

IN THE MATTER between **NWT Housing Corporation**, Applicant, and **Leona Mantla and Mark Mackenzie**, Respondents;

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

AND IN THE MATTER of a Hearing before, **Adelle Guigon**, Deputy Rental Officer, regarding a rental premises within **the community of Behchoko in the Northwest Territories**.

BETWEEN:

NWT HOUSING CORPORATION

Applicant/Landlord

- and -

LEONA MANTLA and MARK MACKENZIE

Respondents/Tenants

ORDER

IT IS HEREBY ORDERED:

1. Pursuant to section 41(4)(a) of the *Residential Tenancies Act*, the respondents must pay to the applicant rental arrears in the amount of \$21,794.54 (twenty-one thousand seven hundred ninety-four dollars fifty-four cents).
2. Pursuant to section 41(4)(b) of the *Residential Tenancies Act*, the respondents must pay their rent on time in the future.
3. Pursuant to sections 45(4)(a) and 45(4)(b) of the *Residential Tenancies Act*, the respondents must comply with their obligation to obtain the landlord's consent prior to making any modifications to the rental premises and must not breach this obligation again.

4. Pursuant to sections 42(3)(a), 42(3)(d), 42(3)(e), 45(4)(d), and 83(2) of the *Residential Tenancies Act*, the respondents must either remove or render inoperable the wood stove they installed in the rental premises. If the respondents do not remove or render inoperable the wood stove on or before July 15, 2014, the applicant is authorized to remove it or render it inoperable and the respondents must then compensate the applicant for reasonable expenses directly associated with the action taken by the applicant.

DATED at the City of Yellowknife in the Northwest Territories this 7th day of July 2014.

Adelle Guigon
Deputy Rental Officer

IN THE MATTER between **NWT Housing Corporation**, Applicant, and **Leona Mantla and Mark Mackenzie**, Respondents.

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 **Adelle Guigon**, Deputy Rental Officer.

BETWEEN:

NWT HOUSING CORPORATION

Applicant/Landlord

-and-

LEONA MANTLA and MARK MACKENZIE

Respondents/Tenants

REASONS FOR DECISION

Date of the Hearing: July 4, 2014

Place of the Hearing: Behchoko, Northwest Territories

Appearances at Hearing: Bonnie Leonardis, representing the applicant

Date of Decision: July 4, 2014

REASONS FOR DECISION

An application to a rental officer made by NWT Housing Corporation as the applicant/landlord against Leona Mantla and Mark Mackenzie as the respondents/tenants was filed by the Rental Office June 5, 2014. The application was made regarding a residential tenancy agreement for the rental premises known as Unit #266 in Behchoko, Northwest Territories. The applicant served a copy of the filed application package on the respondents by registered mail signed for June 18, 2014.

The applicant alleged the respondents had accumulated rental arrears and had modified the rental premises contrary to the residential lease agreement. Evidence submitted is listed in Appendix A attached to this order.

A hearing was scheduled for July 4, 2014. Ms. Bonnie Leonardis appeared representing the applicant. Ms. Leona Mantla and Mr. Mark Mackenzie were served notices of attendance by registered mail deemed served June 20, 2014, pursuant to section 71(5) of the *Residential Tenancies Act* (the Act). Neither Ms. Mantla nor Mr. Mackenzie appeared at hearing, nor did anyone appear on their behalf. The hearing proceeded in their absence pursuant to section 80(2) of the Act.

Ms. Leonardis testified that the respondents were in a residential tenancy agreement with the applicant under the Homeownership Entry Level Program (HELP) for subsidized public housing. Over the course of the tenancy the respondents have been inconsistently making payments towards their rent. Since March 2014, the respondents have made largely successful efforts to make regular payments by electronic funds transfers (EFT), with only one of those payments being returned with insufficient funds (NSF). Ms. Leonardis confirmed the respondents had entered into a verbal agreement with the applicant to make these payments towards the rental arrears and seemed to be complying.

Ms. Leonardis testified that the rent for this agreement is assessed a subsidy based on reported household income. When the respondents first entered into the agreement their income was at a level to benefit from a subsidized rent; over the years the respondents' household income gradually increased to the point where it exceeded the maximum income threshold to assess a

subsidy against. Starting in September 2012 the respondents were assessed the maximum monthly rent of \$1,402. Prior to this they had already accumulated rental arrears in the amount of \$1,876.54; since September 2012 the rental arrears have increased significantly and as of March 20, 2014, they had accumulated to \$23,294.54.

