

INTRODUCTION

- [1] This decision addresses two applications the Landlord and the Tenants filed with the Residential Tenancy Office (the “Rental Office”) under the *Residential Tenancy Act*, cap. R-13.11 (the “Act”).
- [2] The Landlord seeks a monetary order against the Tenants for repairs and cleaning, totalling \$2,200.00. The Landlord also seeks to keep the Tenants’ security deposit, including interest to offset the claims.
- [3] The Tenants request the return of the security deposit, including interest.
- [4] The security deposit, including interest, totals \$1,521.82.

BACKGROUND

- [5] The Unit is a one-bedroom, one-bathroom apartment in a five-unit building, owned by the Landlord.
- [6] On April 28, 2023 the parties entered into a written, fixed-term tenancy agreement. At the end of the fixed-term, the tenancy continued on a monthly basis. Rent in the amount of \$1,400.00 was due on the first day of the month. At the beginning of the tenancy, the Tenants paid the Landlord a \$1,400.00 security deposit.
- [7] On February 28, 2026 the Tenants vacated the Unit and the tenancy ended by mutual agreement.
- [8] On March 12, 2026 the Landlord filed a *Form 2(B) Landlord Application to Determine Dispute* with the Rental Office seeking to keep the Tenants’ security deposit, including interest, for repairs and cleaning. On March 13, 2026, the Landlord e-mailed the Tenant the *Form 2(B) Application*.
- [9] On March 19, 2026 the Landlord amended the *Form 2(B) Application*, but did not serve the Tenants.
- [10] On August 18, 2026 the Tenants e-mailed the Landlord and the Rental Office a *Form 2(A) Tenant Application to Determine Dispute* requesting the return of the security deposit, including interest (the “Tenant Application”).
- [11] On August 30, 2026 the Landlord e-mailed the Tenants and the Rental Office an amended *Form 2(B) Landlord Application to Determine Dispute* seeking to keep the Tenants’ security deposit, including interest and additional compensation for repairs and cleaning (the “Landlord Application”).
- [12] On September 4, 2026 the Rental Office provided the parties with notice of a tele-hearing scheduled for October 6, 2026 at 9:00 a.m.
- [13] On September 23, 2026 the Rental Office provided the parties with an updated notice of a tele-hearing scheduled for October 6, 2026 at 11:00 a.m.
- [14] On September 25, 2026 the Rental Office provided the parties a 69-page PDF evidence package.
- [15] On October 6, 2026 the Landlord’s representative (the “Representative”) and one of the Tenants (the “Tenant”) representing the Tenants 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. During the hearing I requested additional evidence from the parties.
- [16] On October 6, 2026 the Landlord e-mailed the Tenants and the Rental Office two-pages of additional evidence.
- [17] On October 7, 2026 the Tenants e-mailed the Rental Office 14-pages of additional evidence, which was forwarded to the Landlord.

DISPOSITION

- [18] The Landlord's claim is established, in part. The Landlord will keep \$800.00 of the security deposit.
- [19] The Landlord must return to the Tenants the security deposit balance, including interest, totalling \$721.82 by the timeline below.

ISSUE

- A. Has the Landlord established valid claims against the Tenants for repairs and cleaning and can the Landlord keep the security deposit, including interest?

EVIDENCE & ANALYSIS

- [20] When a party makes an application to the Rental Office, the onus is on that party to support their application with clear, convincing and cogent evidence. In this case, the burden of proof lies with the Landlord, as the party advancing the claims. The applicable standard is proof on a balance of probabilities.
- [21] The Landlord is seeking a monetary order for repairs and cleaning, totalling \$2,200.00.
- [22] 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...*
- [23] The Landlord's evidence included the direct testimony from the Representative, a copy of the tenancy agreement, text-messages, photographs of the Unit at the end of the tenancy and two invoices for 14 hours of cleaning and repairs to the wall, including painting, dated March 22, 2026.
- [24] The Tenants' evidence included the direct testimony from the Tenant, written submissions, photographs of the Unit at the end of the tenancy and a copy of the tenancy agreement.
- [25] The tenancy between the Landlord and the Tenants started on April 28, 2023. Written move-in and move-out inspection reports are mandatory under subsections 18(1) and 38(1) for tenancies that started on or after April 8, 2023.
- [26] The Representative stated that the Unit was brand new and that the Tenants were the first to occupy the Unit. The Representative stated that he offered the Tenants to meet at the Unit and completed a move-out inspection, but no inspection report was completed.
- [27] The Representative stated that the Unit was unclean and there was damage to the walls beyond reasonable wear and tear at end of tenancy. The holes in the walls were seam filled, sanded, primed and painted. There was also a lot of grease on the kitchen walls that needed to be removed. The Representative stated that the total cost was \$2,185.00. In response to the Tenant's testimony, the Representative stated that the Tenants did not bring up any maintenance issues to him (see below).
- [28] The Tenant disputed the Landlord's financial claim. The Tenant stated that the Unit was cleaned prior to vacating and that the holes in the walls and painting was considered reasonable wear and tear after a three-year tenancy.

