

INTRODUCTION

- [1] This decision determines two applications filed with the Residential Tenancy Office (the “Rental Office”) under the *Residential Tenancy Act* (the “Act”).
- [2] The Landlord seeks to keep the Tenants’ security deposit and additional compensation for unpaid utilities, damage and lost rental income.
- [3] The Tenants seek the return of the security deposit and compensation regarding a number of issues, including bees in the Unit, repair delays, insufficient heating and unlawful access to the Unit.

BACKGROUND

- [4] The Unit is a three-bedroom, two-and-a-half-bathroom townhouse that the Landlord has owned for about four years. The Unit was new when the Landlord purchased it. The Unit is located in a four-unit townhouse building.
- [5] On March 31, 2025 the Landlord and the Tenants entered into a written, fixed-term tenancy agreement from April 1, 2025 to March 31, 2026 (the “Tenancy Agreement”). A security deposit of \$2,424.00 was paid on April 1, 2025. A pet deposit of \$1,200.00 was paid on April 3, 2025. Rent in the amount of \$2,424.00 was due on the first day of the month.
- [6] On January 12, 2026 the Landlord returned the \$1,200.00 pet deposit to the Tenants.
- [7] On February 19, 2026 the Tenants complained to the Department of Environmental Health (“Environmental Health”) regarding the Unit’s condition.
- [8] On March 16, 2026 the Environmental Health issued a letter to the Landlord with requirements to address specific issues.
- [9] On March 31, 2026 the Tenants vacated the Unit. The parties agree that the tenancy ended on this date.
- [10] On April 10, 2026 the Landlord filed a *Form 2(B) Landlord Application to Determine Dispute* with the Rental Office seeking to keep the Tenants’ security deposit and additional compensation, with the claims totaling \$7,825.30. On April 14, 2026 the Landlord served this application to the Tenants.
- [11] On April 14, 2026 the Tenants filed a *Form 2(A) Tenant Application to Determine Dispute* (the “Tenant Application”) with the Rental Office seeking the return of the security deposit and additional compensation. On April 17, 2026 the Tenants served this application to the Landlord.
- [12] On July 8, 2026 the Landlord filed a *Form 2(B) Landlord Application to Determine Dispute* (the “Landlord Application”) with the Rental Office seeking to keep the Tenants’ security deposit and additional compensation, with the claims totaling \$17,779.06. The Landlord Application replaced the Landlord’s earlier application because it also included the original claims. On July 11, 2026 the Landlord served the Landlord Application to the Tenants.
- [13] On July 10, 2026 the Rental Office emailed the parties a revised notice of a tele-hearing scheduled for July 30, 2026, with an extended evidence submission timeline.
- [14] On July 22, 2026 the Rental Office issued an evidence package containing a 199-page PDF and one video from the Tenants (“EP”).

- [15] On July 30, 2026 the Landlord, the Landlord's two witnesses and the Tenants' lawyer ("Counsel") participated in the hearing. The parties confirmed that they received the evidence package and they were not aware of any missing documents.
- [16] The Landlord questioned whether Counsel was authorized to represent the Tenants.
- [17] Counsel confirmed he was representing the Tenants at the hearing. I informed the Landlord that I was satisfied that Counsel was authorized to represent the Tenants.
- [18] Further, I note that on July 6, 2026 (EP71) Counsel emailed the Rental Office, with the Tenants carbon copied, stating that he would appear at the hearing on behalf of the Tenants. On July 20, 2026 (EP73) Counsel emailed the Rental Office again, with the Tenants carbon copied, with an evidence submission. These documents were in the evidence package provided to the parties on July 22, 2026. The Tenants were permitted to have a representative participate in the hearing on their behalf.

DISPOSITION

- [19] The Tenants' claims for double the security deposit and compensation are denied.
- [20] The Landlord's claims are denied, except for water and sewer charges and countertop damage, in the total amount of \$373.12. The Landlord's other claims are denied. The Landlord must pay the Tenants the security deposit balance and interest in the amount of \$2,161.33 by the timeline below.

ISSUES

- A. Have the Tenants established a claim for double the security deposit under section 40?
- B. Has the Landlord established claims against the Tenants for unpaid utilities, cleaning, damage and lost rental income?
- C. Have the Tenants established a compensation claim against the Landlord regarding issues that include bees in the Unit, repair delays, insufficient heating and unlawful access to the Unit?

