

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 Tenants seek a return of rent, double the security deposit, and additional compensation, for a total claim of \$4,565.00.

DISPOSITION

- [3] The Landlord and the Respondent, who I find are jointly and severally liable, must pay each Tenant a return of rent and double the security deposit plus interest, for a total amount to the Tenants of \$2,681.08 or \$1,340.54 each.
- [4] The Tenants’ additional compensation claims are denied.

BACKGROUND

- [5] The Unit is an apartment in a multi-unit building owned by the Landlord.
- [6] On May 14, 2025, the Tenants and two other individuals (“P.K.” and “S.K.”) entered into a written fixed-term tenancy agreement with the Respondent for the Unit, effective from July 1, 2025, to December 31, 2025. Rent of \$1,800.00 was due on the first day of the month. A security deposit of \$1,800.00 was paid on May 14, 2025. The Tenants, P.K. and S.K., did not move into the Unit.
- [7] The Tenants are the only two applicants in this matter. P.K. and S.K. received a refund of their portion of the rent and security deposit from the Respondent and are not parties to this matter.
- [8] On July 10, 2025, the Tenants filed an amended *Form 2(A) Tenant Application to Determine Dispute* (the “Application”) with the Rental Office seeking a return of rent, a return of the security deposit, and additional compensation. The Tenants emailed a copy to the Respondent on the same date.
- [9] On August 22, 2025, the Rental Office sent the Tenants and the Respondent notice of a paper-based hearing with a first submission deadline of September 4, 2025.
- [10] On September 5, 2025, the Rental Office sent the Tenants and the Respondent a 20-page PDF evidence package with a response submission deadline of September 11, 2025.
- [11] On September 16, 2025, the Rental Office sent a 6-page PDF response evidence package to the Tenants and the Respondent.
- [12] On October 2, 2025, the Island Regulatory and Appeals Commission (the “Commission”) issued Order LR25-46, which is similar to this dispute, as it involved the Landlord, the Landlord’s representative (the “Landlord’s Representative”), the Respondent, and the Unit, but a different tenant (“C.M.”).
- [13] On October 14, 2025, the Director added the Landlord as a party to this matter under section 81 of the Act, and all parties were notified of the continuation of the paper-based hearing. A copy of the Application and all evidence submitted to date was sent to the Landlord. The Landlord was given a submission deadline of October 31, 2025.
- [14] On October 17, 2025, the Rental Office sent the parties a copy of Order LR25-46, which was added to the record as Director’s Evidence.
- [15] On October 31, 2025, the Landlord requested an extension to the evidence submission deadline. The Landlord was given an extended submission deadline of November 7, 2025.

- [16] On November 7, 2025, the Landlord requested another extension to the evidence submission deadline. The Landlord was given an extended submission deadline of November 14, 2025. Due to technical difficulties, the Landlord's evidence submission deadline was extended to November 27, 2025.
- [17] On November 28, 2025, the Rental Office sent the Landlord's additional evidence (135-page PDF) to the Tenants and the Respondent with a response submission deadline of December 10, 2025.
- [18] On December 10, 2025, the Respondent requested an extension to the evidence submission deadline. The Respondent was provided with an extended submission deadline of December 17, 2025.
- [19] On December 16, 2025, the Respondent requested another extension to the evidence submission deadline. The Respondent was provided with an extended submission deadline of December 22, 2025.
- [20] On December 23, 2025, the Respondent's additional evidence (8-page PDF) was sent to the Landlord and to the Tenants. The parties were notified that no further submissions would be accepted after this date.
- [21] I have reviewed all of the evidence submitted and prepared this Order.

ISSUES

- A. Was there a tenancy agreement between the Tenants, the Landlord, and the Respondent?
- B. Have the Tenants established their compensation claims for rent, security deposit, and additional compensation?

