

IN THE MATTER between **NTHC**, Applicant, and **JP**, 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 **Janice Laycock**, Deputy Rental Officer,

BETWEEN:

NTHC

Applicant/Landlord

-and-

JP

Respondent/Tenant

REASONS FOR DECISION

Date of the Hearing: May 22, 2019

Place of the Hearing: Tulita, NT

Appearances at Hearing: DY and SD for the Applicant

Date of Decision: May 22, 2019

REASONS FOR DECISION

An application to a rental officer made by the THA on behalf of the NTHC as the Applicant/Landlord against JP as the Respondent/Tenant was filed by the Rental Office on June 25, 2018. The application was made regarding a residential tenancy agreement for a rental premises located in Tulita, Northwest Territories. This application was revised in November 2018 and the filed application with revisions was served on the Respondent by registered mail signed for on May 7, 2019.

The Applicant initially claimed that the Respondent had rental arrears and sought an order for payment of rental arrears, termination and eviction. In November the Respondent vacated the rental premises and the application was revised to include arrears and tenant damages.

A hearing was scheduled for September 18, 2018. This hearing was postponed because the Respondent was unable to attend. A second hearing was scheduled for May 22, 2019 and notice of the hearing was sent to both parties. DY and SD appeared representing the Applicant, no one appeared for the Respondent.

Tenancy Agreement

Evidence was presented establishing a tenancy agreement (dated April 1, 2015) between the parties for subsidized public housing. According to this agreement the tenancy commenced on March 26, 2012.

Also provided as evidence by the Applicant are a series of emails and "Note to Tenant File" that document discussions with the Respondent about plans for his tenancy. According to this record and the testimony of the Applicant, the Respondent was in Norman Wells in August but had plans to return to his unit. On October 18, 2018 he informed the Applicant that he planned to stay in Norman Wells and would not be returning. The tenancy was extended to November 13, 2018 to give the Respondent time to clean and move out of his unit.

I am satisfied that a valid tenancy agreement was in place and that this tenancy was terminated on November 13, 2018 in accordance with the *Residential Tenancies Act*.

Rental Arrears

The Lease Balance Statement dated May 21, 2019, provided by the Applicant and entered into evidence, represents the accounting of monthly assessed rent and payments received for the period September 2015 to November 2018. According to this statement the Respondent's rent was \$70 each month, they had \$0 arrears in September 2015 and had accumulated \$2,170 in arrears by the time their tenancy was terminated on November 13, 2018.

Also entered into evidence is a letter dated November 20, 2018 from the Applicant to the Respondent, titled "DAMAGE DEPOSIT". The letter details the arrears (\$2,170) and provides notice of the Applicant's plan to apply the security deposit with interest totalling \$714.41 against the arrears, resulting in a balance owing of \$1,455.59.

During the hearing I expressed concern about applying the security deposit against the arrears. It was not clear to me from the Applicant's testimony if the security deposit would be applied against the arrears or tenant damage. However, after further review of this matter, I determined that the total arrears owing should reflect the Applicant's previously stated plans to apply the security deposit to the balance owing. Not only does this reflect the Applicants intentions as communicated to the Respondent, it also makes it clear to the Respondent what his outstanding balance for arrears is without further calculations or correspondence.

I am satisfied that the Lease Balance Statement accurately reflects the current status of payments made and that the Respondent repeatedly failed to pay his rent when due accumulating rental arrears of \$2,170.00. When the security deposit with interest totalling \$714.41 is applied against the arrears this leaves a balance of \$1,455.59 owing

Tenant Damages

In the letter dated November 20, 2018, "DAMAGE DEPOSIT" the Applicant also advised the Respondent of their plans to invoice for cleaning and removal of personal items. The Lease Balance Statement dated January 21, 2019 and provided as evidence includes a tenant damage charge of \$2,750.93 for unit 91, "tenant left personal items in unit and was unclean/smoke damage". The statement also details the costs associated with cleaning including - cleaning supplies \$323.48, labour for cleaning \$2,125.06, administration fee (7%) \$171.40 and GST (5%) \$130.99. Receipts were included for labour for cleaning and cleaning supplies.

At the hearing I questioned the high cost for cleaning the unit. According to the invoices for labour it took three different cleaners 86 hours to clean this unit. The Applicant testified that the Respondent had smoked in the unit and that the walls and especially the ceilings were very difficult to get clean. In the kitchen the ceiling was brown and it was particularly difficult to clean however, others were also bad. The labour invoices reflect the substantial efforts that were required to bring the unit to a reasonable condition.

At the hearing I also confirmed with the Applicant that the items in the unit were worthless, this was confirmed in their discussion with the Respondent as documented in "Note to Tenant File" November 18, 2018, the Respondent had asked that "his things be brought to the dump, all he wanted was his violin and guitar".

Finally at the hearing I challenged the application of an administration fee and GST for the tenant damages. I was not convinced by the Applicant's response, "this is the way they do things", that this was justified and had denied these charges. However, after further review and consideration I am willing to allow them. I understand that local housing organizations are not GST exempt and many routinely apply an administration fee as compensation for the time spent to administer work to rectify a breach of obligation.

I am satisfied that there were tenant damages related to smoke damage and that the costs for cleaning the unit, including labour, supplies, administration and GST are justified. I find that the Respondent owes the Applicant \$2,750.93 for expenses associated with the tenant damages.

Order

An order will be issued:

- requiring the Respondent to pay rental arrears of \$1,455.59 (p. 41(4)(a)); and
- requiring the Respondent to pay expenses totalling \$2,750.93 for repairs to the rental premises (p. 42(3)(e)).

Janice Laycock
Deputy Rental Officer