

**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 Tenant applied to the Rental Office for the return of a security deposit, July 2026 rent and compensation for an electricity connection fee and temporary accommodations. At the hearing the Tenant withdrew the temporary accommodations claim. The Tenant's remaining claims total \$2,612.18.
- [3] The Landlord applied to keep the Tenant's security deposit and July 2026 rent.

**BACKGROUND**

- [4] The Unit is a one-bedroom, one-bathroom apartment located in a five-unit building that the Landlord has owned for about ten years.
- [5] On June 21, 2026 the Tenant e-Transferred the Landlord \$1,275.00 for a security deposit.
- [6] On June 30, 2026 the Tenant e-Transferred the Landlord \$1,275.00 for July 2026 rent.
- [7] The Landlord and the Tenant did not prepare or sign a tenancy agreement.
- [8] On July 8, 2026 the Tenant viewed the Unit in person and the Tenant decided not to move in.
- [9] On July 9, 2026 the Tenant filed a *Form 2(A) Tenant Application to Determine Dispute* with the Rental Office seeking the return of the security deposit and July 2026 rent, in the amount of \$2,550.00.
- [10] On July 22, 2026 and August 4, 2026 the Tenant emailed the Rental Office and the Landlord amending this application to add claims for an electricity connection fee and temporary accommodations, in the total amount of \$4,103.05 (the "Tenant Application").
- [11] On August 13, 2026 the Rental Office emailed the parties notice of a tele-hearing scheduled for September 24, 2026.
- [12] On August 14, 2026 the Landlord filed a *Form 2(B) Landlord Application to Determine Dispute* (the "Landlord Application") with the Rental Office seeking to keep the security deposit and July 2026 rent.
- [13] On August 19, 2026 the Rental Office emailed the parties an updated notice of a tele-hearing that remained scheduled for September 24, 2026.
- [14] On September 17, 2026 the Rental Office issued an evidence package to the parties through TitanFile containing an 81-page PDF ("EP") and three Tenant videos.
- [15] On September 24, 2026 the Tenant and the Tenant's witness ("SB") joined the tele-hearing. I telephoned the Landlord's two phone numbers and the Landlord answered. The Landlord stated that he had tried to connect a few times but it did not work. I was able to connect the Landlord to the hearing.
- [16] The Tenant confirmed that everything the Tenant had previously submitted to the Rental Office was included in the evidence package. The Landlord did not submit evidence to the Rental Office before the hearing.
- [17] During the hearing the Tenant withdrew the temporary accommodations claim.

**DISPOSITION**

- [18] The Tenant has established claims against the Landlord for the security deposit, July 2026 rent and an electricity connection fee, in the total amount of \$2,612.18. The Landlord Application is denied.

**PRELIMINARY MATTERS**

- [19] The Tenant stated that she did not receive the Landlord Application from the Landlord that was filed on August 14, 2026. I directed the Tenant to the Landlord's proof of service in the evidence package (EP11). The Tenant stated that she saw the proof of service, however, she did not in fact receive the Landlord Application directly from the Landlord.
- [20] The Tenant confirmed that she received the August 19, 2026 Rental Office email with the updated notice of hearing. I note that this email included a copy of the Landlord Application.
- [21] Therefore, I find that the Tenant received the Landlord Application within five days of the August 14, 2026 filing date. I find that the Tenant was sufficiently given notice of the Landlord Application and served at the latest on August 19, 2026 under subsection 100(3) of the Act.
- [22] The Landlord stated that he did not remember if he received the evidence package. I confirmed that access to the evidence package had been sent to the Landlord's correct email address on September 17, 2026. The Landlord stated that he had not made any requests before the hearing for an adjournment and he would move forward with the hearing.
- [23] During the hearing the Landlord offered to submit photographs regarding how the Unit was advertised to the Tenant. The Landlord stated that he did not previously submit photographs to the Rental Office.
- [24] I did not permit further evidence to be submitted because the parties were provided with an evidence submission timeline in the August 13, 2026 notice of hearing and the August 19, 2026 updated notice of hearing. I also note that the parties could have sought to submit evidence after the submission timeline and before the hearing as provided in these notices.
- [25] The Landlord questioned how he would have known to submit photographs of the Unit into evidence regarding how it was shown to the Tenant. I directed the Landlord to the particulars of the Tenant Application, in which the Tenant stated in part:

*"I was very dissappointed with this apartment because it was nothing as I saw it in the Ad."*

- [26] I find that the Tenant Application's particulars made it clear that the Tenant raised how the Landlord represented the Unit.

