

IN THE MATTER between **FHS and TM**, Applicants, and **WA and KKG**, 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, regarding a
rental premises located within the **town of Inuvik in the Northwest Territories**;

BETWEEN:

FHS and TM

Applicants/Tenants

-and-

WA and KKG

Respondents/Landlords

REASONS FOR DECISION

Date of the Hearing: April 2, 2025

Place of the Hearing: Yellowknife, Northwest Territories

Appearances at Hearing: KHS and TM, representing the Applicants
LOM, witness for the Applicants
WA and KKG, representing the Respondents

Date of Decision: April 2, 2025

REASONS FOR DECISION

An application to a rental officer made by FHS and TM as the Applicants/Tenants against WA and KKG as the Respondents/Landlords was filed by the Rental Office December 11, 2024. The application was made regarding a residential tenancy agreement for a rental premises located in Inuvik, Northwest Territories. The filed application was served on the Respondent by registered mail on January 9, 2025.

The Applicants claimed the Respondents had not carried out entry and exit inspections in accordance with the *Residential Tenancies Act* (the Act) and had not returned their security deposit at the end of their tenancy. They sought an order for the return of the security deposit, while acknowledging that they may also be responsible for some costs for repair of damages and cleaning.

A hearing was scheduled for January 22, 2025, but was rescheduled to January 29, 2025, to provide time for the Applicants to review information provided by the Respondents by registered mail on January 17, 2025. The Applicants did not appear at the hearing on January 29, 2025, as a result a new hearing was scheduled for March 12, 2025. This hearing was rescheduled at the request of the Respondents. A hearing was held by three-way teleconference on April 2, 2025. FHS and TM appeared representing the Applicants. LOM appeared as a witness for the Applicants. WA and KKG appeared representing the Respondents.

Tenancy agreement

The Applicants provided, as evidence, a copy of the written tenancy agreement between the parties for the period March 1, 2023 to February 28, 2024, and then continuing month to month. The rent was \$1,800 per month. The tenancy was terminated on November 30, 2024, by notice of the Applicant.

I am satisfied a valid tenancy agreement was in place in accordance with the Act. This agreement was terminated on November 30, 2024.

Security deposit

The Applicant paid a security deposit of \$1,800 and a pet security deposit of \$900, with interest calculated, the total security deposit is now \$2,700.48. The Applicants sought the return of the security deposit claiming the Respondents had not carried out the entry and exit inspections in accordance with the Act and they did not receive a copy of the inspection reports.

The Applicants testified that prior to their tenancy they were out of town and a family member, LOM conducted the entry inspection on their behalf. L testified at the hearing that they did the walk through with one of the Landlords and were not given any documentation. During this walk through, they pointed out some deficiencies including cleaning required - carpet needed cleaning, cabinets were dirty, and there were flies in the light fixtures. At the end of the walk-through, the Respondents required them to sign a blank page, claiming they needed their signature in order to give them the keys.

The Respondents provided as evidence for the hearing, copies of the entry inspection and exit inspection report form, as well as a blank page signed by LOM on February 28, 2023. The entry inspection report does not include the tenant's name, signature or comments, nor does it include the Landlord's name or signature. At the hearing, the Respondents testified they noted any deficiencies raised by the Tenants on the entry inspection form, however, the form only includes one comment "floor next to fridge, stain on floor", the remainder of the form has lines drawn through the comments section, with no comments. The Respondent said they provided a copy to the Applicants, but did not provide any evidence to support this statement and the Applicants denied receiving a copy.

The Applicants also testified that at the end of their tenancy, on December 1, 2024, they did a quick walk through of the lower floor of the rental premises, the Respondents did not take notes or photographs, no paperwork was provided and they were asked to sign a blank piece of paper. The exit inspection provided, as evidence, by the Respondents includes notes detailing damages and cleaning required, the report is signed by the Respondents but is not signed by the Applicants.

Under subsection 18(5) "A Landlord may not retain any amount of a security deposit or pet security deposit for repairs of damages to the rental premises if the landlord or his or her agent (a) fails to complete an entry inspection report and an exit inspection report; or (b) fails, without a reasonable excuse accepted by a rental officer, to give a copy of each report to the tenant."

Based on the evidence and testimony, I find it more likely than not that the entry and exit inspections were not carried out according to the Act and copies were not provided to the Tenants, nor were they given an opportunity to sign or provide comments. I find the Respondents in breach of the Act and will order them to return the security deposit with interest in the amount of \$2,700.48 to the Applicants.

Prior to the hearing, the Respondents provided, as evidence, an invoice for costs incurred to clean the unit and an estimate of costs for repair of damages. In their application and at the hearing, the Applicants agreed that there was some work required, but argued that costs claimed seemed excessive and the estimate and invoice were not detailed enough to allow them to determine if the costs were reasonable.

The Respondents testified that the work had been completed and they were now able to provide a more detailed accounting. I suggested the Respondents work with the Applicants to come to an agreement on costs for cleaning and repair of damages, and if that was not successful, to bring forward their own application to the Rental Office.

The Respondents were concerned about the six-month period set out in subsection 68(1) of the Act elapsing. I told them that a Rental Officer would have an opportunity to review these reasons and consider the work that had been initiated with this application prior to making any decision.

Orders

An order will issue for the Respondents to return to the Applicants the security deposit in the amount of \$2,700.48 (ss. 18.1(b)).

Janice Laycock
Rental Officer