

Residential Tenancies Tribunal

Application 2024-1040-NL

Michael Reddy
Adjudicator

Introduction

1. The hearing was called at 1:44 PM on 2 December 2024 via teleconference.
2. The applicant, [REDACTED], hereinafter referred to as “the landlord”, attended the hearing.
3. The respondent, [REDACTED], hereinafter referred to as “the tenant”, attended the hearing.

Preliminary Matters

4. The landlord supplied an affidavit (L#1) with his application stating that the tenant was personally served on 21 November 2024 at approximately 1:00 PM an Application for Dispute Resolution. The tenant could not recall the date, but did not dispute receipt. In accordance with the *Residential Tenancies Act, 2018* this is good service.
5. There was a written fixed term rental agreement (L#2) which commenced on 15 September 2023, and ended 14 March 2024, defaulting to a monthly rental agreement. Rent was initially set at \$1200.00, which included \$200.00 for furnishing and \$200.00 for satellite television, and was due on the 15th of each month. The parties agreed to eliminate satellite television, and rent was reduced to \$1000.00 in July 2024
6. The landlord amended the application to exclude the claim for vacant possession and include \$20.00 hearing expenses.

Issues before the Tribunal

7. The landlord is seeking:
 - rental arrears in the amount \$2100.00;
 - hearing expenses in the amount \$20.00; and
 - security deposit in the amount \$600.00.

Legislation and Policy

8. The jurisdiction of the Director of Residential Tenancies is outlined in sections 46 and 47 of the *Residential Tenancies Act*, 2018. Also relevant and considered in this case is S. 14 of the *Residential Tenancies Act*, 2018; and Residential Tenancies Policy 10-001: Security Deposit and 12-001: Costs.

Issue 1: Rent Paid

Landlord Position

9. The landlord is claiming \$2100.00 of rental arrears. The landlord stated the tenant started to incur rental arrears from 15 March 2024. Following this, the landlord stated he made attempts to “work with” the tenant to deal with rental arrears incurred, which included a reduction of rent to \$1000.00 beginning in July 2024 and he encouraged the tenant to speak with an accountant about his rental payments.
10. Along with his application, the landlord supplied a rental ledger (L#3), which he testified was taken directly from his bank statements. The landlord testified that this piece of evidence included a typo for September 2024 rent and confirmed that the tenant paid rent of \$1000.00 on 15 September 2024 for the period 15 September 2024 to 14 October 2024. The landlord was seeking payment of rent in the amount of \$2100.00 broken down as follows:
 - 15 March to 14 April 2024: \$375.00
 - 15 April to 14 May 2024: \$375.00
 - 15 June to 14 July 2024: \$350.00
 - 15 October to 14 November 2024: \$1000.00
11. The landlord could not provide the date on which the tenant vacated the premises but testified that it was approximately two or three weeks prior to the hearing.

Tenant Position

12. The tenant testified he had a verbal agreement in February 2024 with the landlord that rental payments would be made on a bi-weekly basis, as the landlord “*agreed for me to clear up rental arrears when I would get alimony*”. He disputed owing rental arrears and confirmed that his last payment of rent was on 15 September 2024 for \$1000.00, and he did not pay rent on 15 October 2024. The tenant testified that he had been served a three-month termination notice from the landlord with a request for him to vacate by 14 January 2025 (L#4). The tenant testified he vacated the rental premises on 31 October 2024.

Analysis

13. Non-payment of rent is a violation of the rental agreement. Rent is required to be paid under a rental agreement by a tenant during the use or occupancy of a residential premises. I accept the landlord’s testimony that rent was not fully paid for the months of

March, April and May 2024, and find the tenant responsible for outstanding rent for March, April and May 2024 for the total amount of \$1100.00.

14. With respect to the landlords claim for \$1000.00 rent for the period 15 October 2024 to 15 November 2024, I note that the tenant was issued a standard notice to terminate dated 24 September 2024 with a move out date of 14 January 2025. The tenant also provided testimony that he did not pay rent on 15 October 2024 and vacated the rental premises on 31 October 2024 without providing a termination notice to the landlord. As such, when the tenant vacated the premises on 31 October 2024 he is considered to have abandoned it as the tenancy had not been properly terminated in accordance with the *Residential Tenancies Act, 2018*. I find that the landlord is entitled to payment of rent of \$1000.00 for the period of 15 October 2024 to 14 November 2024 in lieu of proper notice.

Decision

15. The landlord's claim for rental arrears succeeds in the amount of \$2100.00.

Issue 2: Hearing Expenses

Analysis

16. The landlords offered evidence of the application fee of \$20.00 (L#5) and is seeking compensation. As the application succeeds, in accordance with Residential Tenancies Program Policy 12-001, the landlord claim for hearing expenses succeeds.

Decision

17. The landlord's claim for hearing expenses succeeds in the amount of \$20.00.

Issue 3: Security Deposit

Landlord Position

18. The landlord is seeking \$600.00 of the security deposit which he testified was never paid by the tenant during the tenancy.

Tenant Position

19. The tenant testified the security deposit was paid in full during his tenancy. There was no transactional evidence supplied by the tenant in relation to this testimony.

Analysis

20. Section 14 (8), Security Deposit, of the *Residential Tenancies Act, 2018* states:

14. (8) A security deposit is not an asset of the landlord but is held by the landlord in trust and may be used, retained or disbursed on as provided in this section.

21. Security deposits are not considered revenue for the landlord but are often collected at the *beginning* of a rental agreement as a type of insurance in the event that the tenant causes the landlord to suffer some type of financial loss during the course of the tenancy. The landlord testified that there was an intent to collect a \$600.00 security deposit, but it was never received. The tenancy has ended, and the landlord is not entitled to compensation in lieu of a security deposit after a tenancy has ended.

Decision

22. The landlord's claim for the security deposit does not succeed.

Summary of Decision

23. The landlord is entitled to a payment of **\$2120.00**, determined as follows:

- Rental Arrears.....\$2100.00
- Hearing Expenses.....\$20.00
- Total.....**\$2120.00**

27 March 2025

Date



Michael Reddy, Adjudicator
Residential Tenancies Office