**ISSUES**

- A. Has the Tenant established claims for the return of the security deposit, July 2026 rent and compensation for an electricity connection fee? Can the Landlord keep the security deposit and July 2026 rent?

**EVIDENCE**

- [27] The Tenant's evidence is summarized as follows.
- [28] The Tenant was in Ontario when she saw a rental advertisement for the Unit on the internet. The Tenant had some emails with the Landlord but no text-messages because the Landlord wanted to communicate by telephone. The Landlord told the Tenant that the security deposit was refundable.

- [29] On July 8, 2026 the Tenant arrived at the Unit. SB showed the Unit to the Tenant and went inside the Unit.
- [30] The Tenant stated that the Unit was not in *“living condition.”* There was a fire alarm or smoke detector missing from the Unit’s ceiling. There was garbage in and around the Unit and the sink taps needed to be replaced. There was mould in the fridge, bathroom and on the walls.
- [31] The Tenant did not receive the Unit’s keys and did not move property into the Unit. The Landlord has not returned any money to the Tenant.
- [32] The Tenant stated that the Unit did not come as advertised. The Tenant stated that she was unable to submit photographs of the advertisement because the Landlord deleted it.
- [33] The Tenant submitted into evidence photographs and videos of the Unit that the Tenant took on July 8, 2026.
- [34] The Tenant never received a written tenancy agreement from the Landlord.
- [35] The Tenant had telephoned an electricity company to connect the Unit’s electricity by July 8, 2026. The Tenant called the electricity company after viewing the Unit to cancel the electricity service and was charged \$52.67.
- [36] The Tenant stayed with SB for about two weeks without charge. The Tenant then stayed in a University of Prince Edward Island residence for one week before the Tenant found another apartment to rent.
- [37] SB’s evidence is summarized as follows.
- [38] The Landlord called SB and requested that she show the Unit to the Tenant. SB had a master key from the Landlord for accessing the Unit.
- [39] SB was not compensated for showing the Unit to the Tenant and SB completed this work for the Landlord *“as a friend.”*
- [40] SB and her boyfriend drive the Landlord places and they get paid for this work. The Landlord also paid SB to clean other apartments but the Landlord did not ask SB to clean the Unit.
- [41] During the evening of July 8, 2026 SB showed the Unit to the Tenant and the Tenant’s mother. SB went into the Unit for around five to fifteen minutes.
- [42] SB stated that the Unit *“looked bad”* and *“was not ready”* because there was a lot of things that needed to be done. The cupboards, fridge and stove were all bad, messy and dirty. The mould underneath the cupboards was bad.
- [43] The Tenant told SB that the Unit was not ready. SB stated that she housed the Tenant for a few nights.
- [44] SB denied the Landlord’s testimony that she had taken rent from other tenants and did not provide the money to the Landlord.
- [45] The Landlord’s evidence is summarized as follows.
- [46] The Landlord denied that the Unit was improperly advertised to the Tenant. The Landlord stated that the Tenant’s claim that the Unit was *“not liveable”* is *“totally wrong and a false impression.”*

- [47] The Landlord argued that the Tenant's decision to rent the Unit without seeing it in person was a risk that the Tenant took. The Tenant could have had a friend look at and inspect the Unit before deciding to rent it.
- [48] The Tenant knew that new kitchen cabinets would be installed in the Unit. The stove was cleaned and painting work was completed. The Tenant could have looked at the Unit again after staying with SB.
- [49] A written tenancy agreement was supposed to be prepared after the Tenant moved in but the Tenant never moved in.
- [50] The Landlord stated that SB gets compensated for everything she does for the Landlord, including painting work and driving the Landlord. The Landlord stated that SB is "*not acting as a friend.*"
- [51] The Landlord stated that SB no longer works for the Landlord. The Landlord stated that SB collected rent from other tenants and never gave the Landlord the money.