ANALYSIS

A. Have the Tenants established a claim for double the security deposit under section 40?

- [21] The Tenants requested a determination whether the Landlord must pay compensation for double the security deposit.
- [22] For the reasons below, I find that the Tenants have not established a claim for double the security deposit.
- [23] Section 40 of the Act provides the rules for keeping and returning security deposits, stating in part as follows:

(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.

[24] At the hearing the parties agreed that the tenancy ended on March 31, 2026.

[25] The Landlord had fifteen days, until April 15, 2026, to file an application with the Rental Office to keep the security deposit under subsection 40(1).

[26] The Landlord filed an application (EP197) with the Rental Office on April 10, 2026, within the fifteen-day timeline. The Landlord served the Tenants with this application on April 14, 2026 (EP199), within the five-day service timeline under subsection 76(2).

[27] The Landlord Application filed on July 8, 2026 also contained a claim for the Landlord to keep the security deposit. The Landlord Application significantly increased the additional compensation amount. The Landlord Application is essentially an amendment to the April 10, 2026 application because all of the claims contained in this earlier application are also included in the Landlord Application.

[28] I find that the Tenants' claim for double the security deposit is denied because the Landlord complied with section 40 of the *Act*. Subsection 40(4) compensation for double the security deposit is inapplicable to this case.

B. Has the Landlord established claims against the Tenants for unpaid utilities, damage and lost rental income?

Unpaid Utilities

[29] The Tenants admitted responsibility for water and sewer utilities, in the amount of \$173.12. The Landlord will keep this amount from the security deposit.

Damage

[30] Clause 39(2)(a) of the *Act* provides the cleaning and damage standards at the end of a tenancy, stating as follows:

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...

[31] The Landlord has the onus to prove their claims against the Tenants on the civil standard of a balance of probabilities.

[32] For the reasons below, I find that the Landlord has only established part of her claims.

Drywall Damage and Hallway Hole

- [33] The Landlord claims against the Tenants for drywall damage and a hallway hole, in the amount of \$150.00.
- [34] The Landlord provided detailed evidence regarding five holes in the walls that the Tenants made (EP15 and 16). The Landlord submitted photographs that the Landlord took on March 31, 2026. The Landlord also submitted a repair invoice. The Landlord argued that this damage was not reasonable wear and tear.
- [35] However, I find that this wall damage is reasonable wear and tear. The holes are in a very limited portion of the Unit and they are not overly large. There are not holes throughout the Unit. The damage was caused by normal use of the Unit for residential living.
- [36] In the Landlord's written submissions, the Landlord stated that the holes "*completely compromised the wall surface.*" However, this statement is not supported by the Landlord's photographs, which show limited damage.
- [37] For these reasons, the wall damage claim is denied.

Cleaning: Pet Contamination and Odor Removal

- [38] The Landlord claims against the Tenants for pet contamination and odor removal, in the amount of \$1,723.94.
- [39] The Landlord provided detailed evidence regarding this claim (EP18 to 22). The Landlord submitted photographs of the Unit, cleaning quotes, an invoice and proof of payment for the company that completed the cleaning work. The Landlord stated that the Unit had not been previously rented to pet owners.
- [40] With regard to the Tenants' video submitted into evidence, the Landlord stated that it was taken "*quickly.*"
- [41] The Landlord submitted into evidence a photograph of the Unit's black bin and the following description:
- "Photographic evidence of the municipal waste bin left at full capacity with uncollected household refuse."*
- [42] One of the Landlord's witnesses ("HS") stated that she was in the Unit at the end of March 2026. HS stated that there was an animal smell in the Unit and she observed pet hair.
- [43] Counsel disputed that the Tenants are responsible for this cost and referred to the Tenants' video submitted into evidence. Counsel stated that part of the Landlord's photographs shows areas that the Tenants would not be expected to clean.
- [44] Counsel questioned whether odour removal was due to the Tenants' pets. Counsel stated that odour work may be necessary because of mould issues in the Unit, which were not the Tenants' responsibility.
- [45] Counsel disputed the Landlord's characterization of the black bin.
- [46] I have reviewed the evidence presented.
- [47] The Landlord's photographs show very specific, zoomed-in areas showing limited uncleanliness.

