

INTRODUCTION

- [1] This decision addresses two applications filed with the Residential Tenancy Office (the "Rental Office") under the *Residential Tenancy Act* (the "Act").
- [2] The Landlord seeks compensation of \$485.00 for cleaning and repairs.
- [3] The Tenants seek a return of double the withheld \$685.00 security deposit balance.

DISPOSITION

- [4] The Landlord's claims are denied and the Tenants' claim is allowed.
- [5] The Landlord must pay the Tenants \$691.82 by the timeline below.

BACKGROUND

- [6] The Unit is an apartment in a multi-unit building owned by the Landlord.
- [7] On October 18, 2023, the parties entered into a written monthly tenancy agreement for the Unit, effective on November 1, 2023. Rent of \$1,900.00 was due on the first day of the month. A \$1,900.00 security deposit was paid at the beginning of the tenancy.
- [8] On November 30, 2025, the Tenants moved out of the Unit and the tenancy ended by mutual agreement.
- [9] On December 5, 2025, the Landlord returned to the Tenants \$1,215.00 of the security deposit, including \$94.15 in interest, for a total of \$1,309.15.
- [10] On December 16, 2025, the Tenants filed a *Form 2(A) Tenant Application to Determine Dispute* (the "Tenant Application") with the Rental Office seeking a return of double the security deposit balance. A copy was emailed to the Landlord on the same date.
- [11] On March 6, 2026, the Rental Office sent the parties notice of a tele-hearing scheduled for April 21, 2026.
- [12] On April 6, 2026, the Landlord returned the \$685.00 security deposit balance to the Tenants.
- [13] On April 7, 2026, the Landlord filed a *Form 2(B) Landlord Application to Determine Dispute* (the "Landlord Application") with the Rental Office seeking compensation of \$685.00 for repairs and cleaning. A copy was emailed to the Tenants on the same date. The Landlord amended the claim to \$485.00 during the hearing.
- [14] On April 10, 2026, the Rental Office emailed a 101-page PDF evidence package to the parties.
- [15] On April 21, 2026, the Landlord and the Tenants joined the tele-hearing. The parties confirmed receipt of the evidence package and that all evidence submitted to the Rental Office was included in it.

ISSUES

- A. Must the Tenants compensate the Landlord for repairs, painting and cleaning?
- B. Must the Landlord compensate the Tenants double the security deposit balance?

EVIDENCE**The Landlord's evidence and submissions**

- [16] The Landlord is seeking compensation of \$685.00 for repairs and cleaning. The Landlord reduced his repair and painting claim by \$200.00 during the hearing and amended the total amount he was seeking to \$485.00.
- [17] After the Tenants moved out, the Landlord found there were holes in the walls that were beyond reasonable wear and tear. The Landlord found mould on the bathroom ceiling and argues that the Tenants did not use the bathroom fan, which caused the mould. The Landlord submitted four photographs of the Unit's walls and one photograph of the Unit's ceiling after the Tenants moved out as evidence.
- [18] The Landlord's painter told him it was just as costly to repair all the walls and repaint the Unit as it was to repair only the damage the Tenants caused. The Landlord chose to repair all the holes and repaint the whole unit. The Landlord is not seeking payment for all repairs and painting, but only a portion of the expenses.
- [19] The total cost to repair all holes and paint the Unit was \$1,210.00. The Landlord estimated that the cost to repair and paint the damage attributable to the Tenants would be \$444.65, which is about 35% of the total cost. The Landlord orally reduced this amount by \$200.00 during the hearing to \$244.65.
- [20] The Unit was cleaned before the Tenants moved in. After the Tenants moved out, the Landlord found that the Unit had not been properly cleaned and was not ready to be turned over to new tenants. The Unit was dirty, with excessive cat hair and oily surfaces. The Landlord hired a cleaner, and the cleaning cost \$240.35. The Landlord submitted a cleaning invoice detailing the cleaning completed.
- [21] The Landlord did not complete a move-in or move-out inspection report with the Tenants. The Landlord was unaware of the 15-day timeline for applying to the Rental Office to keep part of the Tenants' security deposit.

The Tenants' evidence and submissions

- [22] The Tenants are seeking double the \$685.00 security deposit balance because the Landlord failed to return it within the Act's 15-day timeline. The security deposit balance was not returned until April 6, 2026, and the tenancy ended on November 30, 2025. The Tenants did not agree that the Landlord could keep the \$685.00 balance.
- [23] The Tenants dispute that they caused damage beyond reasonable wear and tear in the Unit. The Tenants left nail holes in the walls, used thumb tacks, and tried to wall-mount a television, but this should be considered reasonable wear and tear.
- [24] The walls already had pre-existing damage before the Tenants moved in and there are no move-in photographs of the Unit. The Tenants always used the bathroom fan, and the mould was not their fault. During their viewing before moving in, the Landlord mentioned some cracked paint and a leak.
- [25] The Tenants dispute that the Unit was left unclean when they moved out. The Unit was unclean when they moved in, and they had to clean it themselves. The Tenants had two cats, but they cleaned every two weeks and cleaned before they moved out. The Landlord had the Unit professionally cleaned when they moved out, but the tenancy agreement did not require professional cleaning.

ANALYSIS & FINDINGS

A. Must the Tenants compensate the Landlord for repairs, painting and cleaning?

[26] When a party files an application with the Rental Office, that party bears the onus of establishing its claim on a balance of probabilities through clear and persuasive evidence. In the case of the Landlord Application, the Landlord bears the onus of proving each of his claims.

[27] The Landlord's claims are under clause 39(2)(a) of the Act, which states:

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.

