

IN THE MATTER between **NTHC**, Applicant, and **PB**, 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 **Adelle Guigon**, Rental Officer;

BETWEEN:

**NTHC**

Applicant/Landlord

-and-

**PB**

Respondent/Tenant

**REASONS FOR DECISION**

<b><u>Date of the Hearing:</u></b>	<b>December 22, 2020</b>
<b><u>Place of the Hearing:</u></b>	<b>Yellowknife, Northwest Territories</b>
<b><u>Appearances at Hearing:</u></b>	<b>PS, representing the Applicant</b>
<b><u>Date of Decision:</u></b>	<b>December 22, 2020</b>

### **REASONS FOR DECISION**

An application to a rental officer made by YHA as the Applicant/Landlord against PB as the Respondent/Tenant was filed by the Rental Office November 17, 2020. The application was made regarding a residential tenancy agreement for a rental premises located in Yellowknife, Northwest Territories. The filed application was personally served on the Respondent November 27, 2020, and an addendum to the application was personally served on the Respondent December 4, 2020.

The Applicant alleged the Respondent had repeatedly failed to pay rent, had accumulated rental arrears, and had failed to report household income as required. An order was sought for payment of the rental arrears, payment of future rent on time, compliance with the obligation to report household income, termination of the tenancy agreement, and eviction.

A hearing was held December 22, 2020, by three-way teleconference. PS appeared representing the Applicant. PB was personally served notice of the hearing November 27, 2020. The Respondent did not appear at the hearing, nor did anyone appear on the Respondent's behalf. The hearing proceeded in the Respondent's absence pursuant to subsection 83(2) of the *Residential Tenancies Act* (the Act).

#### *Tenancy agreement*

Evidence was presented establishing a residential tenancy agreement between the parties for subsidized public housing commencing April 1, 2012. I am satisfied a valid tenancy agreement is in place in accordance with the Act.

#### *Household income*

Section 45 of the Act provides for the inclusion of additional obligations in a written tenancy agreement. Section 6 of the written tenancy agreement obligates the Tenant to report the household income as and when required by the Landlord. The Landlord requires household income be reported annually before the end of June for the prior calendar year, preferably in the form of an income tax return although other forms could be accepted. The household income information is required in order to calculate any rent subsidies that the Tenant may be eligible for. If the Tenant does not report their household income then the rent subsidy cannot be calculated, in which case the Tenant would be charged the maximum monthly rent.

The Applicant's representative testified that despite reminders prior to the June due date and since September 2020, the Respondent has failed to report his household income for the 2019 calendar year. In several conversations with the Applicant, the Respondent acknowledged that he had not yet filed his taxes and claimed to be having communication issues with his accountant. This excuse continued to be offered as recently as a few weeks ago.

I am satisfied that the Respondent has failed to report his household income for the 2019 calendar year. I find the Respondent has failed to comply with his obligation to report his household income as required under section 6 of the written tenancy agreement.

#### *Rental arrears*

The lease balance statement represents the Landlord's accounting of monthly assessed rent and payments made against the Respondent's rent account. All rents up to and including for June 2020 were subsidized and assessed at \$80 per month. All rents since July 2020 have been unsubsidized and charged the maximum monthly rent of \$1,625 due to the Respondent's failure to report his household income for the 2019 calendar year. No payments have been made against the rent account in 11 of the last 12 months of the tenancy, with the last payment being received December 13, 2019.

The Applicant confirmed that they had not received any written notice from the Respondent indicating his income has been directly affected by the COVID-19 pandemic. The Respondent has not in fact approached the Applicant about any matters raised in this application, only providing information when approached by the Applicant.

I am satisfied the lease balance statement accurately reflects the current status of the Respondent's rent account. I find the Respondent has repeatedly failed to pay the rent and has accumulated rental arrears. The current balance owing of \$10,150 includes five months of subsidized rent and six months of unsubsidized rent, which represents 11 months of unpaid rent.

The Applicant confirmed at hearing that to the best of their knowledge the Respondent is not currently employed, but he was previously a taxi driver. The previously subsidized rent would have been assessed based on the household income reported for the 2018 calendar year, when the Respondent was employed. It was agreed at hearing that it was unlikely that the Respondent's household income for 2019 changed by any appreciable amount and that the subsidy for the current year would likely result in an assessed monthly rent the same or similar as it was for the last year at \$80. Applying the assumed subsidized rent of \$80 to the rents for July through December 2020 would alter the amount of rental arrears accumulated to \$880.

This finding of subsidized rental arrears of \$880 is an estimate only and in no way is it meant to direct the Applicant's calculation of subsidized rent. The Applicant's calculations based on reported household income may result in a different monthly subsidized rent amount and further alter the value of the accumulated rental arrears.

*Termination of the tenancy agreement and eviction*

In light of the Respondent's repeated failure to pay the rent, the substantial amount of rental arrears that have accumulated, and the Respondent's failure to report his household income as required, I am satisfied termination of the tenancy agreement and eviction are justified. By agreement with the Applicant, the termination and eviction orders will be conditional on the Respondent paying the subsidized rental arrears of \$880 in full, paying the future monthly subsidized rents on time, and reporting both the 2019 and 2020 household income by the end of March 2021.

Should the Respondent fail to report the household income as required resulting in the termination of the tenancy and the charging of the maximum monthly rent of \$1,625, then the Applicant may make another application to a rental officer to seek payment of the unsubsidized rental arrears.

*Orders*

An order will issue:

- requiring the Respondent to pay subsidized rental arrears in the amount of \$880 (p. 41(4)(a));
- requiring the Respondent to pay the rent on time in the future (p. 41(4)(b));
- requiring the Respondent to comply with his obligation to report the household income as required under section 6 of the written tenancy agreement, and not to breach that obligation again (p. 45(4)(a), p. 45(4)(b));
- terminating the tenancy agreement March 31, 2021, unless the subsidized rental arrears of \$880 are paid in full, the monthly subsidized rents for January, February, and March are paid on time, and the household income for 2019 and 2020 are reported to the Applicant (p. 41(4)(c), p. 45(4)(e), p. 83(2)); and
- evicting the Respondent from the rental premises April 1, 2021, if the termination of the tenancy agreement becomes effective (p. 63(4)(a), p. 83(2)).

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Adelle Guigon  
Rental Officer