EVIDENCE

Tenants' evidence and submissions

- [22] The Tenants stated they are each seeking a return of the \$450.00 security deposit and \$430.00 in rent. The Tenants are also seeking compensation of \$805.00 for moving costs, \$500.00 for transportation and food, and \$1,500.00 for rent at a new apartment, for a total amount of \$4,565.00.
- [23] The Tenants stated that on May 14, 2025, the Tenants, P.K., and S.K., entered into a tenancy agreement with the Respondent for the Unit. The Tenants, P.K., and S.K. paid a \$1,800.00 security deposit and \$1,750.00 for the first month's rent.
- [24] The Tenants stated that before they could move into the Unit, the Respondent informed them that the Unit was no longer available for rent. The Tenants were given reasons such as possible fire damage or the previous tenants' failure to vacate the Unit.
- [25] The Tenants did not wish to surrender their right to the Unit and refused a refund until they spoke with the Rental Office, but P.K. and S.K. chose to remove their names from the tenancy agreement. The Tenants stated the Respondent returned \$880.00 to P.K., but they are unsure of the arrangement made between the Respondent and S.K. The Tenants stated that they have not received any money from the Respondent or Landlord.
- [26] The Tenants stated that they could not move into the Unit, and they had to find a different place to live. The Tenants stated they were also seeking compensation of \$805.00 for moving costs, \$500.00 for transportation and food, and \$1,500.00 for rent at a new apartment.

Landlord's evidence and submissions

- [27] The Landlord's Representative stated that since 2023, she has often been approached by property managers seeking to rent properties at bulk prices.
- [28] The Landlord's Representative stated that she first met the Respondent in March 2023, and the Respondent told her that he was a property manager. In early March 2025, the Respondent contacted the Landlord's Representative and asked whether she had any vacant properties available for rent. The Respondent told her that he wanted to rent properties at bulk prices for subletting.
- [29] The Landlord's Representative submitted messages sent by the Respondent in May 2025, which stated:
- "Are there any other apartments? I do have many clients at this time, but the issue is that we need good apartments..." and "Also, keep me posted if more apartments come up."*
- [30] The Landlord's Representative stated that between March 2025 and May 2025, the Respondent rented four properties from her, which included the Unit. She stated that only one written agreement was signed between the Respondent and the Landlord's Representative, and no written agreements were signed for the other three properties, including the Unit.
- [31] The Landlord's Representative stated that on May 9, 2025, and May 13, 2025, the Respondent paid her \$500.00 and \$1,300.00 in "deposits" for the Unit. The Landlord's Representative stated that she told the Respondent he could take possession of the Unit on June 1, 2025, because he told her he had a subtenant (C.M.) ready to move in on that date.
- [32] The Landlord's Representative stated that on June 16, 2025, she messaged the Respondent to inform him that he was overdue in paying rent for the four rental properties, stating:
- "You have too much payment didn't pay, owner is is very dissatisfied with my work" and "I know your family in the hospital, but I don't wanna lost my job."*
- [33] The Landlord's Representative stated that in June 2025, the Respondent paid \$7,000.00 toward rental arrears for the four rental properties, but he still owed \$6,100.00. In July 2025, the Respondent was \$12,700.00 in arrears.
- [34] The Landlord's Representative messaged the Respondent, stating, *"You have a lot of units with unpaid rent right now..."* The Respondent replied, stating, *"I know, and I do understand business. Sorry about that."*
- [35] The Landlord's Representative stated that on or about July 10, 2025, she learned that on May 8, 2025, the Respondent had signed a six-month tenancy agreement with C.M. for the Unit. The Respondent also received \$7,200.00 in advance rent payments from C.M., without the Landlord's Representative's knowledge or approval.
- [36] The Landlord's Representative stated that until the Rental Office notified her of this matter, she did not know the Respondent had also entered into a separate tenancy agreement with the Tenants for the Unit. She stated that she had not received any of the Tenants' funds from the Respondent.