Mandatory Inspection Reports

[28] All tenancy agreements commencing on or after April 8, 2023, require both pre-tenancy and post-tenancy inspections under sections 18 and 38 of the Act. In this case, the parties did not complete a pre-tenancy inspection report establishing the Unit's baseline condition at move-in. Additionally, the parties did not complete a post-tenancy inspection report to establish the Unit's move-out condition.

[29] In Order LR25-12, the Island Regulatory and Appeals Commission (the "Commission") made the following comments regarding landlords who fail to complete the mandatory inspection reports (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."

Repair and painting

[30] The Landlord reduced his repair and painting claim to \$244.65 during the hearing. He stated that the Tenants damaged the Unit's walls beyond reasonable wear and tear during the tenancy. He also stated that the Tenants caused mould on the Unit's bathroom ceiling. The Tenants dispute the Landlord's claim.

[31] I find that the Landlord has not established this claim.

[32] There is no pre-tenancy inspection report to establish the condition of the Unit's walls or ceiling before the Tenants moved in, thereby creating a baseline for the Unit's condition. Additionally, I find that the photographs of the Unit's walls in the Landlord's evidence show ordinary residential use consistent with reasonable wear and tear.

- [33] Regarding the mould on the Unit's ceiling, despite the Landlord's photograph depicting what appears to be mould, I find that the Landlord has not established that the Tenants' actions or neglect caused the mould. Additionally, as previously stated, there is no pre-tenancy inspection report to establish the bathroom ceiling's baseline condition at the start of the tenancy.

Cleaning

- [34] The Landlord claims \$240.35 for cleaning because he states the Unit was not left reasonably clean upon vacating and was not left ready for the next tenants. The Tenants dispute the Landlord's claim and state that the Unit was unclean when they moved in and was reasonably clean upon vacating.
- [35] I find that the Landlord has not established this claim.
- [36] Clause 39(2)(a) of the Act states that a tenant is required to leave a rental unit reasonably clean upon vacating. There is no requirement that a tenant have a rental unit professionally cleaned or make it move-in ready for the next tenants.
- [37] There is no pre-tenancy inspection report to establish the Unit's baseline level of cleanliness at the time the Tenants moved in. There is no post-tenancy inspection report to establish the cleanliness of the Unit at the time the Tenants vacated.
- [38] Additionally, the Landlord's photographs submitted as evidence only show the Unit's walls and ceiling and do not depict the alleged unclean areas of the Unit. Despite the Landlord's cleaning invoice detailing the cleaning completed in the Unit, the Landlord's cleaner did not participate in the hearing to provide direct evidence as to the condition of the Unit or to provide further context to the details in the cleaning invoice.

B. Must the Landlord compensate the Tenants double the security deposit balance?

- [39] 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.*

- [40] The evidence establishes that the tenancy ended by mutual agreement on November 30, 2025. That means the Landlord had until December 15, 2025, to either return the security deposit or file an application with the Rental Office to keep some or all of it.
- [41] On December 5, 2025, the Landlord returned \$1,215.00 of the security deposit and \$94.15 in interest. However, it was not until April 6, 2026, that the Landlord returned the \$685.00 security deposit balance to the Tenants.
- [42] I find that the evidence establishes that the Landlord did not comply with subsection 40(1) of the Act. The Landlord only returned a portion (\$1,215.00) of the security deposit before the 15-day timeline. The Landlord did return the security deposit balance (\$685.00); however, not until after the 15-day timeline. Therefore, I find that the Landlord unlawfully kept \$685.00 of the security deposit balance.
- [43] The evidence does not establish that earlier Rental Office decisions authorized the Landlord to retain the security deposit, or that the Tenants agreed to the Landlord's retention of the security deposit balance.
- [44] As a result, I find that, with respect to the \$685.00 security deposit balance, the Landlord must compensate the Tenants in an amount equal to the withheld \$685.00 security deposit balance, as determined below, in accordance with subsection 40(4) of the Act.
- [45] I note that the Landlord paid the Tenants the security deposit interest (\$94.15) for the period from November 1, 2023, to November 30, 2025. However, I find that December 5, 2025, is the date until which the Landlord "held" the full security deposit balance.
- [46] Accordingly, I find that the security deposit interest must be calculated to December 5, 2025, under subsection 14(9) of the Act (\$94.80). As such, the interest accrued between December 1 and December 5, 2025, of \$0.65, is owed to the Tenants.
- [47] The evidence also establishes that the Landlord held \$685.00 of the security deposit balance between December 6, 2025, and April 6, 2026. As such, the interest accrued on the \$685.00 security deposit balance is \$6.17 and is also owed to the Tenants.

CONCLUSION

- [48] The Landlord's claims are denied.
- [49] The Tenants' claim is allowed.
- [50] The Landlord must pay the Tenants compensation equal to double the withheld security deposit balance of \$685.00, plus accrued interest of \$6.82, for a total of \$691.82, by the timeline below.
- [51] My calculations are as follows:

Item	Amount
Security Deposit paid	\$1,900.00
Interest on \$1,900.00 (Nov. 1/23 – Dec. 5/25)	\$94.80
Security deposit returned	(\$1,215.00)
Interest returned	(\$94.15)
Security deposit returned	(\$685.00)
Interest on \$685.00 (Dec. 6/25 – Apr. 6/26)	\$6.17
Double the security deposit balance	\$685.00
Total	\$691.82

IT IS THEREFORE ORDERED THAT

1. The Landlord must pay the Tenants \$691.82 by June 30, 2026.

DATED at Charlottetown, Prince Edward Island, this 29th day of May, 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.