

IN THE MATTER between **AD**, Applicant, and **JA**, 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 **town of Hay River in the Northwest Territories**;

BETWEEN:

AD

Applicant/Landlord

-and-

JA

Respondent/Tenant

REASONS FOR DECISION

Date of the Hearing: March 13, 2025

Place of the Hearing: Yellowknife, Northwest Territories

Appearances at Hearing: AD, representing the Applicant

Date of Decision: March 21, 2025

REASONS FOR DECISION

An application to a rental officer made by AD as the Applicant/Landlord against JA as the Respondent/Tenant was filed by the Rental Office February 10, 2025. The application was made regarding a residential tenancy agreement for a rental premises located in Hay River, Northwest Territories. The filed application was served on the Respondent by email on February 12, 2025 and deemed served on February 15, 2025.

The Applicant alleged the Respondent breached the terms of their rent-to-own agreement by vacating the rental premises prior to the end of the tenancy. The Applicant alleged the Respondent failed to pay rent due and breach other obligations of the agreement. An order was sought for lost rent, utilities, damages, cleaning and travel costs and other costs associated with obligations under the agreement.

A hearing was held March 13, 2025, by three-way teleconference. AD appeared representing the Applicant. The Respondent did not appear, nor did anyone on their behalf. The Respondent were served notice of the hearing on Email on February 12, 2025. The hearing proceeded in the Respondents' absence pursuant to subsection 80(2) of the *Residential Tenancies Act (Act)*. I reserved my decision for the Applicant to provide requested documents and 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.

Preliminary matters and tenancy agreement

The parties entered into a fixed-term "Rent-to-Own Agreement" (Agreement) from October 2, 2023 to August 31, 2025. The agreement was signed by all parties. The Landlord claims the Tenant gave notice before the end of the fixed term and vacated the rental premises on January 31, 2025.

A Rental Officer only has authority to hear claims in accordance with provisions under the *Residential Tenancies Act (Act)*. Any terms or conditions in the Agreement outside of the Act, cannot be addressed by a Rental Officer.

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

Rent arrears

The Landlord claimed as the Tenant vacated the rental premises before the end of the tenancy and are seeking rent for February 2025 as they had obtained a new renter for March 1, 2025.

To support the Landlord's claim was email conversation dated January 31, 2025, between the parties regarding the Tenant disconnecting utilities and advising the Landlord they would be vacating the rental premises as they could not afford to maintain the costs associated with it.

The Landlord also verified they obtained a new Tenant for March 1, 2025 and the monthly rent was \$2,250.00.

Paragraph three of the Agreement states the monthly rent charge is \$2,400.00. Of this amount, \$1,050.00 will be set aside to be used as a down-payment for purchasing the rental premises at the end of the tenancy should the Tenant chose to do so. The Landlord verified on the record this was correct, the actual rent was \$1,350.00 per month. The Landlord also stated the Tenant was paying \$2,400.00 per month as required in the Agreement.

Paragraph 1(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 Tenants 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 August 31, 2025. So July 31, 2025 is the earliest the Tenant can terminate the tenancy without breaching the Act. In effect, a Tenant who vacates a rental premises earlier than the last day of a fixed-term (breaks the lease) remains responsible for the monthly rent either until the end of the fixed-term 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 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.

While the Agreement charged \$2,400.00 per month, the actual rent was only \$1,350.00 with the remainder going towards the down payment assistance. I find the Tenant responsible for last rent in the amount of \$1,350.00.

Damages

The Landlord claimed costs for repair of cleaning and damages to the rental premises.

To support the Landlord's claim were photos of the damages incurred to the rental premises.

Under subsection 42(1) of the *Act*, a tenant shall repair damages to the rental premises caused by their wilful negligent conduct of the tenant or persons permitted on the premises by the tenant, and under subsection 42(3)(e) of the *Act*, where , on the application of a landlord, a rental officer determines that a tenant has breached the obligation imposed by this section, the rental officer may make an order (e) requiring the tenant to pay any reasonable expenses directly associated with the repair or action.