- [48] I have reviewed the Tenants' video and I find that it was not taken "*quickly*." The video lasts four minutes and fifty-one seconds.
- [49] During the video one of the Tenants walks throughout the Unit opening cupboards, drawers, the oven, the refrigerator and the dishwasher.
- [50] The video generally shows the Unit in better condition than reasonably clean.
- [51] Under the Act, the Tenants were only responsible to leave the Unit in reasonably clean condition. The Tenants were not responsible for a higher level of cleanliness, such as move-in ready for the next occupants or deep-cleaned condition.
- [52] The parties provided conflicting evidence regarding whether odour removal was necessary specifically because of the pets. The company that completed the cleaning work did not participate in the hearing and did not provide a detailed, written statement or affidavit regarding the cleaning work completed.
- [53] I find that there is insufficient evidence that the Tenants are responsible for odour removal expenses.
- [54] I find that the Landlord's photograph of the black bin does not show it at "*full capacity*."
- [55] More importantly, I find that it was reasonable for the Tenants to use the black bin for waste disposal while moving out of the Unit. The Tenants were not responsible for arranging for the waste to be taken directly to an Island Waste Management Corporation disposal facility.
- [56] For these reasons, the Landlord's cleaning claims are denied.

Kitchen, Flooring and Door Damage

- [57] The Landlord claims against the Tenants for kitchen, flooring and door restoration, in the amount of \$10,778.00.
- [58] The Landlord provided detailed evidence regarding the damage claims (EP23 to 29). The Landlord submitted photographs of damage in the Unit, quotes and correspondence with contractors.
- [59] The Landlord stated that the significant damage claims are due to the damaged areas including unique materials from Germany, which cannot be replaced with a comparable product.
- [60] The Landlord stated that a written move-in inspection report was not completed. The Landlord stated that she offered the Tenants two opportunities for a move-out inspection but the Tenants declined to participate. The Landlord argued that the April 10, 2026 application and the Landlord Application are essentially move-out inspection reports.
- [61] The Landlord stated that the repair work has not been completed yet, except that there was a temporary door repair using glue. The Landlord stated that the Unit has been re-rented and has been tenant-occupied since June 1, 2026.
- [62] The Landlord noted that the particulars of the Tenant Application states in part that "*The kitchen burn mark was minor*."

- [63] Counsel disputes that the Tenants are responsible for these damage claims. Counsel stated that there is insufficient evidence regarding the condition of the Unit at the beginning of the tenancy because the Landlord did not complete a move-in inspection. Counsel noted that there was a text-message (EP168) from the Tenants to the Landlord on April 19, 2025, early in the tenancy, where the Tenants identified floor damage. The Landlord's responding text-message indicates that the Landlord was aware of the damage because she wrote "*Okay, it's fine.*"
- [64] Counsel questioned whether the damage required complete replacement instead of minor repairs.
- [65] Counsel stated that the Tenants normally used a different entry door and not the damaged door.
- [66] Counsel stated that there was reasonable wear and tear, particularly because the Unit was unfurnished and it was necessary to have furniture moved in and moved out of the Unit.
- [67] Counsel disputed that there was an admission in the Tenant Application that the Tenants caused the burn mark. Counsel stated that the Tenants had not mentioned that they were responsible for the countertop damage.
- [68] I have reviewed the parties evidence.
- [69] The Tenants are not responsible for repairing pre-existing damage.
- [70] I find that most of the Landlord's damage claims are denied because I do not have sufficient evidence regarding the Unit's baseline condition. The Unit was not new at the beginning of the tenancy.
- [71] The Landlord did not complete the mandatory move-in inspection report required under section 18 of the *Act*. If the Landlord had completed this report, then the parties' minds would have been directed towards existing damage in the Unit. The parties would have generated a report stating pre-existing damage upon which I could assess the damage at the end of the tenancy.
- [72] The parties did not provide objective evidence of the damaged areas at the beginning of the tenancy, such as photographs and videos.
- [73] I do not have sufficient evidence regarding the initial condition of the floors or the damaged door to support the Landlord's claims.
- [74] Further, the Landlord's photographs of the Unit near the end of the tenancy do not show floor damage beyond reasonable wear and tear. The Tenants' video shows the Unit's floors in normal condition.
- [75] Based upon the evidence presented, it is unclear that the Tenants caused the door damage. It does not appear that the Tenants typically used this door.
- [76] The Tenants did not admit responsibility for the door damage. I note that the Landlord had not claimed for door damage in the April 10, 2026 application and the April 14, 2026 Tenant Application provided responses to this earlier Landlord application.
- [77] I do not know who damaged the door, when the door was damaged, and whether the door was damaged through ordinary usage. The Landlord's door damage claim is denied.
- [78] Based upon the evidence presented, I find on a balance of probabilities that the Tenants are responsible for the countertop damage.
- [79] In the Tenant Application the Tenants did not deny responsibility for the countertop damage. Instead, the Tenants only disputed the amount of the damage, describing the damage as "*minor.*"