Respondent's evidence and submissions

- [37] The Respondent stated that there was never a written contract between himself and the Landlord's Representative. The Respondent stated that he was only a manager/commission-based agent for the Landlord's Representative with respect to the Unit and other rental units, and that he did not have any decision-making authority. The Respondent stated that he is still owed his commissions.
- [38] The Respondent stated tenants would pay him the security deposit and rent for rental units; however, the funds were then handed over in cash or transferred directly to the Landlord's Representative or the Landlord. He stated that any mishandling of funds would be the Landlord's Representative's responsibility.
- [39] The Respondent stated that the e-Transfer payments listed in evidence by the Landlord's Representative are accurate but incomplete. He stated that additional payments were made in cash, which was common because the Respondent had cash income from another business that he owned. The amounts the Landlord's Representative describes as "arrears" were paid in cash to the Landlord's Representative.
- [40] The Respondent stated that lease termination or cancellation emails were sent from his company's email address due to minor rent delays, incomplete documentation, income verification concerns, or lease executions not finalized. The Respondent stated that he believed that some tenants were not finalized, that management was refunding deposits, and that he was acting in coordination with management.
- [41] The Respondent stated that regarding the Tenants and the Unit, four tenants initially signed the tenancy agreement. The rent paid was \$1,750.00, and the security deposit paid was \$1,800.00. The Respondent stated that he showed the Unit on behalf of the Landlord's Representative and told the Tenants that he was only a property manager.
- [42] The Respondent stated that a few days before the Tenants were scheduled to move into the Unit, he was told by management that there may have been a "fire incident" or an "issue" at the Unit. The Respondent stated that the Landlord's Representative told the Respondent that, if any delay occurred, the Tenants would be provided with temporary hotel accommodations or another apartment. Their transportation costs would also be covered until the situation was resolved.
- [43] The Respondent stated that on June 30, 2025, he allowed the Tenants into the Unit with his master key. The Respondent stated that he found no evidence of a fire and that the current tenants were still residing there.
- [44] The Respondent stated that the Landlord's Representative told him that, because the Tenants had not waited until July 1, 2025, and had altered their decisions at the last moment, the Landlord could not honour their tenancy agreement. The Landlord's Representative told him that she had found other tenants for July 2025 and had agreed to refund the security deposit and rent to the Tenants, P.K., and S.K.
- [45] The Respondent stated that on July 1, 2025, he refunded \$880.00 each to P.K. and S.K. from his personal account. The Tenants refused a refund at that time. The Respondent stated that he assisted the Tenants in moving to a new apartment by moving a mattress, arranging a U-Haul, and paying their moving costs and one month of temporary storage. He stated that the Landlord has not reimbursed him for these costs.

ANALYSIS**A. Was there a tenancy agreement between the Tenants, the Landlord, and the Respondent?**

[46] Subsections 1(h) and (x) of the Act define a landlord and tenant as follows:

(h) **“landlord”**, in relation to a rental unit, includes

(i) the owner of the rental unit, the owner’s agent or another person who, on behalf of the owner,

(A) permits occupation of the rental unit under a tenancy agreement, or
(B) exercises powers and performs duties under this Act or a tenancy agreement,

(ii) the heirs, assigns, personal representatives and successors in title to the owner,

(iii) a person, other than a tenant occupying the rental unit, who

(A) is entitled to possession of the rental unit, and

(B) exercises any of the rights of a landlord under a tenancy agreement or this Act in relation to the rental unit, and

(iv) a former landlord, as the context requires.

(x) **“tenant”** includes

(i) a person who is entitled to use or occupy a rental unit under a tenancy agreement,

(ii) the assigns and personal representative of a person referred to in subclause (i), and

(iii) when the context requires, a former or prospective tenant.

[47] In Order LR25-46, the Commission determined a similar matter that also involved the Landlord, the Landlord’s Representative, the Respondent, and the Unit, but a different tenant (C.M.). The Commission stated as follows:

*“37. ... the Commission finds that [the Respondent] was, **at the time the Agreement was entered into, acting as either an agent or another person on behalf of the property owner, thus meeting the definition of “landlord” under the Act** [emphasis added]. We are satisfied that, based on the evidence we heard, [the Landlord’s Representative] was the representative of the Landlord, but [the Landlord’s Representative] had undertaken an arrangement with [the Respondent] to assist her in marketing several rental units, including the Rental Unit at issue in this appeal. In effect, it would seem that there was a chain of representation with [the Respondent] reporting to [the Landlord’s Representative] and [the Landlord’s Representative] reporting to the Landlord.*

38. At the Rental Office hearing it seems that [the Landlord’s Representative] purported that [the Respondent] was a “tenant”. However, the Commission notes that no evidence of any written tenancy agreement between the Landlord and [the Respondent] was provided to the Commission. Nor was there any evidence that [the Respondent] ever occupied the Rental Unit. Further, there is evidence before the Commission that [the Respondent] was involved with [the Landlord’s Representative] on several other units. The Commission, therefore, finds it untenable that [the Respondent] was truly a “tenant” of the Rental Unit, while also being involved with other units...

41. Accordingly, the Commission finds that [the Respondent] was not a tenant but rather was assisting [the Landlord’s Representative] and thus an agent or acting on behalf of the Landlord. Therefore, the Agreement entered into between [the Respondent] and [the tenant] was a tenancy agreement for the Rental Unit, not a subletting agreement...