- [29] The Tenant stated that perhaps a \$200.00 deduction from the security deposit for cleaning would be reasonable, but not the full amount, nor additional compensation. The Tenant stated that there were several maintenance issues in the Unit throughout the tenancy.
- [30] For the reasons below, I find that the Landlord's claims are established in part.
- [31] In Order LR26-53 the Island Regulatory and Appeals Commission (the "Commission") made the following comments regarding a newly built rental unit and the absence of move-in inspection reports, stating:

"The Landlord relies on photographs, estimates and the testimony of JA and AR. The evidence establishes that the Rental Unit was newly constructed in June 2024 and that the Tenants were its first occupants.

The fact that the Rental Unit was newly constructed is relevant to the assessment of its condition at the commencement of the tenancy. It does not, however, establish that every defect or condition observed at the end of the tenancy was caused by the Tenants.

The Commission also considered the evidence concerning the move-out inspection. Section 38 of the Act establishes requirements respecting inspection at the end of a tenancy. The evidence does not establish that a joint inspection was completed in person. The parties' schedules conflicted, and the Landlord proceeded with the move-out process with a phone inspection with the Tenants.

*The absence of a joint inspection is relevant to the weight that can be given to evidence concerning the condition of the Rental Unit at the end of the tenancy. It does not, however, automatically defeat damages claim where other reliable evidence establishes the condition of the Rental Unit and the cause of damage."*¹

- [32] I find that, although the parties did not complete move-in or move-out inspection reports, the Landlord's evidence establishes that the Tenants are responsible for some damage to the walls beyond reasonable wear and tear. I also find that the Unit was not left reasonably clean, particularly the kitchen.
- [33] The Landlord is seeking \$2,200.00 in compensation for the repairs and cleaning. I find that the evidence does not support this amount.
- [34] I find that the Landlord has established a claim for fixing, seam filling, sanding the damage to the walls and cleaning, totalling \$800.00.
- [35] The Landlord's invoices stated that the cost for 14 hours of cleaning was \$483.00 and the cost for repairs, painting, etc. was \$2,185.00.
- [36] The Tenants are responsible only for a reasonably clean standard and not a professional or "move-in ready" standard. Based the photographs submitted into evidence, I find that \$200.00 for cleaning is reasonable in these circumstances.
- [37] Tenants are only responsible for damage beyond reasonable wear and tear. Based on the photographs submitted into evidence, I find that some of the damage to the walls is beyond reasonable wear and tear. However, some marks, nail holes and painting are expected and is considered reasonable wear and tear after a three-year tenancy.

¹ *S and D Professional Corporation v. Matthew Beamish and Jessica Mae Hainge* 2026 PEIRAC 67 paras. 62-65.

- [38] Therefore, I find that the Tenants are responsible for repairs, totalling \$600.00 for the sanding, repairs to the walls that are not considered reasonable wear and tear and additional grease cleaning in the kitchen.
- [39] The Landlord Application is allowed, in part. The Landlord will keep \$800.00 from the Tenants' security deposit.
- [40] The Tenant Application is allowed, in part. The Landlord must return the remaining security deposit balance, including interest, in the amount of \$721.82 by the timeline below, calculated as follows:

Item	Amount
Security deposit	\$1,400.00
Interest (28 APR 2023 to 26 OCT 2026)	\$121.82
Less Landlord's established claims	-\$800.00
Total	\$721.82

IT IS THEREFORE ORDERED THAT

1. The Landlord will keep \$800.00 from the Tenants' security deposit.
2. The Landlord must pay the Tenants \$721.82 by November 26, 2026.

DATED at Charlottetown, Prince Edward Island, this 26th day of October, 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.