 2026.
- [20] On January 13, 2026 the scheduled hearing was postponed at the Tenant's request. Notice of a rescheduled hearing was sent to the parties for a hearing on January 15, 2026.
- [21] On January 15, 2026 the Landlord, the Tenant and the Tenant's witness ("JS") participated in the teleconference hearing. The parties stated that all evidence submitted to the Rental Office was included in the evidence package.
- [22] The Tenant was permitted to file an application after the hearing regarding the section 72 compensation that was referred to in the Tenant's July 31, 2025 email and in the particulars of the Landlord Application. The parties were provided an opportunity to provide additional evidence and written submissions regarding these claims.
- [23] On January 19, 2026 the Tenant filed a *Form 2(A) Tenant Application to Determine Dispute* requesting compensation of one month's rent and moving expenses under section 72 of the *Act* and the return of the security deposit.
- [24] The parties provided additional evidence and submissions up until February 27, 2026.

ISSUES

- A. Does the Tenant owe the Landlord August 2025 rent?
- B. Does the absence of a *Form 4(B) Eviction Notice* prevent the Tenant from receiving one month's rent and moving expenses compensation under section 72?
- C. Is the Tenant ineligible for section 72 compensation based upon agreements between the parties?

ANALYSIS**A. Does the Tenant owe the Landlord August 2025 rent?**

- [25] The evidence of both parties establishes that the Tenant did not pay the Landlord August 2025 rent.
- [26] I find that the Landlord has established a rent owing claim against the Tenant in the amount of \$1,900.00.

B. Does the absence of a *Form 4(B) Eviction Notice* prevent the Tenant from receiving one month's rent and moving expenses compensation under section 72?

- [27] The Tenant seeks one-month's rent and moving expenses compensation because the Tenant moved out of the Unit for the Landlord's occupation.
- [28] Section 62 of the *Act* permits a landlord to end a tenancy agreement where the landlord or an eligible family member will be moving into a rental unit.
- [29] Sections 72 and 73 provide the compensation rules regarding a termination notice under section 62, stating as follows:

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.

Where the landlord is required to compensate a tenant under section 70, 71 or 72, the landlord shall compensate the tenant no later than the termination date specified in the notice of termination of the tenancy given by the landlord.

- [30] Subsection 6(1) of the *Residential Tenancy Regulations* limits the moving expenses amount as follows:
- For the purposes of subsections 70(1) and (2) and sections 71 and 72 of the Act, reasonable moving expenses are the lesser of the actual expenses of the move or one month's rent.*

- [31] The evidence presented establishes that the Tenant moved out of the Unit because the Landlord notified that Tenant that the Landlord was moving in. I turn to the correspondence provided by the Landlord.
- [32] On November 10, 2024 the Landlord sent the Tenant and JS the following email:

"Good day [Tenant] and [JS],

I'm dropping this line to share information and with a few questions! I am starting to formulate my moving plans for 2025.

I know we currently have a rental contract until 30 April 2025. My arrival to Charlottetown may be changing from that date - to later in the year, and I am wondering if you would be interested in extending our contract?

I am unsure right now the exact date of arrival - perhaps a few months later than the end of April 2025. That being said, I will have my date finalized by Christmas time. It will definitely be at least the end of May 2025, and perhaps even a month or two later than that.

I wanted to reach out right away to gauge your interest in extending our contract, and also give you time to think about it during the next month.

According to the Landlord and Tenant's Act, I am required to provide a minimum of four months notice to vacate, even though we have a contract with the occupancy dates spelled out. If we come to a new agreement in the weeks ahead, legally we can amend our contract with the updated date to vacate.

I wanted to get this information to you as quickly as possible, as I assumed you would likely be starting to think about securing a new place to live - based on our current contract. So do let me know if this extension could/would be of interest to you. And as soon as I have a specific date (by Christmas time absolute latest), I will communicate that with you.

Thanks, [Landlord]"

[33] On November 12, 2024 the Tenant and JS responded to the Landlord as follows:

Hi [Landlord],

Thanks for reaching out to us with this new information, re: end date of lease. We're very interested (have been checking out future rentals, even though it's a bit pre-mature for our time frame), so will look forward to hearing from you around Christmas time, or earlier as to more definitive dates for our lease with you.

Sincerely,

[JS] & [Tenant]"

[34] On December 26, 2024 the Landlord and the Tenant amended the tenancy agreement, extending the fixed-term to August 31, 2025.

[35] On April 21, 2025 the Landlord sent the Tenant and JS an email which stated in part:

"This email constitutes official notice of the upcoming conclusion of our tenancy agreement for [Unit] effective 31 August 2025. As per our current agreement and within the framework of the PEI Landlord and Tenant Act, this email confirms you will appropriately vacate the premises by end of day 31 of August 2025, including removal of all your personal belongings from the Unit, the storage area in the building that may contain any of your possessions, and any other personal items anywhere on the property..."

[36] The parties agree that the Landlord did not serve the Tenant with the approved eviction form, being a Form 4(B) Eviction Notice.

