

IN THE MATTER between **JG**, Applicant, and **SE**, 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 **Adelle Guigon**, Rental Officer,

BETWEEN:

JG

Applicant/Tenant

-and-

SE

Respondent/Landlord

REASONS FOR DECISION

Date of the Hearing: April 26, 2017

Place of the Hearing: Yellowknife, Northwest Territories

Appearances at Hearing: JG, applicant

Date of Decision: April 26, 2017

REASONS FOR DECISION

An application to a rental officer made by JG as the applicant/tenant against SE as the respondent/landlord was filed by the Rental Office February 2, 2017. The application was made regarding a residential tenancy agreement for a rental premises located in Yellowknife, Northwest Territories. The filed application was served on the respondent by email deemed received February 26, 2017, pursuant to section 4(4) of the *Residential Tenancies Regulations* (the Regulations).

The applicant alleged the respondent had failed to return the security in accordance with the Act. An order was sought for the return of the security deposit.

A hearing was scheduled for April 26, 2017, by three-way teleconference. JG appeared as applicant. SE was served notice of the hearing by registered mail signed for April 20, 2017. The respondent did not appear at the hearing, nor did anyone appear on her behalf. The hearing proceeded in the respondent's absence pursuant to section 80(2) of the *Residential Tenancies Act* (the Act).

Previous orders

Rental Officer Order Number 15267 was issued from a decision rendered October 27, 2016, requiring the tenant to pay lost future rent in the amount of \$1,200.

Tenancy agreement

The applicant testified that the parties had entered into a fixed-term tenancy agreement commencing December 6, 2015, and ending July 31, 2016. This tenancy was further established at the hearing for Rental Officer Order Number 15267. The applicant testified that he had ended the tenancy agreement early by vacating the rental premises June 30, 2016. This too was further established at the hearing for Rental Officer Order Number 15267. I am satisfied a valid tenancy agreement was in place between the parties in accordance with the Act.

Security deposit

The applicant testified that he had paid a total security deposit of \$1,200 by paying \$500 at commencement of the tenancy in December 2015 and equal installments totalling \$700 in January, February, and March 2016. Upon vacating the rental premises, the applicant testified that the respondent had neither returned the security deposit to him nor notified him of her intention to retain the security deposit.

Section 18(3) of the Act requires a landlord to return the security deposit with an itemized statement of account within 10 days of the tenant vacating the rental premises.

Section 18(4) permits the landlord to retain the security deposit against rental arrears and/or for costs to repair damages. For clarity, lost future rent is not rental arrears, therefore the security deposit may not be retained against lost future rent.

Section 18(5) prohibits the retention of the security deposit against costs to repair damages if either an entry or exit inspection report was not completed or a copy of either report was not provided to the tenant. No evidence was presented establishing whether or not entry and exit inspection reports were completed, let alone whether or not the tenant received a copy of them.

Section 18(7) requires the landlord who intends to withhold any part of the security deposit to notify the tenant in writing of that intention within 10 days of the day the tenant vacates the rental premises. As previously mentioned, the applicant testified that he has never received any notice in writing from the landlord regarding her intentions for the security deposit.

I am satisfied the respondent failed to notify the applicant in writing of her intention to retain the security deposit. I find the respondent was not entitled to retain the security deposit. I find the respondent liable to the applicant for the security deposit and interest in the total amount of \$1,200.27.

Order

An order will issue requiring the respondent to pay to the applicant the security deposit in the total amount of \$1,200.27.

Adelle Guigon
Rental Officer