- [80] The Tenants also did not identify the countertop damage as pre-existing damage while the Tenants specifically identified other damage as pre-existing in the Tenant Application. The Tenants provided evidence of their communications with the Landlord regarding pre-existing floor damage (EP168). The Tenants have not brought forward similar correspondence regarding the countertop damage.
- [81] Although I find that the Tenants are responsible for this damage, the Landlord's estimated \$5,000.00 claim is excessive.
- [82] The countertop photographs and the Tenants' video show minor cosmetic damage that does not prevent the countertop from being used. The Landlord re-rented the Unit for June 1, 2026 without repairing the damage. In these circumstances, complete replacement of the countertop is not a reasonable solution and I find that a nominal amount of \$200.00 is appropriate for this damage.

Kitchen Compost Mini-Bin

- [83] The Landlord claims against the Tenants for the replacement of a green compost mini-bin, in the amount of \$10.00.
- [84] The Landlord stated that the mini-bin was purchased around the time the Landlord moved into the Unit in August of 2021. The Landlord stated that the mini-bin was missing when the Tenants moved out of the Unit.
- [85] The Tenants deny responsibility for this claim. The Tenants' evidence was that the only bin included inside the Unit was a grey bin shown three minutes and thirty-eight seconds into the Tenants' video.
- [86] Schedule "D" (EP69) of the Tenancy Agreement includes the following *"Appliance list:"*
- "stove top, dishwasher, refrigerator, oven
Other: 2 main door keys, mailbox key, garage door opener*
- [87] The mini-bin is not specifically identified.
- [88] Similar to the damage claims, I have insufficient evidence that this mini-bin was an included item in the Unit at the beginning of the tenancy.
- [89] I find that this claim is denied.

Lost Rental Income

- [90] The Landlord claims against the Tenants for two months of lost rental income, in the amount of \$4,944.00.
- [91] Under the former residential rental legislation, the *Rental of Residential Property Act*, a landlord could not successfully claim for lost rental income after a tenancy agreement ended (see Orders LR95-11¹, LR05-09² and LR20-23³ issued by the Island Regulatory & Appeals Commission (the "Commission")).
- [92] On April 8, 2023 the *Rental of Residential Property Act* was repealed by the current legislation, the *Residential Tenancy Act*, which expanded the remedies that the Rental Office can award after hearing an application.

¹ <https://irac.pe.ca/wp-content/uploads/LR95-11.html>

² <https://irac.pe.ca/wp-content/uploads/LR05-09.html>

³ <https://irac.pe.ca/wp-content/uploads/LR20-23.html>

- [93] On June 26, 2025 the Commission issued Order LR25-25⁴. The Commission allowed a claim for lost rental income due to the condition of a rental unit at the end of the tenancy. Subsection 85(1)(d) of the *Act* states that after hearing an application a tenant may be ordered to compensate a landlord for loss suffered as a result of a contravention of the *Act* or the tenancy agreement.
- [94] In Order LR25-25 the Commission found that the tenants were responsible for undue damage and cleaning in the amount of \$16,213.06. The landlords stated that they were unable to rent the unit for four months while the repairs were completed. The Commission allowed a lost rental income claim of one month's rent.
- [95] However, the Landlord has only established a limited damage claim against the Tenants, in the amount of \$200.00, which is significantly lower than the extensive damage claims established in Order LR25-25.
- [96] I find that the condition of the Unit at the end of the Tenancy Agreement does not support a lost rental income claim.
- [97] The Landlord stated that the Tenants did not permit access to the Unit in accordance with section 23 of the *Act*. The Landlord argued that this caused lost rental income. I have reviewed the parties' evidence, including the correspondence between the parties.
- [98] The Landlord's right to access the Unit under section 23 must be considered in the context of the tenant's right to quiet enjoyment under section 22.
- [99] The Landlord provided notice for access to the Unit anywhere from 9:00 a.m. to 9:00 p.m. for a one-week period. Even with the Tenants being in the process of moving out of the Unit, such a broad request for access conflicts with the Tenants' right to quiet enjoyment under section 22.
- [100] I find that this access issue does not support a lost rental income claim.
- [101] I also note that there was water damage repair work required for the Unit that was not the Tenants' responsibility.
- [102] At the hearing the Landlord stated that water damage occurred to the garage's ceiling due to water coming from a neighbouring Unit. The Tenants also provided evidence regarding water damage due to insufficient caulking in an upstairs bathroom.
- [103] The March 16, 2026 Environmental Health Letter required the Landlord to complete the following items:

