INTRODUCTION

[1] This decision addresses two applications filed with the Residential Tenancy Office (the "Rental Office") under the *Residential Tenancy Act* (the "Act").

[2] The Tenant seeks the return of $1,417.00 of the security deposit.

[3] The Landlord seeks $1,689.00 in compensation for cleaning and repairs.

BACKGROUND

[4] The Unit is a two-bedroom apartment in a three-unit building owned by the Landlord.

[5] On April 19, 2023, the Tenant and two other tenants ("M.K." and "O.S.") entered into a written fixed-term tenancy agreement for the Unit from May 1, 2023, to April 30, 2024 (the "First Agreement"). On April 19, 2023, a $1,700.00 security deposit was paid. At the end of the First Agreement, O.S. moved out of the Unit.

[6] On May 1, 2024, the Tenant, M.K., and another tenant ("G.S.") entered into a written fixed-term tenancy agreement for the Unit from May 1, 2024, to April 30, 2025 (the "Second Agreement"). The Second Agreement then continued on a month-to-month basis. The $1,700.00 security deposit was transferred from the First Agreement to the Second Agreement. Rent is $1,700.00 monthly, due on the first of the month.

[7] On June 30, 2026, the Tenant moved out of the Unit. M.K. and G.S. are still living in the Unit.

[8] On August 5, 2026, the Tenant filed and served a *Form 2(A) Tenant Application to Determine Dispute* seeking the return of $850.00 of the security deposit from the Landlord (the "Tenant Application"). During the hearing, the Tenant requested to increase her claim to $1,417.00.

[9] On August 6, 2026, the Landlord filed and served a *Form 2(B) Landlord Application to Determine Dispute* seeking $1,689.00 in compensation from the Tenant (the "Landlord Application").

[10] On September 15, 2026, the Rental Office emailed the parties notice of a tele-hearing scheduled for October 29, 2026.

[11] On October 15, 2026, the Rental Office shared a 60-page PDF evidence package with the parties.

[12] On October 29, 2026, the Tenant and the Landlord participated in the tele-hearing. The parties confirmed receipt of the evidence package and stated that nothing was missing from the record.

DISPOSITION

[13] The Tenant Application is denied.

[14] The Landlord Application is denied.

ISSUES

A. Must the Landlord return part of the security deposit to the Tenant?

B. Must the Tenant compensate the Landlord for cleaning and repairs?

EVIDENCE

The Tenant's evidence and submissions

[15] When the Tenant, O.S. and M.K. moved into the Unit at the start of the First Agreement, they each paid $567.00 toward the $1,700.00 security deposit to the Landlord. Around July 2023, a fourth person moved into the Unit (the "Occupant"), and the Occupant paid the Tenant, O.S., and M.K. $425.00 for a security deposit. The Tenant stated that all four individuals then had a $425.00 stake in the $1,700.00 security deposit.

[16] At the end of the First Agreement, O.S. and the Occupant moved out of the Unit. The Tenant paid O.S. $425.00 out of her own pocket for O.S.'s portion of the security deposit. The Tenant, O.S., and M.K. returned the Occupant's $425.00 security deposit to the Occupant.

[17] On May 1, 2024, at the beginning of the Second Agreement, G.S. moved into the Unit with the Tenant and M.K. The Landlord applied the $1,700.00 security deposit to the Second Agreement. G.S. did not pay the Landlord or the tenants a security deposit when he moved into the Unit.

[18] In June or July 2024, "B.S.", who is the Tenant's husband, moved into the Unit. B.S. paid the Tenant a $425.00 security deposit to replace the money the Tenant paid to O.S.

[19] During the Second Agreement, the Tenant and B.S. had disagreements with M.K. and G.S. On June 30, 2026, the Tenant and B.S. moved out of the Unit. The Tenant stated that M.K. refused to return the Tenant's portion of the security deposit.