In January 2014 the applicant re-assessed the rent subsidy and the HELP agreement with the respondents, and the respondents were notified that their monthly assessed rent would be reduced to \$375 and the maximum monthly rent for the rental premises would be reduced to \$980 effective April 1, 2014. Since the application of these changes, the rental arrears have been reduced as of July 1, 2014, to \$21,794.54.

On January 31, 2014, the applicant's technical advisor conducted their annual inspection of the rental premises. They observed the respondents had installed a wood stove. Although the wood stove appeared to be installed correctly, the maintenance staff noted the wood stove was not certified. Upon review of the respondent's file it was confirmed the respondents had not requested nor received permission from the landlord to modify the rental premises in this or any other way. Although the applicant understands the respondents' desire to have an economical means of heating their home, they do not currently own the rental premises. The applicant is not able to obtain property insurance to cover the risks associated with any wood stove, whether certified or not, and the respondents cannot obtain insurance for this as they do not own the premises. The applicant wrote to the respondents on March 27, 2014, advising them of the situation and requesting that they either remove the wood stove or render it inoperable. As of this hearing date the applicant had not received confirmation that the respondents had not complied with their request.

Ms. Leonardis requested an order that the respondents pay their rental arrears and comply with their obligation to either remove the wood stove or render it inoperable. She also requested authorization for the applicant to enter the rental premises and either remove the wood stove or render it inoperable should the respondents fail to do so themselves.

Tenancy agreement

The residential lease agreement entered into evidence by the applicant is signed by all parties and reflects a fixed-term tenancy from November 8, 2010, to May 7, 2011, for the rental premises described as House #266 in Behchoko, Northwest Territories. This agreement was automatically renewed on a month-to-month basis after May 7, 2011, in accordance with section 49(1) of the Act. I am satisfied a valid tenancy agreement is in place between the parties.

Rental arrears

The lease balance statement and statement of account submitted into evidence by the applicant represents the landlord's accounting of assessed monthly rent and payments received. I am satisfied these documents accurately reflect the assessed monthly rent and payments received. I find the respondents have accumulated rental arrears in the amount of \$21,794.54.

Alterations or additions to the rental premises

Section 12(d) of the residential lease agreement specifies that the tenant shall not make any alterations or additions to the premises without the Corporations' prior consent. The condition rating report dated January 31, 2014, reflects the installation of a wood stove in the rental premises by the respondents. The applicant's correspondence to the respondents dated March 27, 2014, and Ms. Leonardis's testimony indicate the respondents did not request or receive consent from the landlord to install a wood stove. I am satisfied the respondents failed to comply with their obligation to request the landlord's consent prior to making any alterations or modifications to the rental premises, and I find the respondents in breach of their tenancy agreement and the Act.

Due to the risk of fire damage to the rental premises a wood stove poses and the inability to obtain insurance to financially protect against such an occurrence, urgent action is warranted in this instance. The applicant's request for either the respondents or the applicant to remove the wood stove or render it inoperable is reasonable.

An order will issue requiring the respondents to pay rental arrears in the amount of \$21,794.54, to pay their rent on time in the future, to comply with their obligation to request permission from the landlord prior to making any alterations or additions to the rental premises and not to breach

that obligation again. An order will issue also requiring the respondents to either remove the wood stove from the rental premises or render it inoperable; if this is not done by July 15, 2014, the applicant will be granted authorization to do the work themselves and the respondents will be required to compensate the applicant for reasonable expenses directly associated with performing the work.

Adelle Guigon
Deputy Rental Officer

APPENDIX A

Exhibits

- Exhibit 1: Applicant's tenant modifications to unit #266 Edzo - woodstove correspondence to respondents dated March 27, 2014
- Exhibit 2: Applicant's homeownership entry level program (HELP) correspondence to respondents dated January 29, 2014
- Exhibit 3: Applicant's payment change correspondence to respondent dated January 28, 2014
- Exhibit 4: Applicant's payment change correspondence to respondent dated January 28, 2014
- Exhibit 5: Applicant's payment change correspondence to respondent dated January 28, 2014
- Exhibit 6: Lease balance statement for April 1, 2012, to June 1, 2014
- Exhibit 7: Lease ledger for April 1, 2012, to June 1, 2014
- Exhibit 8: HELP assessment results dated November 21, 2007
- Exhibit 9: HELP assessment results dated February 11, 2010
- Exhibit 10: HELP assessment results dated February 28, 2012
- Exhibit 11: Statement of account as of March 31, 2012
- Exhibit 12: Condition rating report dated January 31, 2014
- Exhibit 13: Lease balance statement for April 1, 2012, to July 1, 2014
- Exhibit 14: Residential lease agreement