

## Residential Tenancies Tribunal

Application 2024-0266-NL

Pamela Pennell  
Adjudicator

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### Introduction

1. Hearing was called at 1:59 p.m. on 13-June-2024.
2. The applicant, [REDACTED], represented by [REDACTED], hereinafter referred to as “the landlord” attended by teleconference.
3. The respondent, [REDACTED], hereinafter referred to as “the tenant” attended by teleconference.

### Preliminary Matters

4. The landlord submitted an affidavit with their application stating that they had served the tenant with the notice of hearing electronically by email to [REDACTED] on 9-April-2024 (LL#1). The respondent confirmed receipt of the document on that day. In accordance with the *Residential Tenancies Act, 2018* this is good service.
5. There was a written term rental agreement that commenced on 1-June-2023. The tenant vacated the unit on 29-February-2024. Rent was \$1300.00 per month due on the first day of each month. A security deposit of \$975.00 was paid in May-2023 and is in the landlord’s possession.
6. The applicant’s representative amended the application to decrease *rent paid* from \$1300.00 to the amount currently held in trust for the security deposit.

### Issues before the Tribunal

7. The landlord is seeking:
  - a. Rent paid equivalent to amount held in trust for security deposit.
  - b. Security deposit applied against monies owed \$975.00 plus interest.

### 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.

### **Issue # 1: Rent Paid equivalent to amount held in Trust for Security Deposit**

#### Landlord's Position

10. The applicant's representative testified that the tenant vacated the unit on 29-February-2024 without proper notice and rent is outstanding in the amount of \$1300.00 for the month of March. The landlord's representative stated that they are only seeking to keep the security deposit plus interest to be applied against the monies owed.

#### Tenant's Position

11. The tenant did not dispute that he vacated the unit on 29-February without giving a month's notice.

### **Analysis**

12. 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. The applicant's representative testified that rent is outstanding in the amount of \$1300.00 but they are only seeking to keep the security deposit plus interest. The tenant did not dispute the claim and for that reason, I find that the tenant is responsible for the outstanding rent for the month of March in the amount equivalent to the security deposit plus interest as sought by the landlord.

### **Decision**

13. The landlord's claim for rent succeeds.

### **Issue # 2: Security deposit applied against monies owed \$975.00 plus interest.**

#### **Analysis**

14. Section 14 of the *Residential Tenancies Act, 2018* states:

#### ***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).

15. The landlord's claim for losses has been successful as per paragraph 13 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 for 2023 was 0% and is currently 1% for 2024.

### Decision

16. The landlord's claim for security deposit to be applied against monies owed succeeds.

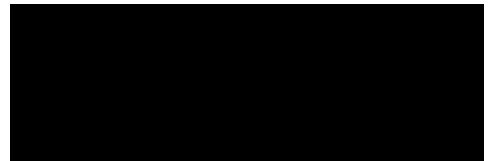
### Summary of Decision

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

Rent paid .....	\$979.42
Less security deposit & interest.....	979.42
Total .....	\$0.00

June 26, 2024

Date



Pamela Pennell, Adjudicator  
Residential Tenancies Office