- [37] In Order LR25-57 the Island Regulatory and Appeals Commission (the “Commission”) determined a section 72 compensation claim for a purchaser’s occupation of a rental unit where the termination notice had a validity issue. The Commission stated in part as follows (paragraph 39):

*“With respect, the Commission finds that the compensation required by section 72 may not be an automatic liability of a landlord that is due in all circumstances. **For example, an analysis should be done to determine whether the termination notice was even valid.** On this point, the Commission notes that the Eviction Notice in the present case did not include the affidavit required under subsection 63(3).”*

[Emphasis added.]

- [38] In accordance with this Commission decision, I will consider the validity of the Landlord’s notice and its impact on the Tenant’s right to compensation.

- [39] A section 62 eviction notice for a landlord’s occupation of a rental unit does not require an affidavit.

- [40] However, section 53 of the *Act* sets out the following mandatory requirements for a valid eviction notice:

In order to be effective, a notice of termination shall be in writing and shall
(a) be signed and dated by the landlord or tenant giving the notice;
(b) give the address of the rental unit;
(c) state the effective date of the notice;
(d) except for a notice of termination under section 56, state the grounds for ending the tenancy;
(e) be given to the other party in accordance with section 100; and
(f) when given by a landlord, be in the approved form.

- [41] In Order LR24-66 the Commission determined a matter where a tenant had filed an application disputing an eviction notice. The Commission determined that non-compliance with section 53 invalidates an eviction notice. In particular, the Commission considered non-compliance with the signing requirement in subsection 53(a), stating as follows (paragraph 19):

*“In addition, the Form 4(A) eviction notice, dated July 30, 2024 and received by the Rental Office by email on August 23, 2024 (Exhibit E-8) was unsigned. Pursuant to clause 53(a) of the Act, a notice of termination shall be signed by the landlord in order to be effective. There is no signed version of this document in evidence before the Commission. **Without a signed Form 4(A) in evidence, the eviction fails on that point alone.**”*

[Emphasis added.]

- [42] In Order LR24-53 the Commission determined a matter, similar to the dispute between the Landlord and the Tenant, where bad faith compensation was sought against a landlord who had not served a *Form 4(B) Eviction Notice*. The Commission stated as follows:

“33. *The Commission agrees with the finding of the Residential Tenancy Officer that there was no document provided to the Tenants that can be considered a “notice of termination”; however, the evidence is undisputed that by January 7, 2024, at the latest, both parties clearly knew and understood the Tenants had to move out by May 2024 because the Landlord was moving in. The Landlord’s own evidence was that the Landlord’s Agent gave appropriate notice per section 62 of the Act, and that, in fact, he gave more notice than was required per subsection 62(4).*

34. *We note that section 53(f) of the Residential Tenancy Act requires that where a landlord gives a notice of termination, that notice shall be in the approved form. In this case, the*

Landlords did not follow the Act and did not give the Tenants a notice of termination on the approved form. However, in the Commission's opinion, the Landlords' failure to follow section 53(f) the Act in giving the Tenants notice of the termination cannot then shield the Landlords from their other obligations under the Residential Tenancy Act to terminate tenancies in good faith and in accordance with the provisions of the Act. To find otherwise would allow the Landlords, and others, to benefit from their own failure to follow the requirements of the Act, and would lead to an unreasonable application of the Residential Tenancy Act in these circumstances.

35. *The Commission, therefore, finds that the Landlords gave notice to the Tenants, under section 62, that the tenancy would be terminated for the Landlord's own use by May 2024. It follows that the Commission does have authority to consider the Tenants' Application seeking compensation for a bad faith eviction under section 65 of the Act."*

[Emphasis added.]

- [43] Based upon Orders LR24-66 and LR24-53, an eviction notice that is non-compliant with section 53 of the Act may be invalid for the purposes of an eviction proceeding. However, a non-compliant notice does not necessarily prevent tenant compensation.
- [44] Order LR24-53 determined a bad faith compensation claim under section 65. However, the same reasoning applies to one-month's rent compensation and moving expenses under section 72. The Commission found that the Landlord essentially ended the tenancy under section 62, which is also the basis for compensation under section 72. The Commission suggested that the tenants could apply to the Rental Office for section 72 compensation (paragraph 26 of Order LR24-53).
- [45] For these reasons, I find that the absence of a *Form 4(B) Eviction Notice* does not prevent the Tenant from receiving section 72 compensation.
- [46] I note that the Ontario Landlord and Tenant Board came to a similar determination regarding compensation involving a void termination notice served for conversion of a rental unit to a non-residential use (*Re File No. SWT-09793-10*, 2010 ONLTB 102). The Board stated in part as follows:

"The notice served on the Tenants provided neither 120 days notice nor a termination date at the end of a period and was therefore void for termination.

However, in the case before me, the Landlords recognize that the Tenants vacated the rental unit in response to the notice of termination served by the Landlords and understand that the Landlord cannot rely on their failure to provide valid notice of termination to deny the Tenants rights as provided under s. 52 of the Act."

