

## **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**

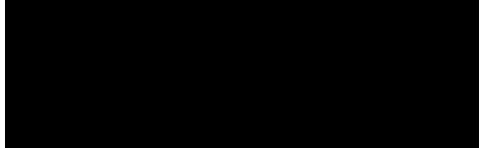
17. The tenant shall pay the landlord \$0.00 as follows:

Rent paid ..... \$979.42  
**Less security deposit & interest..... 979.42**

Total ..... \$0.00

June 26, 2024

Date

  
Pamela Pennell, Adjudicator  
Residential Tenancies Office