### ANALYSIS

- [52] The Act includes mandatory requirements for tenancy agreements. In particular, subsections 11(1) to (3) of the Act state:

*(1) A landlord shall prepare a written tenancy agreement in respect of a tenancy that is entered into on or after the date this Act comes into force.*

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

- (a) the provisions set out in Division 4;*
- (b) the correct legal names of the landlord and tenant;*
- (c) the address of the rental unit;*
- (d) the date the tenancy agreement is entered into;*
- (e) the address for service and telephone number of the landlord, or the landlord's agent, and the tenant;*
- (f) the services and facilities included in the rent;*
- (g) the amount of rent that was charged, and the services and facilities that were provided, to the previous tenant of the rental unit, unless there was no previous tenant;*
- (h) the name and contact information of any person the tenant is to contact for emergency repairs; and*
- (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,*
  - (iv) the amount of rent payable for a specified period,*
  - (v) the day on which the rent is due and the frequency of payment, and*
  - (vi) the amount of any security deposit and the date the security deposit was or is required to be paid.*

*(3) Within 10 days after a landlord and tenant enter into a tenancy agreement, the landlord shall give the tenant (a) a copy of the tenancy agreement; and (b) any information required by the regulations to be provided.*

- [53] In Orders LR24-47<sup>1</sup>, LR25-10<sup>2</sup> and LR25-26<sup>3</sup> the Island Regulatory and Appeals Commission (the "Commission") determined matters where landlords were required to return payments to tenants when written tenancy agreements had not been prepared and the tenants did not move into the rental units.
- [54] In this case the Landlord did not prepare and the parties did not sign a written tenancy agreement and the Tenant never moved into the Unit.
- [55] In accordance with these Commission decisions, I find that the Landlord is not permitted to keep the security deposit or July 2026 rent. The Landlord's claims to keep the security deposit, including a \$765.00 "*finder's fee*," and July 2026 rent are denied.
- [56] Further, even if the parties had a signed tenancy agreement, I find that the Unit's condition provided an additional valid basis for the Tenant's claims.
- [57] Subsections 28(1) and (2) of the *Act* state:
- (1) *A landlord shall provide and maintain the residential property in a state of repair that*  
*(a) complies with the health, safety and housing standards required by law; and*  
*(b) having regard to the age, character and location of the rental unit, makes it*  
*suitable for occupation by a tenant.*
- (2) *For greater certainty, subsection (1) applies despite the tenant's knowledge of the state*  
*of repair of the residential property prior to entering into the tenancy agreement.*
- [58] The Tenant's photographs and videos from July 8, 2026 show the Unit in a damaged and unclean state, including missing or damaged fire safety equipment. This objective evidence is consistent with the testimony of the Tenant and SB regarding the Unit's condition.
- [59] I find that the Unit was not ready for the Tenant to move in on July 8, 2026 even though the Tenant had already paid July's rent on June 30, 2026. The Landlord contravened section 28 of the *Act*.
- [60] I find that the Landlord must return to the Tenant the security deposit and July 2026 rent. I also find that the Landlord must compensate the Tenant for the electricity connection fee, in the amount of \$52.67, under subsection 85(1) of the *Act* because the Landlord did not have the Unit in a condition suitable for occupation by the Tenant.
- [61] The security deposit, including interest (\$9.51), totals \$1,284.51. The Landlord must pay the Tenant the amount of \$2,612.18 (\$1,284.51 security deposit plus \$1,275.00 July 2026 rent plus \$52.67 electricity connection fee) by the timeline below.

**IT IS THEREFORE ORDERED THAT**

1. The Landlord must pay the Tenant the amount of \$2,612.18 by October 28, 2026.

**DATED** at Charlottetown, Prince Edward Island, this 28th day of September, 2026.

(sgd.) Andrew Cudmore

**Andrew Cudmore**  
**Residential Tenancy Officer**

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<sup>1</sup> <https://irac.pe.ca/wp-content/uploads/Order-LR24-47.pdf>

<sup>2</sup> <https://irac.pe.ca/wp-content/uploads/Order-LR25-10.pdf>

<sup>3</sup> <https://irac.pe.ca/wp-content/uploads/Order-LR25-26.pdf>

**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.