

IN THE MATTER between **MPM**, Applicant, and **WH and MB**, 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**, Rental Officer,

BETWEEN:

MPM

Applicant/Landlord

-and-

WH and MB

Respondents/Tenants

REASONS FOR DECISION

Date of the Hearing: July 3, 2019

Place of the Hearing: Yellowknife, Northwest Territories

Appearances at Hearing: JB, representing the Applicant
WH, Respondent

Date of Decision: July 3, 2019

REASONS FOR DECISION

An application to a rental officer made by MPM as the Applicant/Landlord against WH and MB as the Respondents/Tenants was filed by the Rental Office May 3, 2019. 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 Respondents by registered mail signed for May 27, 2019.

The Applicant alleged the Respondents had repeatedly failed to pay rent in full when due and had accumulated rental arrears. An order was sought for payment of the rental arrears and termination of the tenancy agreement.

A hearing was scheduled for July 3, 2019, in Yellowknife. JB appeared representing the Applicant. WH appeared as Respondent and on behalf of MB.

Tenancy agreement

The parties agreed and evidence was presented establishing a residential tenancy agreement between them commencing April 1, 2018. I am satisfied a valid tenancy agreement is in place in accordance with the *Residential Tenancies Act* (the Act).

Rental arrears

The resident statement submitted as part of the application to a rental officer accurately reflected the status of the account as of May 2, 2019. Just prior to the hearing for this application, the Applicant had changed accounting software programs and had not as yet worked out the bugs. The Applicant's representative was not confident that the ledger summary report provided at the hearing was accurately reporting the transactions on the rent account since the May 2, 2019, statement was printed, in particular as they related to the calculation of late payment penalties. Additionally, the ledger summary report was not detailed enough to identify when payments were received in a given month to be able to calculate late payment penalties from at hearing.

It was agreed to calculate the rental arrears to date without the late payment penalties for May, June, and July, which at hearing amounted to \$5,081. However, I realized while writing these order and reasons for decision that we unintentionally credited a \$53 payment twice; accounting for that error, the amount of rental arrears should have been \$5,134.

The Respondent did not dispute that they had failed to pay the full amount of rent when due for nearly a year and accepted responsibility for the rental arrears that had accumulated. He made a commitment to pay the rental arrears in minimum monthly installments of \$250. However, he indicated surprise to learn that his rent had increased from \$1,575 to \$1,675 as of April 1, 2019. The Respondent did not recall receiving any notice of the rent increase. The Applicant's representative confirmed that usually there is a written notice given to Tenants at least three months before their fixed-term tenancies are set to expire notifying them of their option to sign a new fixed-term tenancy agreement along with notifying them of any rent increase that might be forthcoming. This action would be in accordance with the requirements of the Act as they relate to increasing the rent. The Respondent denied receiving that notice. The Applicant's representative committed to search her records to confirm whether or not such a notice had been given to the Respondents. It was agreed that if the Applicant could not produce evidence of the required 90-day notice of rent increase that the monthly rent would remain at \$1,575 and \$400 would be credited to the Respondent's rent account to refund the rent increases charged for April, May, June, and July. The Applicant's representative confirmed to me by email on July 5, 2019, that she could not produce evidence of the rent increase notice and acknowledged the agreed upon adjustments had been entered into the account. This reduces the rental arrears to \$4,734.

The Applicant's representative also subsequently provided an updated ledger summary report as well as a ledger detail report representing the Respondent's rent account as of July 8, 2019. The ledger detail report includes line items identifying when payments were in fact received, which in turn means that late payment penalties can be calculated for May and June. I will include those late payment penalties, which amount to \$63, in the order to pay rental arrears.

I find the Respondents have repeatedly failed to pay the rent in full when due and have accumulated rental arrears in the amount of \$4,797. That amount represents approximately three months' rent.

Termination of the tenancy agreement

The Applicant's representative confirmed that these Respondents are very good at maintaining open communication with the Landlord. As a result of those continued efforts and the Respondents' commitment to making minimum monthly installments towards the rental arrears, the Applicant's representative withdrew their request for an order to terminate the tenancy agreement.

Order

An order will issue requiring the Respondents to pay rental arrears in the amount of \$4,797 in minimum monthly installments of \$250 starting in August 2019 and requiring the Respondents to pay their rent on time in the future.

Adelle Guigon
Rental Officer