[20] The Tenant stated she is seeking the return of her portion of the security deposit ($567.00) which she paid at the beginning of the First Agreement. She is also seeking the $425.00 portion of the security deposit she paid to O.S., and the $425.00 portion of the security deposit B.S. paid when he moved into the Unit, totalling $1,417.00.

[21] The Tenant disputed the Landlord's cleaning and repair claims. The Tenant stated she cleaned her shared areas of the Unit before she moved out. She stated that the Landlord's photographs were from before she cleaned the Unit. The Tenant stated that multiple tenants lived in the Unit during the First and Second Agreements. The Tenant stated that M.K. and G.S. still live in the Unit, so she cannot be held responsible for all the cleaning and damage claims.

The Landlord's evidence and submissions

[22] The Landlord stated that he disputes the Tenant's claim for a return of part of the security deposit. He stated that M.K. and G.S. are still living in the Unit and the Second Agreement has not ended. The Landlord stated the security deposit is still being held for the Second Agreement and he is not required to deal with the security deposit until the Second Agreement has ended.

[23] The Landlord stated that the $1,700.00 security deposit is for all tenants under the Second Agreement. He did not request a partial security deposit payment from each tenant. He stated that any monetary matters regarding the security deposit are between the tenants. The Landlord stated that B.S. was not added as a tenant of the Unit and he did not receive a security deposit from B.S.

[24] The Landlord stated that when the Tenant and B.S. moved out, M.K. told the Landlord that the Tenant never cleaned the Unit and that B.S. smoked in the Unit. The Landlord inspected the Unit after the Tenant moved out. He found the Unit unclean and damaged, and the Tenant had left tires outside the Unit.

[25] The Landlord hired someone to help clean and repair the Unit. The Unit was repainted due to the smell of smoke. The Landlord replaced the kitchen and bathroom floors because they were damaged. It cost $360.00 in labour for the cleaning and repairs and $770.00 for flooring and paint materials.

[26] The Landlord stated the Unit was newly renovated before the start of the First Agreement. The Landlord stated he was requesting that the Tenant, M.K., G.S., and B.S. compensate him $1,689.00 for the cleaning and repairs.

ANALYSIS & FINDINGS

A. Must the Landlord return part of the security deposit to the Tenant?

[27] Section 40 of the Act provides the rules for keeping and returning security deposits, stating 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.*

[28] I find that the Tenant has not established this claim for the following reasons.

[29] I find that there is insufficient evidence to establish that the Second Agreement has ended. The Landlord stated that M.K. and G.S. are still living in the Unit. The Landlord has not entered into a new or updated tenancy agreement with M.K. and G.S. Therefore, I find that the evidence establishes that the Second Agreement remains in effect.

[30] There is insufficient evidence to establish whether the Tenant can move back into the Unit, whether the Tenant's interest in the tenancy has been assigned, or whether the Tenant has otherwise been released from her obligations under the Second Agreement.

[31] Although the Second Agreement remains in effect, I cannot determine whether the Tenant's individual tenancy rights and obligations have ended. As such, I cannot determine whether the Landlord's section 40 obligations have arisen with respect to the Tenant.

[32] Any monetary agreements made between tenants respecting the security deposit are outside the jurisdiction of the Rental Office.

[33] This claim is denied.

B. Must the Tenant compensate the Landlord for cleaning and repairs?

[34] Clause 39(2)(a) states:

> *(2) 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.*

[35] The burden of proof lies with the Landlord, as the party advancing the cleaning and repair claims. To be successful, the Landlord must establish that the Tenant failed to leave the Unit reasonably clean; the Tenant caused the alleged damage beyond reasonable wear and tear; the damage occurred during the Tenant's occupancy; the damage was attributable to the Tenant rather than another cause; and the compensation claimed reasonably flows from that damage.

[36] I find that the Landlord has not established this claim for the following reasons.

