

IN THE MATTER between **NTHC**, Applicant, and **NCA and TH**, 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 **Janice Laycock**, Rental Officer,

BETWEEN:

NTHC

Applicant/Landlord

-and-

NCA and TH

Respondents/Tenants

REASONS FOR DECISION

Date of the Hearing: August 12, 2020, and October 14, 2020

Place of the Hearing: Yellowknife, Northwest Territories

Appearances at Hearing: MM, representing the Applicant
NCA, Respondent

Date of Decision: October 22, 2020

REASONS FOR DECISION

An application to a rental officer made by the FSHA on behalf of the NTHC as the Applicant/Landlord against NCA and TH as the Respondents/Tenants was filed by the Rental Office March 9, 2020. The application was made regarding a residential tenancy agreement for a rental premises located in Fort Simpson, Northwest Territories. The filed application was served on the Respondents by registered mail on May 19, 2020.

The Applicant alleged the Respondents had failed to pay rent when due, had accumulated rental arrears, and had not adequately cleaned the rental unit when they vacated it in September 2020. An order was sought for payment of rental arrears and payment of expenses to clean the unit.

A hearing originally scheduled for April 22, 2020, was re-scheduled due to the Applicant's failure to serve the filed application and notice of attendance on the Respondents in advance of that date. The hearing re-scheduled for July 8, 2020, was postponed at the request of the Respondents.

A hearing was held August 12, 2020, by three-way teleconference. MM appeared representing the Applicant. NCA appeared as Respondent and on behalf of TH. During the hearing the Respondents disputed the amount of claimed rental arrears and the condition of the rental unit at the beginning and end of the tenancy. The hearing was adjourned to a future date to be determined once the following information was received from the Applicant:

- a copy of the updated lease balance statement; and
- a copy of the exit inspection report and any further evidence to support the claim for cleaning.

This information was provided by the Applicant to the Rental Office and the Respondents by email and the hearing was resumed on October 14, 2020, by three-way teleconference. Notice of the hearing was provided to both parties. MM appeared representing the Applicant. NCA appeared as Respondent and on behalf of TH. The Respondent joined the hearing thirty minutes into the teleconference, but was sworn in and updated on the discussion that had occurred prior to her joining the call. She confirmed that they had received the additional information pertaining to the hearing from the Applicant by registered mail.

Previous order

Rental Officer Order #16352 was issued on April 11, 2019, and ordered payment of rental arrears totalling \$21,195, payment of future rent on time, and termination of the tenancy agreement and eviction unless \$100 was paid on the arrears each month and the rent was paid on time.

Tenancy agreement

Evidence was presented establishing a residential tenancy agreement between the parties for subsidized public housing commencing August 22, 2014. The Respondents did not comply with the terms of the previous order and the agreement was terminated on September 30, 2019, when the Respondents vacated the rental premises. I am satisfied that a valid tenancy agreement was in place and that this agreement was terminated in accordance with the *Residential Tenancies Act* (the Act).

Rental arrears

The lease balance statement entered into evidence represents the Landlord's accounting of monthly assessed rents and payments received against the Respondents' rent account. During the earlier part of the tenancy the subsidized rent ranged from \$80 to \$890 per month, however in 2018 and 2019 until the termination of the tenancy agreement the full unsubsidized rent of \$1,625 per month was assessed and charged.

At the hearing on August 12, 2020, the Respondents questioned the accounting relating to the collection of Rental Officer Order #16352, suggesting that they had overpaid on this order and did not owe the full amount of rental arrears claimed in the current application. As the lease balance statement provided as evidence only included information up to March 2020, and the Applicant was not able to answer questions about the status of the payments on the previous order, an updated statement was requested and the hearing was adjourned until a later date.

The Applicant provided the Rental Officer and the Respondents with an updated lease balance statement showing payments received up to and including August 5, 2020, as well as a copy of the Writ File Balance Sheet for Rental Officer Order #16352 and a copy of the "Satisfaction Piece" filed on August 17, 2020, with the NWT Supreme Court. When the hearing resumed on October 14, 2020, there were still some questions about the differences in the balances on the various documents that could not be answered to my satisfaction by the representative for the Applicant. I reserved my decision pending receipt of an updated lease balance statement showing further payments made.

