

IN THE MATTER between **EAG and SVL**, Applicants, and **AE and ME**, 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:

EAG and SVL

Applicants/Tenants

-and-

AE and ME

Respondents/Landlords

REASONS FOR DECISION

Date of the Hearing: July 31, 2019

Place of the Hearing: Yellowknife, Northwest Territories

Appearances at Hearing: EAG, Applicant

Date of Decision: July 31, 2019

REASONS FOR DECISION

An application to a rental officer made by EAG and SVL as the Applicants/Tenants against AE and ME as the Respondents/Tenants was filed by the Rental Office May 30, 2019. The application was made regarding a residential tenancy agreement for a rental premises located in Norman Wells, Northwest Territories. The filed application was personally served on the Respondents July 6, 2019.

The Tenants alleged the Landlords had failed to return their security deposit at the end of the tenancy in accordance with the *Residential Tenancies Act* (the Act). An order was sought for the return of the security deposit.

A hearing was scheduled for July 31, 2019, by three-way teleconference. EAG appeared as Applicant and on behalf of SVL. AE and ME were personally served notices of the hearing July 6, 2019. The Landlords did not appear at the hearing, nor did anyone appear on their behalf. The hearing proceeded in the Landlords' absence pursuant to subsection 80(2) of the Act.

Tenancy agreement

Evidence was presented establishing a residential tenancy agreement between the parties commencing October 1, 2018. The Tenants vacated the rental premises, ending the tenancy as of April 30, 2019. I am satisfied a valid tenancy agreement was in place in accordance with the Act.

Security deposit

The Tenant testified that the security deposit of \$1,500 was paid to the Landlords by October 1, 2018, in accordance with sub-paragraph 4(a) of the written tenancy agreement.

A cursory walkthrough of the rental premises was done at the beginning of the tenancy with the Landlord's mother, but no entry inspection report was either completed or shared with the Tenants. Another cursory walkthrough of the rental premises was done at the end of the tenancy, but again, no exit inspection report was either completed or shared with the Tenants.

The Landlords retained the security deposit at the end of the tenancy without any written explanation to the Tenants for doing so. Efforts by the Tenants to resolve the issue of the security deposit gone without response by the Landlords.

Section 15 of the Act specifies that the landlord is obligated to conduct an entry inspection of the rental premises at the beginning of the tenancy, must produce a report of that entry inspection, and must share that report with the tenant within five days of the day the inspection took place.

Section 17.1 of the Act specifies that the landlord is obligated to conduct an exit inspection of the rental premises at the end of the tenancy, must produce a report of that exit inspection, and must share that report with the tenant within five days of the day the inspection took place.

Subsection 18(3) of the Act requires the landlord to return the security deposit and/or an itemized statement of account indicating what they are retaining any portion of the security deposit for within 10 days of the tenant vacating the rental premises.

Subsection 18(4) of the Act says the landlord may retain any part of the security deposit against either rental arrears or costs of repairs of damages caused by the tenant. Subsection 18(5) clarifies that the security deposit may only be retained against the costs for repairs of damages if both the entry and exit inspection reports were completed and shared with the tenants.

I am not satisfied that the Landlords produced and shared the required entry and exit inspection reports with the Tenants. I am not satisfied that the Landlords provided the Tenants with the required itemized statement of account of the security deposit at the end of the tenancy.

I find the Landlords have breached their obligations under section 18 and have failed to return the security deposit to the Tenants in accordance therewith. An order will issue requiring the Landlords to return the security deposit with interest to the Tenants in the amount of \$1,500.44.

Adelle Guigon
Rental Officer