[37] I note that all tenancy agreements commencing on or after April 8, 2023, require written pre-tenancy and post-tenancy inspection reports under subsections 18(3) and 38(3) of the Act.

[38] In Order LR25-12, the *Island Regulatory and Appeals Commission* (the "Commission") made the following comments regarding landlords who fail to complete the inspection reports (at paragraphs 34 & 35):

> *"The Commission finds that the Landlord failed to comply with section 18 and section 38 statutory requirement for pre-tenancy and post-tenancy inspections. These requirements are in place to protect both landlords and tenants and to provide the Rental Office and the Commission with the best possible evidence of the condition of a rental unit at the start and at the end of the tenancy. A deterioration in the condition of the unit during the tenancy will then be more clearly apparent.*
>
> *Where a landlord has failed to comply with both sections 18 and 38, the Commission can only award a damage claim to a landlord if that claim is supported by objective and compelling evidence with respect to who caused the damage and how much it costs to repair. The onus to establish such damage and who caused it rests on the party seeking the damage claim and a failure to comply with sections 18 and 38 "raises the bar" thus making it more difficult, but not impossible, to support the claim."*

[39] In this case, no written pre-tenancy inspection report was completed at the start of the First or Second Agreements. In the absence of a pre-tenancy inspection report or other reliable evidence of the Unit's condition at the beginning of the tenancies, I find that the Landlord has provided limited evidence of the Unit's pre-tenancy condition.

[40] I note that the Landlord stated the Unit was newly renovated before the start of the First Agreement, but I find that the Landlord provided insufficient evidence, such as photographs or an inspection report, to establish the Unit's condition at that time. Additionally, the Landlord did not complete an inspection report at the end of the First Agreement.

[41] I also find that the Landlord has not established that the Tenant left the Unit unclean or caused the alleged damage. The evidence establishes that the Tenant, M.K. and O.S., lived in the Unit during the First Agreement, and the Tenant, M.K. and G.S., lived in the Unit during the Second Agreement. Additionally, M.K. and G.S. are still living in the Unit.

[42] The Landlord stated that M.K. told him that the uncleanliness and damage were the Tenant's fault. However, M.K. did not participate in the hearing to testify or answer questions about this matter. Additionally, the Tenant stated she cleaned her shared areas of the Unit before moving out and denied causing any damage. The Tenant also stated the Landlord's photographs of the unclean areas were from before she cleaned.

[43] The evidence establishes that several tenants shared the Unit's common areas throughout the relevant periods. The Unit's common areas were therefore not under the Tenant's exclusive control. Where multiple individuals had access to and regularly used the Unit's common areas, I find that the Landlord has not established, on a balance of probabilities, that the Tenant caused the alleged uncleanliness or damage.

[44] The Landlord stated that he was seeking compensation from the Tenant, M.K., G.S., and B.S. for the cleaning and repairs. However, I note that the Tenant was the only individual named as a respondent in the Landlord Application, and M.K. and G.S. are not parties to this matter. B.S. was not a tenant of the Unit, and no landlord-tenant relationship existed between the Landlord and B.S. Therefore, I cannot find M.K., G.S., or B.S. responsible for the Landlord's financial claims in this decision.

[45] Additionally, I find that the Landlord provided insufficient evidence, such as estimates or invoices, to establish the amounts claimed. In Order LR26-11, the Commission stated:

> "*Furthermore, neither the Landlord nor the Representative provided documentary evidence such as invoices or written estimates to substantiate the repair costs. The Landlord must provide sufficiently reliable evidence of the cost of repairing any proven damage. Mere assertions or estimates, without corroborating documentation, will generally be considered insufficient.*"

[46] This claim is denied.

CONCLUSION

[47] The Tenant Application is denied.

[48] The Landlord Application is denied.

IT IS THEREFORE ORDERED THAT

1. The Tenant Application is denied.

2. The Landlord Application is denied.

DATED at Charlottetown, Prince Edward Island, this 13th day of November, 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.