

IN THE MATTER between **XY**, Applicant, and **MR AND JO**, 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 **Hal Logsdon**, Rental Officer,

BETWEEN:

XY

Applicant/Landlord

-and-

MR AND JO

Respondents/Tenants

REASONS FOR DECISION

Date of the Hearing: March 22, 2018

Place of the Hearing: Yellowknife, NT

Appearances at Hearing: BL, representing the applicant
JO, respondent

Date of Decision: March 25, 2018

REASONS FOR DECISION

The tenancy agreement between the parties was made for a one-year term ending on January 31, 2018. The monthly rent for the premises was \$2010 but Article 14 of the agreement set out that the landlord would reduce the rent by \$300/month for the first six months and by \$150/month for the second six months provided the respondents remained in possession for the full term. The tenancy agreement required the repayment of the entire rent reduction if the respondents abandoned the premises before January 31, 2018.

The respondents notified the landlord on November 28, 2017 that they had purchased a house and intended to vacate the rental premises on December 29, 2017. The respondents abandoned the premises on that date.

The applicant retained the security deposit (\$1005) and accrued interest (\$0.55) applying it to rent arrears and penalties for late rent (\$5663) leaving a balance owing in the amount of \$4657.45. The applicant provided a copy of the resident ledger in evidence which indicated a balance of rent arrears of \$4657.45 plus a charge of \$100 representing the filing fee for the application.

The applicant also sought the repayment of the rent reduction in accordance with Article 14 of the tenancy agreement.

6 months @ \$300	= \$1800
5 months @ \$150	= <u>\$750</u>
TOTAL	= \$2550

The applicant testified that upon receiving notice that the respondents intended to vacate on December 29, 2017 they showed the premises to all prospective tenants who were looking for a 4-bedroom townhouse but were unable to rent the premises in the month of January, 2018. The applicant sought compensation of lost rent in the amount of \$2010.

In total, the applicant sought relief of \$9317.45

Rent arrears net of security deposit and interest	\$4657.45
Repayment of rent reduction	2550.00
Compensation for lost rent - January, 2018	2010.00
Application fee	<u>100.00</u>
TOTAL	\$9317.45

The respondent did not dispute the rent arrears, penalties for late rent or the recapture of the rent reduction. He acknowledged that he failed to occupy the premises for the full term of the tenancy agreement, but stated that he was told that the townhouse could probably be rented in January, eliminating his liability for any loss of rent by the landlord.

The applicant stated that they could not provide assurances that an apartment could be rented until a new tenant actually took possession of the premises. He stated that their vacancy rate was 6-7% which was somewhat higher than average.

I find the resident ledger in order and find rent arrears and penalties for late rent net of the security deposit and interest to be \$4657.45. I find the return of the rent reduction of \$2550 to be reasonable and in accordance with the tenancy agreement. I find that the applicant took reasonable steps to mitigate the loss of the January, 2018 rent and find the respondents liable for compensation of \$2010.

In my opinion, the application fee is a normal cost of doing business and is not recoverable from a respondent. The \$100 application fee is denied.

A order shall issue requiring the respondent to pay the applicant rent arrears and penalties for late rent in the amount of \$7207.45 and compensation for the lost January, 2018 rent in the amount of \$2010.

Hal Logsdon
Rental Officer