A partial statement, showing payments on the arrears from June 2020 up to August 14, 2020, was provided by the Applicant to the Rental Officer and the Respondents by email just after the hearing. As this lease balance statement included adjustments to the balance that were not explained in this partial statement, a full lease balance statement was requested by the Rental Officer and provided by the Applicant on October 22, 2020.

The full lease balance statement provided on October 22, 2020 includes, in addition to updated information on payments on the previous order and claims against the security deposit, unexplained adjustments to the rental payments resulting in a reduction of \$166.67 in rental payments made by the Respondents. On April 1, 2019, rather than \$21,195 owing as ordered under Rental Officer Order #16532, the lease balance statement now shows a balance of \$21,361.67.

Based on the evidence provided by the Applicant including copies of the Court documents, I am confident that the previous order for \$21,195 has been satisfied. Based on the lease balance statement for the period from April 25, 2019, to September 30, 2019, I have calculated the rental arrears accumulated since the last Rental Officer order was issued as follows:

Rent charged (5 months at 1,625/month)	\$8,125.00
Rent paid	<u>\$4,050.00</u>
Arrears total	<u>\$4,075.00</u>

I am satisfied that the lease balance statement for this period accurately reflects the charges and payments related to the Respondents' rental account. I find that the Respondents have accumulated rental arrears since the last Rental Officer Order in the amount of \$4,075.

Security deposit

According to the lease balance statement provided as evidence, the Respondents paid a security deposit of \$500. In the application the Applicant calculated that a total of \$0.97 in interest was owing to the Respondents at the end of the tenancy (September 30, 2019). At the hearing I questioned this calculation. In the lease balance statement provide to the Rental Officer on October 22, 2020, all of the security deposit had been applied to the arrears owing and there was an adjustment to the interest credited to the security deposit. According to this new statement the security deposit with interest was applied against the rental arrears on two dates: March 31, 2020, for \$334.08, and August 21, 2020, for \$167.24, totalling \$501.32. I find the current calculation of the interest of \$1.32 is in accordance with the Act and *Residential Tenancies Regulations* (the Regulations).

When the security deposit of \$500 and interest of \$1.32 is applied against the rental arrears of \$4,075, I find that the outstanding balance owed by the Respondents to the Applicant is \$3,573.68.

Cleaning

In their application the Applicant claimed that the rental unit required further cleaning and claimed \$475 in expenses. Provided as evidence was a work order for \$475 for 19 hours at \$25 per hour described as janitorial services to clean the cupboards, fridge, stove, bathroom and windows in the unit. At the hearing on August 12, 2020, the Respondents challenged this charge. I requested that the Applicant provide the exit inspection and adjourned the hearing until a later date.

The entry/exit inspection report was provided to the Rental Officer and the hearing was resumed on October 14, 2020. The inspection report provided by the Applicant was signed by both Tenants at the entry and by one of the Tenants at the exit.

According to the exit inspection the kitchen cabinets and the stove top and oven needed cleaning. No other cleaning was identified. The exit inspection report also identified the need for painting in some areas although no claim was made for this work. At the October 14, 2020, hearing the Applicant claimed that they also needed to wash the walls to prepare for painting. The Respondents testified that they had someone clean the unit on move out and had done some painting while they were tenants.

After reviewing the evidence and testimony I am not satisfied that the claim of \$475 for cleaning is justified. The exit inspection only identifies cleaning required to the kitchen cupboards and the stove/oven. The work order does not include cleaning of the walls. No other evidence was provided to support the Applicant's claim. I am satisfied that cleaning the kitchen cupboards and the stove/oven was required, and this is consistent with the exit inspection signed by the Tenant and the subsequent work order. At the hearing I suggested an estimate for this work of 1 hour to clean the cupboards and 3 hours for cleaning the stove/oven for a total of charge \$100. The Applicant and the Respondents did not object to this estimate at the hearing. I find that the Respondents owe the Applicant \$100 for cleaning.

Orders

An Order will be issued:

- requiring the Respondents to pay rental arrears in the amount of \$3,573.68 (p. 41(4)(a)); and
- requiring the Respondents to pay expenses related to cleaning in the amount of \$100 (p. 45(4)(d)).

Janice Laycock
Rental Officer