

IN THE MATTER between **LL**, Applicant, and **CO**, 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 **Jerry Vanhantsaeme**, Rental Officer, regarding
a rental premises located within the **hamlet of Fort Providence in the Northwest
Territories**;

BETWEEN:

LL

Applicant/Landlord

-and-

CO

Respondent/Tenant

REASONS FOR DECISION

Date of the Hearing: March 5, 2025

Place of the Hearing: Yellowknife, Northwest Territories

Appearances at Hearing: LL, representing the Applicant
CO, representing the Respondent
TO, support for the Respondent
HP, witness for the Respondent

Date of Decision: March 5, 2025

REASONS FOR DECISION

An application to a rental officer made by LL as the Applicant/Landlord against CO as the Respondent/Tenant was filed by the Rental Office January 31, 2025. The application was made regarding a residential tenancy agreement for a rental premises located in Fort Providence, Northwest Territories. The filed application was personally served on the Respondent on February 7, 2025.

The Applicant alleged the Respondent was in a fixed term tenancy and abandoned the rental premises before the end of the tenancy. An order sought for payment for loss of future rent.

A hearing was scheduled for March 5, 2025, in Yellowknife by three-way teleconference. LL appeared representing the Applicant. CO appeared representing the Respondent. TO appeared as support for the Respondent. HP appeared as witness for the Respondent. I reserved my decision at the end of the hearing to further review the evidence and testimony.

From this point forward the Applicant will be known as the Landlord and the Respondent as the Tenant.

Tenancy agreement

Evidence provided established a fixed term tenancy agreement between the parties from August 5, 2024 to June 30, 2025 and signed by all parties. The Respondent gave notice and vacated the rental premises on December 1, 2024, before the end of the tenancy, effectively, abandoning the rental premises. I am satisfied by a tenancy agreement is in place in accordance with the Act.

Security deposit

Entered into evidence was a lease statement of account showing the Landlord received a security deposit of \$2,000.00, which was in alignment with the tenancy agreement. The Landlord confirmed they did not obtain a pet deposit.

The Rental Officer questioned if notice of retention of the security deposit was provided to the Tenant. The Landlord acknowledged they did not and were retaining the security deposit until after the hearing has been completed.

Subsection 16 of the Act, states "A landlord receives a security deposit or pet security deposit in respect of rental premises shall calculate interest on the amount at a rate determined in accordance with the regulations, and shall annually credit the interest to the tenant on the statement of account maintained in respect of the deposit. Subsection 16(2) talks to the interest being credited to the tenant up to the date he or she vacates or abandons the rental premises.

The lease statement of account did not have interest calculated up to the date of the end of the tenancy and a new tenancy agreement was entered into. The Rental Officer calculated from June 7, 2024 through to February 28, 2025 the interest earned to be \$0.14. The total amount retained as of February 28, 2025 for the security deposit and interest is \$2,000.14.

Improper termination of the tenancy agreement and loss of future rent.

The Landlord claimed the parties were in a fixed term tenancy agreement, the Tenant abandoned the rental premises on December 1, 2024. The Landlord claimed the Tenant remains responsible for loss of future rent based on the term of the tenancy agreement.

During the hearing, the Landlord testified they obtained a new renter for March 1, 2025. The Landlord amended the claim to seek payment for rent from December 1, 2024 through to February 28, 2025. The Landlord also stated the Tenant did not advise them of electrical issues until after the Tenant advised they would be vacating the rental premises.

To support the Landlord's claim was the tenancy agreement, rent statement, market listing, and email correspondence between the parties.

In response to the Landlord's claim, the Tenant stated when they took possession of the rental premises, they had a number of issues but tried to rectify them on their own. They felt some of the issues were minor and did not notify the Landlord. Only when a particular incident occurred did they notify the Landlord and provide notice that they would be vacating the rental premises. The Tenant also stated they did not abandon the rental premises. The Tenant also stated they had been involved in an electrical fire in the past. The Tenant stated they had a tradesman friend (witness) attend and inspect the rental premises. To support the Tenant, the Witness testified there were electrical issues in the rental premises and the way the Tenant was living, there was a risk of an electrical fire. An electrician would need to address the issue. The Landlord did have an electrician carry out some of the required repairs.

