

IN THE MATTER between **LE**, Applicant, and **NRR**, 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 **Janice Laycock**, Rental Officer, regarding a
rental premises located within the **City of Yellowknife in the Northwest Territories**;

BETWEEN:

LE

Applicant/Tenant

-and-

NRR

Respondent/Landlord

REASONS FOR DECISION

<u>Date of the Hearing:</u>	October 29, 2025
<u>Place of the Hearing:</u>	Yellowknife, Northwest Territories
<u>Appearances at Hearing:</u>	LE, representing the Applicant RB, witness for the Applicant SM, representing the Respondent
<u>Date of Decision:</u>	October 29, 2025

REASONS FOR DECISION

An application to a rental officer made by LE as the Applicant/Tenant against NV as the Respondent/Landlord was filed by the Rental Office September 5, 2025. The application was made regarding a residential tenancy agreement for rental premises located in Yellowknife, Northwest Territories. The filed application was served on the Respondent by email and deemed served on September 13, 2025.

The Applicant claimed the Respondent had not returned their full security deposit and sought an order for the return.

A hearing was held on October 29, 2025, by three-way teleconference. LE appeared representing the Applicant, along with their witness RB. SM appeared representing the Respondent.

Preliminary issues

The Application was made against NV. At the hearing, I pointed out that the correct name of the landlord is NRR, and that I would amend the style of cause accordingly.

Tenancy agreement

The Respondent provided a copy of the original written tenancy agreement between the parties for the term June 1, 2024, to May 31, 2025. The Applicant provided a signed copy of the renewal document for this tenancy for the term June 1, 2025 to May 31, 2026. The rent was \$2,750.00 but on renewal was increased to \$2,865.00 per month.

The Applicant testified that for a number of reasons, including that the front door was broken, the smoke detectors not working, issues with their shower and that they did not feel safe in the building, they decided to terminate their tenancy and on July 4, 2025, they provided written notice to the Respondent that they would be moving out by the end of the month. An inspection was carried out July 21, 2025, and they returned the keys to the landlord on August 1, 2025.

I explained to the Applicant at the hearing that as they had signed a renewal of their tenancy agreement until May 31, 2026, notice in July 2025, does not comply with the *Residential Tenancies Act* (the Act). Under subsection 1(3) of the *Residential Tenancies Act* (the Act), where a tenancy was not terminated according to the Act, the rental premises is considered abandoned.

I am satisfied that there was a valid tenancy agreement between the parties, that was terminated on July 31, 2025, when the Applicant vacated the rental premises.

Security deposit

The Applicant claimed the security deposit with interest had not been returned as required. The parties agreed that a partial security deposit had been paid at the beginning of the tenancy and, with interest, the deposit was \$1,370.08.

The Applicant provided a copy of their email communication with the Respondent concerning their plans to vacate the rental premises at the end of July 2025. In correspondence dated July 17, 2025, the Respondent acknowledged receipt of the notice to terminate the tenancy and informs them that the notice does not comply with the tenancy agreement or the Act and may result in charges, "including rent until the unit is re-rented."

On August 8, the Respondent informed the Applicant that after all charges are considered they would receive a refund of \$81.20, explaining that the charges are for 14 days of rent for breaking the lease, and attaching the move out statement. According to the "Move-Out Statement" provided prior to the hearing by the Respondent, the security deposit with interest is \$1,375.08, and the amount owing for the first 14 days of August (until the unit was re-rented), is \$1,293.88, leaving \$81.20 that could be returned, and an outstanding \$5.00 late payment penalty.

I explained that, under subsection 18(4) of the Act, only arrears of rent owing and costs for repair of damages can be deducted from the security deposit. The amount charged by the Respondent for "rent until the unit is re-rented" totalling \$1,293.88, is not rent. Under subsection 1(1) of the Act the definition of rent, "includes the amount of any consideration paid or required to be paid by a tenant to a landlord or his or her agent for the right to occupy rental premises." The Applicant's responsibility to pay rent ended when they ended their occupancy of the rental premises at the end of July 2025.

After discussion and agreement of the Applicant, I found that the Applicant has an outstanding late payment penalty of \$5.00 that could be considered rent, and when this is deducted from the security deposit with interest of \$1,375.08, the remaining security deposit totalling \$1,370.08 should be returned by the Respondent to the Applicant and an order will issue.

Compensation for lost of future rent

Based on the evidence provided for this hearing, the Respondent has charged the Applicant compensation for loss of rent, in the amount of \$1,293.88, for the period of time it took them to re-rent the rental premises. Although this is compensation and not rent as defined in the Act, and cannot be charged against the security deposit, the Act allows a claim to be made by a landlord and a rental officer may consider it.

Under subsection 62(1) of the Act, where a tenant abandons a rental premises, the tenancy agreement is terminated on the date the rental premises are abandoned but the tenant remains liable, to compensate the landlord for loss of future rent that would have been payable under the tenancy agreement. Under subsection 62(2) of the Act on the application of a landlord a rental officer may make an order requiring the tenant to pay to the landlord the compensation for which the tenant is liable.

Finally, under subsection 5(1), where a tenant ends their tenancy other than in accordance with the Act, the “landlord shall rent the rental premises again as soon as is practicable and at a reasonable rent in order to mitigate the damages of the landlord.”

The Applicant in their correspondence with the Respondent challenged the amount of time that it took the Respondent to re-rent the rental premises, considering the rental market in Yellowknife and the Respondent had known in early July about the Applicant’s plans to end their tenancy. The Respondent responded by email on August 8, 2025, informing the Applicant that the move-in date of the 15th is not related to any repairs or work in the unit but rather the timeline to complete the application and lease process, and further the replacement depends on the market and the availability of a qualified applicant.

At the hearing the Applicant again challenged the Respondent on the length of time that they took to re-rent the rental premises and the amount of compensation they were claiming. The Respondent testified that it takes time to review applications from potential renters, get further information and then for the prospective tenant to make arrangements to move in. They were not able to provide any specifics on this specific situation and so could not clearly demonstrate that in this case they had taken all steps to mitigate their losses and had rented the rental unit as soon as practicable. The Respondent testified they could compile this information.

I suggested that the Respondent make their own application for compensation for loss of future rent providing specific detailed evidence that might support their claim.

Orders

An order will issue for the Respondent to return to the Applicant part of the security deposit in the amount of \$1,370.08 (ss. 18.1(b)).

Janice Laycock
Rental Officer