

## INTRODUCTION

- [1] This decision addresses an application the Landlord filed with the Residential Tenancy Office (the "Rental Office") under the *Residential Tenancy Act* (the "Act").
- [2] The Landlord seeks to keep the \$450.00 security deposit balance for repairs.

## BACKGROUND

- [3] The Unit is an apartment in a multi-unit building (the "Residential Property") owned by the Landlord.
- [4] The parties entered into a written fixed-term tenancy agreement for the Unit from June 1, 2022, to May 30, 2023. The parties renewed the one-year fixed-term tenancy agreement each year. Rent of \$1,469.00 was due on the first day of the month. The Tenants paid a \$1,395.00 security deposit by May 15, 2022.
- [5] The Tenants vacated the Unit on May 31, 2026, and the tenancy ended.
- [6] On June 2, 2026, the Landlord filed and served a *Form 2(B) Landlord Application to Determine Dispute* seeking to keep \$450.00 of the security deposit for repairs (the "Application").
- [7] On June 9, 2026, the Landlord returned \$1,062.32 of the security deposit to the Tenants.
- [8] On August 18, 2026, the Rental Office emailed the parties a notice of a tele-hearing scheduled for September 24, 2026.
- [9] On September 17, 2026, the Rental Office emailed the parties one Tenant video and a 133-page PDF (the "Evidence Package").
- [10] On September 24, 2026, the Landlord's representative (the "Representative") and the Tenants participated in the tele-hearing. The parties confirmed receipt of the Evidence Package and that it contained all submitted evidence.
- [11] After the hearing, both parties submitted additional evidence, which was shared with the other party and added to the record.

## DISPOSITION

- [12] The Landlord must return the security deposit balance, including accrued interest, in the amount of \$454.67 to the Tenants by the timeline below.

## ISSUE

- A. Can the Landlord keep the \$450.00 security deposit balance for repairs?

## EVIDENCE

### The Landlord's evidence is summarized as follows.

- [13] The Representative stated that the Landlord seeks to keep the security deposit balance for repairs. The Landlord had to repair approximately 70 nails and wall anchor holes that the Tenants left in the Unit's walls. The fridge also had scratches that needed polishing.
- [14] The Landlord is claiming for materials and the nine hours of labour it took to repair the walls and fridge. The Landlord is not claiming for painting the Unit. The Landlord submitted a move-in and move-out inspection report and move-out photographs of the Unit.
- [15] The Unit was new when the Tenants moved in, and some deficiencies still needed to be addressed at that time. The Landlord addressed the deficiencies after the Tenants moved in and gave the Tenants a one-month rent reduction. None of the repairs from after the tenancy ended were pre-existing before the Tenants moved in, and the fridge was new at move-in.
- [16] The tenancy agreement states that management approval was required before affixing any objects or adhesives to the walls. The Tenants did not seek written approval to hang anything on the wall or put up curtains. The Unit has custom roller blinds for window coverings.
- [17] The Landlord's move-out checklist states that tenants must leave any nails in the walls so the Landlord can find and repair them. The Landlord does not want tenants to remove the nails so the holes are easier to find and repair.

### The Tenants' evidence is summarized as follows.

- [18] The Tenants dispute the Landlord's claim to keep the security deposit balance. The holes in the walls and fridge scratches would be considered reasonable wear and tear for their four-year tenancy.
- [19] The Landlord representative who showed them the Unit stated they could hang things on the walls, including a TV mount, but they decided not to mount a TV. The Tenants were instructed to use nails, not Command hooks, to hang items on the walls. The Tenants referenced the Landlord's move-out checklist, which stated that tenants are to leave any nails in the walls, so the Tenants did not remove the nails.
- [20] The Unit was unclean when the Tenants moved in, and it still had deficiencies despite being new. The Tenants cited the move-in inspection of the Unit showing the noted deficiencies. The Landlord never repaired the scuff mark on the ceiling during the tenancy. The Landlord representative who did the move-out inspection did not address any issues with the fridge. The Tenants submitted a video of one wall of the Unit.

## ANALYSIS & FINDINGS

### A. Can the Landlord keep \$450.00 of the security deposit balance for repairs?

- [21] Clause 39(2)(a) of the Act provides the cleanliness and damage standard at the end of the 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...*

- [22] The burden of proof, on a balance of probabilities, lies with the Landlord as the party advancing the claims. To be successful, the Landlord must establish that the Tenants caused damage beyond reasonable wear and tear; the damage occurred during the Tenants' occupancy; the damage was attributable to the Tenants rather than another cause; and the compensation claimed reasonably flows from that damage.<sup>1</sup>
- [23] The evidence establishes that the Landlord included a clause in the tenancy agreement requiring management approval before affixing any objects or adhesives to the walls. However, although the Representative stated that the Tenants did not seek management's approval before affixing items to the Unit's walls, I must still determine whether the Unit was left below the standard of *"reasonably clean and undamaged, except for reasonable wear and tear."*
- [24] Additionally, section 5 of the Act states a tenant cannot waive or release their rights, benefits and protections under the Act, in this case regarding clause 39(2)(a) of the Act.
- [25] I note that what may be considered reasonable wear and tear in a rental unit may differ depending on various factors, such as the length of the tenancy. In this case, the Tenants lived in the Unit for four years. I find that some reasonable wear and tear to the walls and fridge would be expected over a four-year tenancy.
- [26] I have reviewed the evidence submitted by the parties. I find that the evidence, including the inspection reports, photographs and video, establishes that the condition of the Unit at the end of the tenancy was consistent with reasonable wear and tear and did not constitute damage for which the Tenants are responsible under clause 39(2)(a) of the Act.
- [27] I find that the evidence shows the fridge was not damaged beyond reasonable wear and tear. Additionally, I find that the evidence shows ordinary-sized nail and wall-anchor holes consistent with hanging ordinary household items, rather than holes or other wall damage beyond reasonable wear and tear.

## CONCLUSION

- [28] I find that the Landlord must return the security deposit balance, including accrued interest, to the Tenants, calculated as follows:

| Item                                          | Amount          |
|-----------------------------------------------|-----------------|
| Security deposit                              | \$1,395.00      |
| Interest (May 15/22 – June 9/26)              | \$117.95        |
| Security deposit returned                     | (\$1,062.32)    |
| <b>Balance on June 9/26</b>                   | <b>\$450.63</b> |
| Interest on \$450.63 (June 10/26 – Oct. 7/26) | \$4.04          |
| <b>Total payable</b>                          | <b>\$454.67</b> |

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

**IT IS THEREFORE ORDERED THAT**

1. The Landlord must return the security deposit balance, including accrued interest, in the amount of \$454.67 to the Tenants by November 9, 2026.

**DATED** at Charlottetown, Prince Edward Island, this 7th day of October, 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.