The Tenant testified they felt the rental premises was unsafe for themselves and their family. The Tenant also stated the billing for the rental premises provided by the Landlord was not in alignment with the actual costs. The Tenant stated they reached out to the Landlord regarding their financial situation and compassion. This plus the electrical issues compounded the Tenant's stress. The Tenant stated they did provide notice on October 31, 2024, hoping to get out of the tenancy agreement early. The Tenant also the Landlord could retain the security deposit. The Tenant stated they vacated the rental premises based on personal safety.

At the end of the hearing, the Landlord stated the Tenant remains responsible for the unpaid rent. The Tenant stated they felt they provided the Landlord with ample notice they were vacating the rental premises. Due to the electrical issues at the rental premises, they became a financial stress. The Tenant stated they do have some financial responsibility and were willing to settle.

Paragraph 3(b) of the Act specifies a tenant has abandoned the rental premises where the tenancy has not been terminated in accordance with the Act. When the tenant does not ordinarily live in the rental premises, has not expressed an intention to resume living in the rental premises, and the rent the tenant has paid is no longer sufficient to meet the Tenant's obligation to pay rent.

Subsection 62(2) of the Act states when a Rental Officer determines that a tenant has abandoned a rental premises, the rental officer may make an order requiring the tenant to pay to the landlord the compensation for which the tenant.

In review of the evidence and testimony the Rental Officer determined the Tenant abandoned the rental premises in accordance with the Act.

Subsection 51(1) of the Act specifies that a tenant may only terminate a fixed-term tenancy agreement for the last day of the fixed-term by giving at least 30 days' advance written notice. In this case, the last day of the fixed-term was June 30, 2025. So May 31, 2025 is the earliest the Tenant can terminate the tenancy agreement without breaching the Act. In effect, a Tenant who vacates a rental premises earlier than the last day of a fixed-term tenancy agreement (breaks the lease) remains responsible for the monthly rent either until the end of the fixed-term period or until the Landlord re-rents the rental premises, whichever comes first.

Subsection 5(2) of the Act requires the landlord whose tenant has terminated a tenancy agreement or abandons the rental premises other than in accordance with the Act or the tenancy agreement to mitigate their losses by re-renting the rental premises as soon as is practicable and at a reasonable rent.

As the Tenant abandoned the rental premise before the tenancy agreement ended, I am satisfied the Tenant remains responsible for the loss of rent. However, I am also satisfied the Landlord took all reasonable measures to mitigate their losses by re-renting the rental premises as soon as practicable.

As the Tenant acknowledged they were financial responsible and willing to settle, the Rental Officer put forward a rent settlement to the Landlord based on the current rent of \$1,500.00 per month. The Landlord declined the settlement amount, as there was no signed agreement.

To determine the rent compensation, the Rental Officer reviewed the evidence. It was noted there were emails between the parties discussing a rent reduction from \$2,000.00 to \$1,500.00 per month. In review of the emails dated November 17, and November 20, 2024 between the parties, I find there was an agreement in place for a rent reduction. To also support the reduction in rent, is the Landlord's testimony the current tenants are being charged \$1,500.00 per month.

Based on the monthly rent charge of \$1,500.00 starting December 2024 and the Landlord taking all reasonable measures to mitigate their losses by re-renting the rental premises, I find the Tenant responsible for lost rent in the amount of \$4,500.00.

After applying the \$2,000.14 for the security deposit and interest, I find the balance owed by the Tenant to be \$2,499.86.

Orders

An order will be issued:

- requiring the Tenant to pay to the Landlord compensation for lost rent in the amount of \$2,499.86.

Jerry Vanhantsaeme
Rental Officer