

IN THE MATTER between **809656 ALBERTA LTD.**, Applicant, and **WALTER PITTMAN**, Respondent;

AND IN THE MATTER of the **Residential Tenancies Act** R.S.N.W.T. 1988, Chapter R-5 (the "Act");

AND IN THE MATTER of a Hearing before, **HAL LOGSDON**, Rental Officer, regarding the rental premises at **YELLOWKNIFE, NT.**

BETWEEN:

**809656 ALBERTA LTD.**

Applicant/Landlord

- and -

**WALTER PITTMAN**

Respondent/Tenant

**ORDER**

IT IS HEREBY ORDERED:

1. Pursuant to section 41(4)(a) of the *Residential Tenancies Act*, the respondent shall pay the applicant rent arrears in the amount of three hundred twenty five dollars (\$325.00).
2. Pursuant to section 14(6)(a) of the *Residential Tenancies Act*, the respondent shall pay the applicant the remainder of the required security deposit in the amount of one hundred fifteen dollars (\$115.00).
3. Pursuant to sections 41(4)(c) and 83(2) of the *Residential Tenancies Act*, the tenancy agreement between the parties for the premises known as Apartment 107, 5600-52

Avenue, Yellowknife, NT shall be terminated on March 31, 2003 and the respondent shall vacate the premises on that date, unless the rent arrears and balance of the security deposit are paid in full.

DATED at the City of Yellowknife, in the Northwest Territories this 12th day of March, 2003.

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Hal Logsdon  
Rental Officer

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BETWEEN:

**809656 ALBERTA LTD.**

Applicant/Landlord

-and-

**WALTER PITTMAN**

Respondent/Tenant

**REASONS FOR DECISION**

**Date of the Hearing:** March 11, 2003

**Place of the Hearing:** Yellowknife, NT

**Appearances at Hearing:** Talib Rasheed, representing the applicant  
Walter Pittman, respondent

**Date of Decision:** March 11, 2003

**REASONS FOR DECISION**

The applicant alleged that the respondent had breached the tenancy agreement by failing to pay rent and by failing to pay the balance of the required security deposit. The applicant sought an order requiring the respondent to pay the alleged rent arrears and the alleged outstanding portion of the required security deposit and terminating the tenancy agreement on March 31, 2003 unless those amounts were paid in full.

The applicant provided a copy of the tenant ledger which indicated a balance of rent owing in the amount of \$325. The ledger also indicated that \$860 had been paid in satisfaction of the required security deposit of \$1095, leaving a balance owing of \$235.

The respondent did not dispute the allegations and indicated he would be able to pay the amounts by the March 31, 2003.

The written tenancy agreement between the parties sets out a monthly rent for the premises of \$1095 and a required security deposit of the same amount. An addendum to the tenancy agreement sets out a "discount rent" of \$975 which will be charged so long as the tenant continues to occupy the premises for the full term, pays rent no later than the first of every month and fulfills the terms and conditions of the tenancy agreement. *The Residential Tenancies Act* defines rent as follows:

"Rent" includes the amount of any consideration paid or required to be paid by a tenant to a landlord or his or her agent for the right to occupy rental premises and for any services and facilities, privilege, accommodation or thing that the landlord

provides for the tenant in respect of his or her occupancy of the rental premises, whether or not a separate charge is made for the services and facilities, privilege, accommodation or thing.

In my opinion, \$975/month is the lawful rent for the premises. That is the amount paid or required to be paid. The effect of setting a higher amount in the tenancy agreement and "discounting" it though an addendum serves as a penalty for the breach of an obligation by the tenant or a penalty for late rent. Neither are in accordance with the *Residential Tenancies Act*.

Section 14 of the Act prohibits the collection of a security deposit in excess of one month's rent. Therefore the maximum security deposit permissible for this tenancy is \$975. Having paid \$860, I find the balance owing to be \$115.

The respondent was previously ordered to pay future rent on time. Although the amounts owing are relatively small they represent, in my opinion, sufficient grounds to terminate the tenancy agreement unless promptly paid.

I find the respondent breached the tenancy agreement by failing to pay the lawful rent to the landlord and by failing to pay the full amount of the required security deposit. I find the rent arrears to be \$325 and the outstanding security deposit to be \$115. An order shall be issued requiring the respondent to pay the applicant these amounts and terminating the tenancy agreement on March 31, 2003 unless the amounts are paid in full.

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Hal Logsdon  
Rental Officer