C. Is the Tenant ineligible for section 72 compensation based upon agreements between the parties?

- [47] The Landlord provided the following argument that the Tenant was not entitled to compensation based upon written agreement:

"As referenced at our hearing, and cited below, Section 52 of the Act stipulates: Where a tenancy agreement ends on a specific date and does not include an option to renew,... Exceptions: Subsection (1) does not apply (a) where the landlord and tenant have entered into a written agreement in accordance with subsection 51(3); which states: A landlord and a tenant may make a written agreement, other than a tenancy agreement, to end a tenancy.

The tenant and I had a fixed-term lease agreement from the start. The original agreement was signed in Nov of 2023, with a mutually-agreed to (and signed agreement by both

parties, agreeing to those details) end date of 30 April 2025. In December of 2024 both parties mutually agreed to (and signed the updated tenancy agreement to this effect) to extend the fixed-term lease agreement to the end of August 2025. There was never any alternate option(s) available.

The tenant knew this when he signed the agreement in November of 2023, so I am flabbergasted as to why his position has changed?"

[48] The Landlord essentially argued that the Tenant is ineligible for section 72 compensation because the Tenant agreed to an original fixed-term and an extended fixed-term.

[49] Subsection 1(g) of the *Act* defines a fixed-term tenancy as follows:

"fixed-term tenancy" means a tenancy under a tenancy agreement that specifies the date on which the term ends;

[50] The definition is based upon a specified date that the "term" ends.

[51] This is distinct from the date the "tenancy" ends, meaning "*a tenant's right to possession of a rental unit under a tenancy agreement*" (see subsection 1(v)).

[52] Unless there is an applicable exception, fixed-term tenancies continue at the end of the term, converting to monthly tenancies by operation of law under subsection 52(1).

[53] A tenancy agreement can end under subsection 51(3) through an agreement, as identified in the Landlord's argument, above. Such an agreement cannot be a tenancy agreement.

[54] The term of a tenancy agreement, whether it is periodic (e.g. monthly) or fixed, is a mandatory part of a written tenancy agreement. Clause 11(2)(i) of the *Act* states in part:

The landlord shall ensure that the tenancy agreement complies with the requirements of this Act and the regulations and includes

(i) the agreed terms in respect of

(i) the date on which the tenancy starts,

(ii) if the tenancy is a periodic tenancy, whether it is on a weekly, monthly or other periodic basis,

(iii) if the tenancy is a fixed-term tenancy, the date on which the term ends...

[55] Therefore, the Landlord cannot rely on the fixed-term in the tenancy agreement as a basis for the tenancy ending because the fixed-term is part of the tenancy agreement.

[56] I have reviewed the December 26, 2024 agreement and it is an amendment to the tenancy agreement, extending the fixed-term to August 31, 2025. An amendment to a tenancy agreement is part of a tenancy agreement.

[57] The exception in subsection 51(3) is inapplicable to this case. The tenancy agreement would not end just because the fixed-term was coming to an end. It would have converted to a monthly tenancy by operation of law.

[58] I note that, even if an agreement to end the tenancy existed that was not a tenancy agreement, I would question whether such an agreement could waive or release the Tenant's section 72 compensation rights. Section 5 of the *Act* provides the following tenant protection:

Except as specifically provided in this Act, a waiver or release by a tenant of the rights, benefits or protections under this Act is void and of no effect.

[59] Clause 52(2)(e) of the *Act* provides an exception to a fixed-term converting to a month-to-month agreement relating to a landlord's occupation of a rental unit. This clause excludes the following:

...premises ordinarily occupied by the owner of the premises and vacated by the owner for a period not exceeding seven months during a calendar year.

[60] The Tenants occupied the Unit for all 12 months in 2024 and 8 months in 2025. Therefore, the Landlord could not rely on clause 52(2)(e) to force the Tenant to move out at the end of the fixed-term.

[61] Based upon the evidence presented, I find that the Tenant accepted that the tenancy agreement was ending because the Landlord notified the Tenant that the Landlord was moving into the Unit at the end of the fixed-term. At the hearing the Landlord confirmed that they had in fact moved into the Unit.

[62] I find that the Tenant has established a claim for one-month's rent in the amount of \$1,900.00 plus moving expenses in the amount of \$1,675.00.

[63] The Tenant's security deposit, including interest, totals \$1,056.26, calculated as follows:

Item	Amount
Security Deposit	\$1,000.00
Interest (1 NOV 2023 to 30 NOV 2023)	\$0.99
Interest (1 DEC 2023 to 16 MAR 2026)	\$55.27
Total	\$1,056.26

[64] The amounts owing to the Tenant total \$4,631.26 (\$1,900.00 plus \$1,675.00 plus \$1,056.26).

CONCLUSION

[65] The Landlord has established a rent owing claim in the amount of \$1,900.00.

[66] The Tenant has established claims for section 72 compensation and the security deposit totaling \$4,631.26.

[67] These amounts offset. The Landlord must pay the Tenant the net amount of \$2,731.26 by the timeline below.

IT IS THEREFORE ORDERED THAT

1. The Landlord must pay the Tenant the net amount of \$2,731.26 by May 19, 2026.

DATED at Charlottetown, Prince Edward Island, this 16th day of March, 2026.

(sgd.) Andrew Cudmore

Andrew Cudmore
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.