"Requirements for the landlord:

1. Ceiling and area above to be assessed for leaking or moisture issues. Mold will continue to return unless the source of moisture is remediated.
2. Damaged and mold affected materials in the rental unit to be removed and replaced. Once replaced, the surface should be sealed with a water and mold resistant finish.
3. Caulking in the bathroom shower to be replaced. Once replaced, shower to be assessed to ensure water is contained and does not leak into the surrounding area.
4. Exterior to be inspected and any gaps or entry points for pests to be sealed.
5. Contract a professional pest control company in the event that an infestation is identified."

- [104] The Landlord's repair work was delayed, in part, because the Landlord paid a contractor a deposit to complete repair work who became non-responsive to the Landlord's communications. This contractor did not complete the work required and kept the Landlord's deposit.

⁴ <https://irac.pe.ca/wp-content/uploads/Order-LR25-25.pdf>

[105] For these reasons, the Landlord's lost rental income claim is denied.

Security Deposit Deduction

[106] The Landlord will keep \$373.12 of the security deposit funds for water and sewer utilities and kitchen countertop damage.

[107] Both of the Tenants' security deposits accumulated interest under section 14 of the *Act*.

[108] The \$1,200.00 pet deposit falls within the following definition of security deposit in subsection 1(q) of the *Act*:

"security deposit" means money or any property paid by or on behalf of a tenant to be held by or for the account of the landlord as security for the performance of an obligation or the payment of a liability of the tenant respecting the rental unit;

[109] I find that the Landlord must pay the Tenants the security deposit balance, including interest on both security deposits, in the amount of \$2,161.33 by the timeline below, calculated as follows:

Item	Amount
Security deposit	\$2,424.00
Security deposit interest on \$1,200.00 (3 APR 2025 to 12 JAN 2026)	\$23.52
Security deposit interest on \$2,424.00 (1 APR 2025 to 14 AUG 2026)	\$86.93
Total:	\$2,534.45
Security deposit balance and interest	\$2,534.45
Water and sewer utilities and countertop damage	-\$373.12
Total:	\$2,161.33

C. Have the Tenants established a compensation claim against the Landlord regarding issues that include bees in the Unit, repair delays, insufficient heating and unlawful access to the Unit?

[110] The Tenants seek compensation from the Landlord due to a number of issues that arose during the tenancy regarding bees, the Unit's condition, insufficient heating and unlawful access to the Unit. The Tenant Application states that the Tenants' child required medical treatment due to the Unit's condition. Counsel stated that the Tenants did not have any specific out-of-pocket expenses.

[111] The Landlord disputes the Tenants' compensation claim.

[112] I do not have authority to determine personal injury claims or award damages for pain and suffering.

[113] The Tenants' evidence is that they raised the bee issue with the Landlord in September of 2025. The Landlord would not have been able to address the bee issue until she became aware of it. Further, from September 2025 to March 2026 I find that bees would have limited impact on the Tenants' use and enjoyment of the Unit. I find that the bee issue does not support a compensation claim.

[114] The Tenants also claim for compensation based upon the Unit's condition. However, upon viewing the correspondence submitted, the Landlord was responsive to the Tenants' complaints. It appears that some of the issues were only raised near the end of the tenancy.

[115] The Landlord completed improvements to the Unit for a better heating system. I note that the Landlord offered a temporary solution to bring the Tenants electric heaters (EP137).

[116] In this case it appears that the normal resolution of landlord-tenant issues was complicated by the deterioration of the relationship between the parties as the tenancy progressed.

[117] Upon a review of all the evidence, I am not satisfied that the Tenants' evidence against the Landlord reaches a level supporting a financial claim under the *Act*. As a result, the Tenants' compensation claim is denied.

CONCLUSION

[118] The Tenants' claims for double the security deposit and compensation are denied.

[119] The Landlord's claims for water and sewer charges and countertop damage are allowed in part, in the total amount of \$373.12. The Landlord's other claims are denied.

[120] The Landlord will pay the Tenants the security deposit balance and interest in the amount of \$2,161.33 as provided below.

IT IS THEREFORE ORDERED THAT

1. The Landlord will keep \$373.12 of the security deposit funds.
2. The Landlord must pay the Tenants the security deposit balance and interest in the amount of \$2,161.33 by September 14, 2026.

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