When determining costs, I took into account the useful life of building elements to ensure the costs are to make the Landlord whole and not to profit from the repairs. The following are the amounts claimed and my findings:

- Cleaning - Landlord testified they were quoted \$2,200.00 for cleaning. Due to the cost, the Landlord did the cleaning themselves in approximately 9 hours. The Landlord stated the rate for a cleaning company was \$100.00 per hour with the contractor getting paid \$50.00 per hour. The Landlord is seeking a hourly rate of \$40.00 for cleaning. 9 hrs x \$40.00 = \$360.00. **Approved cost is \$360.00. Supported by evidence and testimony.**
- Cleaning supplies - \$201.56 was spent on cleaning materials. Not all items would be consumed during clean. Below is a breakdown of approved costs based on estimated usage and value:

- ▶ **\$22.98 claimed** - 3.8 L floor cleaner. Based on Manufactures information 3.8 L of the cleaner will cover 8,000 - 10,000 square feet. So an average of 9,000 square feet will be used/ For an average 1,600 square foot home this would be work out to approximately 5.6 cleanings. Giving 2 washings to ensue the rental premises is returned to a good condition \$4.10 worth of cleaner would have been expended. **\$4.10 approved costs;**
- ▶ **\$42.98 claimed** - mop. Mop remains usable after use. Depreciated value of 15% awarded. **\$6.45 approved cost;**
- ▶ **\$3.68 claimed and approved** - reusable latex glove. After extended use in cleaning, item would no longer be reusable;
- ▶ **\$5.28 claimed and approved** - disposable dust mask;
- ▶ **\$18.48 claimed and approved** - 30 pack cleaning cloth;
- ▶ **\$14.75 claimed and approved** - eraser sponge;
- ▶ **\$5.98 claimed and approved** - scrub brush;
- ▶ **\$3.68 claimed and approved** - spray bottle;
- ▶ **\$9.98 claimed** - 750 ml bathroom cleaner. Amount of cleaner used on an average basis to clean can vary. 25% value give as there would be an expectation the cleaner would not be completely used **\$2.50 approved costs;**
- ▶ **\$10.98 claimed** - broom. Broom remains usable after use. Depreciated value 10% awarded. **\$1.10 approved costs;**
- ▶ **\$11.27 claimed** - safety glasses. Safety glasses remain usable after use. Depreciated value 10%. **\$1.13 approved costs.**
- ▶ **\$11.98 claimed and approved** - oven cleaner;
- ▶ **\$9.98 claimed and approved** - garbage bags (40). Number of bags used can vary based on condition of rental premises. Photos provided did not show extensive amount of garbage left in the rental premises. An expectation of 50% of the bags would be remaining. **\$4.99 approved costs;**
- ▶ **\$5.98 claimed** - 750 ml window cleaner. On a regular cleaning. Glass cleaner can last 6 months or more. Based on a weekly clean amount expended to clean glass within the rental premises would equate to \$1.00. **\$1.00 approved costs;**

- ▶ **\$14.48 claimed and approved** - baking soda;

Approved costs for cleaning supplies is \$99.58 plus \$4.98 GST for a total of **\$104.56**.

- Window coverings - \$172.50 claimed - Landlord claimed the some coverings were installed by themselves in 2020 and others were in the rental premises when they obtained ownership. The useful life of window coverings can run from 10 to 20 years, depending on the quality. To determine costs an average will be taken using 15-years of useful life. As there is no verified age on all the coverings a 7-year will be applied. Depreciated value $\$172.50 / 15\text{-years} = \11.50 per year. $\$11.50 \times 8\text{-years} = \92.00 . **Total approved costs is \$92.00. Supported by evidence and testimony.**
- Lock and door repair - claimed total work for repairs was \$300.00. The charge included other unclaimed repairs. Evidence presented showed two deadbolt locks (\$49.90) and passage sets (\$87.96) were purchased for damages replacement. Total cost for locks was \$137.86 plus GST = \$144.75. As Landlord included lock replacement as part of work done and not broken down, only the cost of the locks are approved. **\$144.75 approved costs. Supported by evidence.**
- Bathroom book shelf - Landlord had not replace bookshelf prior to the hearing. Cost for replacement cannot be provided in advance as the Landlord may chose not to replace. **Claim dismissed.**

I am satisfied the Tenant is responsible for the costs of repairs and cleaning in the amount of **\$701.31**.

