

INTRODUCTION

- [1] This decision addresses two applications the Subtenants and the Tenant filed with the Residential Tenancy Office (the “Rental Office”) under the *Residential Tenancy Act*, cap. R-13.11 (the “Act”).
- [2] The Subtenants seek the return of the security deposit. The Subtenants withdrew their claim against the Tenant for compensation.
- [3] The Tenant seeks to keep a portion of the Subtenants’ security deposit, in the amount of \$375.50.

BACKGROUND

- [4] The Unit is a single-bedroom located in a two-bedroom, one-bathroom rental unit.
- [5] On April 1, 2024 the Tenant and the property owner entered into a tenancy agreement. The Tenant occupies one of the bedrooms.
- [6] In September 2025 the Subtenants and the Tenant entered into a written, fixed-term subletting agreement. Rent in the amount of \$1,200.00 was due on the first day of the month and utilities were the Subtenants’ responsibility. The Subtenants paid the Tenant a \$1,200.00 security deposit at the start of the subtenancy.
- [7] On April 30, 2026 the Subtenants vacated the Unit and the subtenancy ended by mutual agreement.
- [8] On May 6, 2026 the Tenant returned to the Subtenants \$824.50 of the security deposit and kept the \$375.50 balance.
- [9] On May 8, 2026 the Subtenants e-mailed a *Form 2(A) Tenant Application to Determine Dispute* with the Rental Office seeking return of the security deposit balance (the “Subtenant Application”). The Subtenants e-mailed the Subtenant Application to the Tenant on May 11, 2026.
- [10] On May 22, 2026 the Tenant e-mailed the Subtenants and the Rental Office a *Form 2(B) Landlord Application to Determine Dispute* seeking to keep the \$375.50 security deposit balance for damage, cleaning and unpaid utilities (the “Tenant Application”).
- [11] On July 22, 2026 the Rental Office provided to the parties notice of a tele-hearing scheduled for September 1, 2026.
- [12] On August 20, 2026 the Rental Office provided the parties with a TitanFile hyperlink to a 116-page PDF and 15-video evidence package.
- [13] On September 1, 2026 the hearing was adjourned due to the Tenant’s absence.
- [14] On September 4, 2026 the Rental Office provided the parties with an updated notice of tele-hearing scheduled for September 22, 2026.
- [15] On September 22, 2026 one of the Subtenants (the “Subtenant”) representing the Subtenants and the Tenant participated in the hearing. The parties confirmed that they received the evidence package and confirmed that all evidence submitted to the Rental Office was included.

DISPOSITION

- [16] The Tenant has established a valid claim against the Subtenants for utilities, in the amount of \$25.50. The Tenant will keep \$25.50 of the security deposit balance. The other claims are denied.
- [17] The Tenant will return the remaining security deposit balance to the Subtenants, in the amount of \$350.00, by the timeline below.

ISSUE

- A. Has the Tenant established their claims against the Subtenants to justify keeping a portion of the security deposit?

EVIDENCE & ANALYSIS

- [18] When a party makes an application to the Rental Office, the onus is on the party to support their application with compelling evidence. In this case, the Tenant has the onus to prove her claim on the civil standard of a balance of probabilities.
- [19] Clause 39(2)(a) of the *Act* requires a tenant, in this case, a subtenant, when vacating a rental unit, to leave the rental unit reasonably clean and undamaged, except for reasonable wear and tear. It 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...*
- [20] To be successful, the Tenant must establish that the Subtenants caused damage beyond reasonable wear and tear; the damage occurred during the Subtenants' occupancy; the damage was attributable to the Subtenants rather than another cause; and the compensation claimed reasonably flows from that damage.¹
- [21] The Tenant is seeking to keep \$375.50 of the Subtenants' security deposit for damage, cleaning and unpaid electrical utilities.
- [22] The Tenant's evidence includes a copy of the subletting agreement, a copy of a *Form 4(A) Eviction Notice*, 8-videos and photographs of the Unit at the end of the subtenancy.
- [23] The Tenant stated that the Subtenants stained the mattress and sheets that were included in the subletting agreement. The Tenant stated that she owned the mattress and sheets. The Tenant stated that she provided the Subtenants with a mattress protector, but the Subtenants did not use it during the subtenancy.
- [24] The Tenant stated that she called a cleaning agent to inspect the mattress, but was told that cleaning it would be expensive and that there was no guarantee the stain would be removed. The Tenant stated that she has not replaced the mattress yet, but estimated that it would cost \$300.00 to replace.
- [25] The Tenant stated that the Subtenants left the bathroom and the kitchen unclean, which included leaving items in the refrigerator. The Tenant stated that she cleaned the common areas over a three-to-four-hour period of time. The Tenant stated that she is seeking \$50.00 in compensation for her time cleaning.