47. In the Commission's opinion, any alleged lack of payment from [the Respondent] to the Landlord is a matter to be determined between them. A dispute between a landlord and an agent of a landlord is beyond the jurisdiction of the rental Office and the Commission..."

- [48] Similar to the Commission's finding, I find that the evidence supports that the Respondent entered into an arrangement with the Landlord's Representative to assist her in marketing several rental units, including the Unit owned by the Landlord. I further find that the evidence establishes that there was a chain of representation with the Respondent reporting to the Landlord's Representative and the Landlord's Representative reporting to the Landlord.
- [49] I find that the evidence establishes that, at the time the Respondent entered into the tenancy agreement with the Tenants, the Respondent was an agent or a person acting on behalf of the Landlord, making the Landlord liable to the Tenants.
- [50] I find that the Respondent also meets the statutory definition of a "landlord" as defined by the Act, also making the Respondent liable to the Tenants. The Respondent meets the statutory definition of a "landlord" because, on behalf of the Landlord, the Respondent agreed to permit the Tenants' occupation of the Unit under a tenancy agreement. Furthermore, the Respondent exercised the powers and performed the duties of the Landlord as defined by the Act by accepting a security deposit and rent from the Tenants for the Unit.
- [51] As the Landlord and the Respondent are both "landlords" within the statutory definition under the Act, I find that both the Landlord and the Respondent are jointly and severally liable in this matter.
- [52] Finally, I find that the evidence does not establish a written tenancy agreement between the Landlord and the Respondent for the Unit. There is no evidence that the Respondent occupied the Unit, and I find that the Respondent was not a "tenant" of the Unit.
- [53] The evidence does not support the Landlord's Representative's assertion that the tenancy agreement was only between the Respondent and the Tenants or that the Respondent was subletting the Unit to the Tenants.
- [54] I note that any alleged payment disputes directly between the Respondent and the Landlord and/or the Landlord's Representative are outside the Rental Office's jurisdiction.
- [55] These findings are also consistent with the Commission's findings in Order LR25-46.
- [56] Additionally, the evidence establishes that the Respondent listed an "operating name" as the landlord on the tenancy agreement. The Respondent provided no evidence that the operating name was a provincially or federally incorporated company at the time the tenancy agreement was entered into. As such, I find that the Respondent and the operating name are the same person in this matter.
- [57] Clause 11(2)(b) of the Act states that a landlord shall ensure that the tenancy agreement complies with the requirements of the Act, which includes "the correct legal names of the landlord and tenant." In this case, as the Respondent and the "operating name" are the same person, the Respondent represented himself as a landlord on the tenancy agreement.
- [58] Furthermore, because the Respondent represented himself as a landlord on the tenancy agreement, I find that the Respondent is prevented from now denying this fact.

B. Have the Tenants established their compensation claims?**Return of Rent and Security Deposit**

[59] Order LR25-46 states as follows:

"4. On May 8, 2025, [C.M.] paid [the Respondent] a security deposit of \$1,800.00. On that same day, [C.M.] also pre-paid rent for the month of June. [C.M.'s] employees moved into the Rental Unit on May 13, 2025, and on May 12, 2025, [C.M.] paid \$900.00 in pro-rated rent for the remainder of May 2025."

[60] Order LR25-46 involves the same rental unit as this matter and states that, on May 8, 2025, C.M. paid the Respondent a security deposit and prepaid rent for the month of June 2025. The Landlord's Representative submitted the tenancy agreement that the Respondent entered into with C.M. for the Unit as evidence. It is dated May 8, 2025, and was set to begin on June 1, 2025.

[61] Order LR25-46 states that on May 12, 2025, C.M. paid the Respondent \$900.00 in pro-rated rent for the remainder of May 2025, and on May 13, 2025, C.M.'s employees moved into the Unit.

[62] The Tenants submitted the tenancy agreement they entered into with the Respondent for the Unit as evidence, which is dated May 14, 2025, and was set to begin on July 1, 2025. On May 14, 2025, the Tenants also paid the Respondent the first month's rent and security deposit for the Unit. It was not until June 30, 2025, that the Tenants learned the Unit had already been rented to someone else.

[63] I find it problematic that the day after C.M. was given possession of the Unit, the Respondent entered into a tenancy agreement with the Tenants and accepted a security deposit and the first month's rent for the Unit. The Respondent then failed to tell the Tenants the Unit had been rented to someone else until June 30, 2025.

[64] Additionally, I find no evidence that the Tenants' rent or security deposit had been returned to them after they were notified that the Unit had been rented to someone else.

