

Residential Tenancies Tribunal

Application 2025-0214-NL & 2025-0353-NL

Pamela Pennell
Adjudicator

Introduction

1. Hearing was called at 9:05 a.m. on 14-May-2025.
2. The applicant, [REDACTED], hereinafter referred to as “the tenant” attended by teleconference.
3. The respondent and counter applicant, [REDACTED], hereinafter referred to as “the landlord” attended by teleconference.

Preliminary Matters

4. The tenant submitted an affidavit stating that she had served the landlord with the notice of hearing electronically by email to: [REDACTED] on 7-April-2025 (TT#1). The landlord confirmed receipt of the document on that date and submitted a counter claim against the tenant. The landlord submitted an affidavit with her application stating that she had served the tenant with the notice of hearing electronically by email to: [REDACTED] on 28-May-2025 (LL#1). The tenant confirmed receipt of the document on that date. In accordance with the *Residential Tenancies Act 2018*, this is good service.
5. There was a written month-to-month rental agreement that commenced on 1-September-2021. The tenant vacated the unit on 28-February-2025. Rent was \$890.00 per month, due on the first day of each month. A security deposit of \$596.00 was paid on 12th and 16-August-2021 and is in the landlord’s possession.

Issues before the Tribunal

6. The tenants are seeking:
 - Refund of security deposit \$596.00.
7. The landlord is seeking:
 - Compensation paid for damages \$1264.69
 - Hearing expenses \$20.00
 - Security deposit to be applied against monies owed \$596.00

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*.

9. Also, relevant and considered in this decision is the following section of the *Residential Tenancies Act, 2018*: Section 14; Security Deposit. Also, relevant and considered in this decision are the following sections of the *Residential Tenancies Policy Manual*, Section 9-3: Claims for damage to rental premises, Section 9-5: Depreciation and life expectancy of property and Section 12-1: Recovery of costs.

Issue # 1: Compensation for Damages \$1264.69

Landlord's and Tenant's Positions

10. The landlord testified that there was damage to the carpet on the stairs and the top hallway area caused by the tenant's cat, and she is seeking \$1264.69 to have the carpet replaced. The landlord submitted photographs of the carpet to support the claim (LL#2) and a copy of an invoice from *Carpet Factory* to show the cost to replace the carpet (LL#3). The tenant did not dispute that her cat caused some damage to the carpet, however she disputed that she should be responsible for the full cost to replace the carpet as the carpet was old and had endured normal wear and tear.

Analysis

11. In accordance with *Residential Tenancies policy 9-3*, the applicant is required to show:
 - *That the damage exists;*
 - *That the respondent is responsible for the damage;*
 - *The value to repair or replace the damaged item(s)*
12. In accordance with section 9-3 of the *Policy* as stated above, I find that the landlord was able to show that the damage exists, and that the tenant was negligent in causing the damage. The landlord was also able to show the value to have the carpet replaced. In accordance with Section 9-5 of the Policy: Depreciation and life expectancy of property, carpet has a life span of 10 years. I asked the landlord the age of the carpet and she responded that she was unsure of the age and estimated it to be approximately 8 years of age. The landlord disputed that the age should matter as she stated that the carpet was in perfect condition and would not have to be replaced at this time had the cat not damaged it.
13. I agree with the landlord that she would not have had to incur any costs at this time if the damage had not occurred, however I don't agree that tenants should pay the full costs to replace carpet that is nearing the end of its life cycle. As the carpet is 8 years old, there is approximately 20% of it's life cycle remaining and for that reason, I find that the tenant is responsible for 20% of the cost to replace the carpet in the amount of \$252.94 ($\$1264.69 \times 20\%$).

Decision

14. The landlord's claim for *compensation for damages* succeeds in the amount of \$252.94.

Issue # 2: Hearing expense \$20.00

Analysis

15. The landlord paid an application fee of \$20.00 to *Residential Tenancies* and submitted a copy of the receipt to support the claim (LL#4). In accordance with Section 12-1 of the *Residential Tenancies Policy Manual*, filing fees can be claimable costs. As the landlord's claim for losses has been partially successful, I find that the tenant is responsible for the landlord's hearing expenses.

Decision

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

Issue # 3: Refund of Security Deposit \$596.00 Security Deposit to be applied against monies owed \$596.00

Analysis

17. Section 14 of the *Residential Tenancies Act, 2018* deals with security deposits, and the relevant subsections state:

Security deposit

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 only as provided in this section.

(9) Not later than 10 days after the tenant vacates the residential premises, the landlord shall return the security deposit to the tenant unless the landlord has a claim for all or part of the security deposit.

(10) Where a landlord believes he or she has a claim for all or part of the security deposit,

(a) the landlord and tenant may enter into a written agreement on the disposition of the security deposit; or

(b) the landlord or the tenant may apply to the director under section 42 to determine the disposition of the security deposit.

(11) Where a tenant makes an application under paragraph (10)(b), the landlord has 10 days from the date the landlord is served with a copy of the tenant's application to make an application to the director under paragraph (10)(b).

(12) A landlord who does not make an application in accordance with subsection (11) shall return the security deposit to the tenant.

18. The landlord's claim for losses has been successful as per paragraphs 14 and 16 above, and as such the security deposit shall be applied against monies owed. Pursuant to the *Residential Tenancies Act, 2018* the landlord must pay interest on a security deposit to a tenant for the entire period that the landlord has had the security deposit. The interest is calculated as simple interest and is not compounded. The annual interest rate for 2021-2023 was 0% and is currently 1% for 2024-2025.

Decision

19. The tenant's claim for a *refund of security deposit plus interest* succeeds in the amount of \$331.22.

20. The landlord's claim to have the security deposit applied against monies owed succeeds.

Summary of Decision

21. The landlord shall refund the tenant's security deposit plus interest in the amount of \$331.22.

22. The tenant shall pay the landlord \$0.00 as follows:

Compensation paid for damages ...	\$252.94
Hearing expenses	20.00
Less: security deposit	272.94
Total	\$0.00

June 10, 2025

Date

Pamela Pennell, Adjudicator
Residential Tenancies Office