Utilities

The Landlord claimed the Tenant vacated the rental premises and left unpaid utility costs.

Section 45(1) of the *Act* specifies a tenant shall comply with the obligations under the tenancy agreement and with the rules of the landlord that are reasonable in all circumstances.

Paragraph 8 of the Agreement specifies the tenant is responsible for utilities and other services for the Premises. The Tenant will also be responsible for paying property taxes in 2024 and 2025.

Entered into evidence was an invoice for heating fuel. The Landlord also noted there other outstanding utilities owed but costs were not available at the time of the application. The Rental Officer questioned the other costs. The Landlord spoke to the costs. The Rental Officer

requested and was provided the breakdown of the utility costs. I reviewed the claims to determine if the Tenant was responsible and if the costs were reasonable:

The following are the amounts claimed and my findings:

- **\$1,403.80 claimed** - Heating fuel - \$867.10 (Invoice dated February 3, 2025) and \$536.70 an invoice dated March 7, 2025 for \$536.70. Landlord obtained tenants for the month of March. \$867.10 approved for February. As new tenants took possession of the rental premises in March, only fuel for February or earlier claimable. To determine costs for February $\$536.70 / 32 = \16.77 per day. $\$16.77 \times 25 = \419.25 . Heating fuel costs $\$867.10 + 419.25 = \$1,286.35$. **Total approved heating fuel \$1,286.35. Supported by evidence and testimony.**
- **\$210.00 claimed and approved** - electricity charges for the month of February. **Supported by evidence and testimony.**
- **\$63.09 claimed and approved**, - monthly utilities invoice for water. Charge was \$313.09 after removing the \$250.00 meter deposit the balance owed was \$63.09.
- **\$17.93** - Credit on propane account. No charges to the Landlord. **Credit to be applied to the unities owed.**

I am satisfied the Tenant is responsible for the costs of utilities in the amount of **\$1,541.51**.

Additional obligations

The landlord is claiming the Tenant has breached the additional obligations in the Agreement with regards to property taxes and

Subsection 45(1) where in a written tenancy agreement a tenant has undertaken additional obligations, the tenant shall comply with the obligations under the tenancy agreement and with the rules of the landlord that are reasonable in circumstances.

- Paragraph 8 of the Agreement specifies the tenant is responsible for utilities and other services for the Premises. The Tenant will also be responsible for paying property taxes in 2024 and 2025. The total amount claimed by the Landlord was \$2,612.06

Black's Law Dictionary defines property taxes as a tax levied on the owner of property and based on the properties value. As the Tenant is not the owner of the property, it would be

an unreasonable obligation under a tenancy agreement and property taxes would also fall under homeownership expenses. **The \$2,612.06 claim for property taxes is denied.**

- Paragraph 3 of the agreement specifies the Tenant shall pay a total down payment which shall equate to 3% of the purchase price. The Landlord is claiming \$9,450.00 to be paid towards the down payment. This claim would be part of the purchase agreement and not covered under the Act. **The claim for \$9,450.00 is denied.**

Other costs

the Landlord claimed the cost for travel from outside of the Territory to address the Tenant vacating the rental premises and to find new tenants.

The Landlord is claiming travel costs in the amount of \$1,375.00. To support the Landlord's claim and submitted into evidence were fuel receipts, miscellaneous claims and pet boarding.

There is no provision in the *Act* which allows the Landlord to be reimbursed costs not related directly to the tenancy itself. I am not satisfied the charges are reasonable and justified. In my opinion these are the landlord's costs of doing business from outside of the community. **Claim for the travel expenses is denied.**

Order

An order will be issued:

- requiring the Tenant to pay to the Landlord compensation for lost rent in the amount of \$1,350.00 (p. 62(2));
- requiring the Tenant to pay to the Landlord the costs of repairs and cleaning in the amount of \$ 701.31(p. 42(3)(e), p. 45(4)(d)); and
- requiring the Tenant to pay to the Landlord the cost of utility arrears in the amount of \$1,541.51 (p. 45(4)(d)).

Jerry Vanhantsaeme
Rental Officer