[65] Therefore, I find that the Tenants have established claims for a return of rent of \$430.00 each and for double the security deposit, including interest, as determined below, payable by the Landlord and the Respondent, who are jointly and severally liable to the Tenants.

[66] Section 40 of the Act addresses the retention and return of a security deposit:

- (1) *Except as provided in subsection (2) or (3), within 15 days after the date the tenancy ends or is assigned, the landlord shall either*
 - (a) *issue payment, as provided in subsection (5), of any security deposit to the tenant with interest calculated in accordance with the regulations; or*
 - (b) *make an application to the Director under section 75 claiming against the security deposit.*
- (2) *A landlord may retain from a security deposit an amount that*
 - (a) *the Director has previously ordered the tenant to pay to the landlord; and*
 - (b) *remains unpaid at the end of the tenancy.*
- (3) *A landlord may retain an amount from a security deposit if*
 - (a) *at the end of a tenancy, the tenant agrees in writing that the landlord may retain the amount to pay a liability or obligation of the tenant; or*
 - (b) *after the end of the tenancy, the Director orders that the landlord may retain the amount.*

- (4) *Where a landlord does not comply with this section, the landlord*
(a) *shall not make a claim against the security deposit; and*
(b) *shall pay the tenant double the amount of the security deposit.*

- [67] The evidence establishes that on May 14, 2025, the Respondent and the Tenants signed a tenancy agreement for the Unit. The Tenants paid the Respondent a security deposit and the first month's rent on the same date.
- [68] However, the evidence also establishes that the Unit had already been rented to C.M. and that C.M.'s employees had moved into the Unit on May 13, 2025.
- [69] Despite the Respondent's evidence that he was unaware the Unit had been rented to someone else until June 30, 2025, I find the Respondent's evidence in this matter lacks credibility. As such, I find that the Respondent should not have accepted a security deposit or rent from the Tenants for the Unit on May 14, 2025.
- [70] However, because the Respondent did accept the Tenants' security deposit, I find that the Landlord and the Respondent (as a landlord), being jointly and severally liable to the Tenants, had until May 27, 2025 (15 days after the security deposit was paid on May 14, 2025) to either return the security deposit or apply with the Rental Office claiming against the security deposit; however, they did neither.
- [71] There are no earlier Rental Office decisions authorizing the Landlord or the Respondent to keep the security deposit. There is no evidence that the parties entered into a written agreement permitting the Landlord or the Respondent to keep the security deposit.
- [72] I find that the Landlord and the Respondent did not comply with the section 40 requirements for keeping a security deposit. Therefore, by operation of law, the Landlord and the Respondent, being jointly and severally liable to the Tenants, must compensate the Tenants double the security deposit, including interest on the principal amount, under subsection 40(4) of the Act.

Additional Compensation Claims

- [73] Regarding the Tenants' additional compensation claims, the Tenants stated they are seeking \$805.00 for moving expenses, \$500.00 for transport and food, and \$1,500.00 for "new place rent." However, I find that the Tenants have provided no evidence, such as receipts or invoices, or information on when and how these expenses were incurred, to support these claims. These claims are therefore denied.

CONCLUSION

- [74] I find that the Respondent, acting as the Landlord's agent, or a person acting on behalf of the Landlord, entered into a signed tenancy agreement with the Tenants, binding the Landlord and the Tenants.
- [75] I find that the Respondent also represented himself as a landlord on the tenancy agreement, thereby making him a landlord within the meaning of the Act and binding him as a landlord in this matter. Therefore, the Landlord and the Respondent are jointly and severally liable to the Tenants.
- [76] I find that the Tenants have established claims for a return of rent of \$430.00 each and for double the security deposit, including interest, of \$910.54 each, totalling \$1,340.54 each, payable by the Landlord and the Respondent, by the timeline below.
- [77] The Tenants' additional compensation claims are denied.

[78] My calculations are as follows:

Item	Amount per Tenant
Rent	\$430.00
Security deposit	\$450.00
Interest (May 14, 2025 – April 10, 2026)	\$10.54
Double security deposit	\$450.00
Total	\$1,340.54

IT IS THEREFORE ORDERED THAT

1. The Landlord and the Respondent must pay the Tenants a total of \$2,681.08 (or \$1,340.54 each) by June 10, 2026.

DATED at Charlottetown, Prince Edward Island, this 10th day of April, 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.