¹ *Juanita Leudy v Harshit Walia aka Harshit Singh Ahluwalia* 2026 PEIRAC 47 para. 26.

- [26] The Tenant stated that the Subtenants owe \$25.50 in outstanding electrical utilities.
- [27] The Subtenants' evidence includes written submissions, a copy of the *Form 4(A) Eviction Notice*, a copy of the subletting agreement, 7-videos and photographs of the Unit.
- [28] The Subtenant denied the Tenant's allegations that they caused the stain on the mattress and the sheets. The Subtenant stated that the mattress was older, already in the Unit when they moved in, and was used by the previous subtenants.
- [29] The Subtenant stated that they also used their own bedsheets, which are shown in the photographs submitted into evidence. The Subtenant stated that the Tenant was not occupying the Unit for the first month of the subtenancy because she was out of the country. The Subtenant stated that no move-in inspection was completed and the Tenant's evidence does not support her claim.
- [30] The Subtenant stated that they cleaned the Unit and the common areas before they vacated. The Subtenant stated that the videos submitted into evidence showing the condition of the Unit and the common areas throughout the subtenancy and at the end of the subtenancy.
- [31] The Subtenant stated that they were not disputing the Tenant's outstanding electrical utilities claim. The Subtenants agreed that they owed the \$25.50 amount claimed and that it could be deducted from their security deposit.

Determination

- [32] I find that the Tenant will keep \$25.50 from the Subtenants' security deposit and must return the remaining balance, by the timeline below.
- [33] I find that the parties provided conflicting evidence regarding the condition of the mattress, bedsheets and the common areas, at the end of the subtenancy. However, it is the Tenant's onus to prove on the civil standard of a balance of probabilities that the Subtenants caused the alleged damage and uncleanliness. I find that the Tenant's evidence is insufficient in establishing their claims.
- [34] Regarding the mattress and the bedsheets, I find that the Tenant's evidence establishes that there were stains on both the mattress and the bedsheets. However, the Tenant's evidence does not establish that the Subtenants were responsible. Further, the Tenant's evidence does not establish the \$300.00 compensation sought because the Tenant did not submit any quote, invoice nor receipt for the mattress and bedsheets into evidence.
- [35] I find that the Tenant's evidence does not show the mattress at the beginning of the subtenancy. One of the Subtenant's videos are from the beginning of the subtenancy, which the Tenant recorded and sent to the Subtenants before they moved into the Unit. In this video, the Unit is shown, the bed is shown with the bedsheet, but the mattress is not shown and the angle of the video does not show the overall condition of the bedsheet.
- [36] The cleaning standard is "*reasonably clean*" and the parties' evidence show primarily that the common areas had some dirt, stains, hair and items inside the refrigerator. The common areas were shared by the Subtenants and the Tenant. I find that the Tenant's evidence does not establish that the Subtenants were the cause of the dirt, stains, hair and left behind items.
- [37] I find that the Subtenant's videos show the common areas having similar dirt, stains and left behind items in the kitchen as the Tenant's videos. I find that the Tenant's evidence does not overcome their burden when weighed against the Subtenant's evidence.

- [38] Although a move-in and move-out inspection report is not required in subletting agreements, it is the best practice for parties to complete such inspection reports to establish a baseline condition of the rental unit at the start and at the end of the subletting agreement. This is particularly useful when a tenant and a subtenant occupy the rental unit together and share common areas.
- [39] I further find that the Subtenants did not dispute the Tenant's claim for the outstanding electrical utilities and did not dispute the \$25.50 amount sought.
- [40] Therefore, the Subtenant Application is allowed in part and the Tenant Application is allowed in part.
- [41] The Tenant will keep \$25.50 from the security deposit.
- [42] The Tenant will return to the Subtenants the \$350.00 security deposit balance by the timeline below.
- [43] I note that in Order LR24-72 the Island Regulatory and Appeals Commission determined that when a tenant continues to occupy the rental unit with the subtenant, the original tenant is not considered a "*landlord*" of the subtenant. As a result, section 40 of the *Act* does not apply to the Tenant because section 40 only applies to "*landlords*." Despite the Tenant applying outside the 15-day timeline, the Tenant does not have to pay the Subtenant double the security deposit.
- [44] Further, subsection 14(9) does not apply for the same reasons above. Therefore, the Tenant does not have to pay the Subtenants interest on the security deposit balance.

IT IS THEREFORE ORDERED THAT

1. The Tenant will keep \$25.50 from the security deposit.
2. The Tenant will return the security deposit balance to the Subtenants, in the amount of \$350.00 by October 23, 2026.

DATED at Charlottetown, Prince Edward Island, this 23rd day of September, 2026.

(sgd.) Cody Burke

Cody Burke
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.