

IN THE MATTER between **NRR**, Applicant, and **JL and KH**, 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 **City of Yellowknife in the Northwest Territories**;

BETWEEN:

NRR

Applicant/Landlord

-and-

JL and KH

Respondent/Tenants

REASONS FOR DECISION

<u>Date of the Hearing:</u>	November 12, 2025
<u>Place of the Hearing:</u>	Yellowknife, Northwest Territories
<u>Appearances at Hearing:</u>	SM, representing the Applicant JL and KH, the Respondents
<u>Date of Decision:</u>	November 13, 2025

REASONS FOR DECISION

An application to a rental officer made by NRR as the Applicant/Landlord against JL and KH as the Respondents/Tenants was filed by the Rental Office October 2, 2025. The application was made regarding a residential tenancy agreement for a rental premises located in Yellowknife, Northwest Territories. The filed application was deemed served on the Respondents by email on October 9, 2025.

The Applicant claimed the Respondents had repeatedly not paid their rent when due and had accrued significant arrears, had not paid their full security deposit and had not complied with their obligation under the tenancy agreement relating to utilities. An order was sought for payment of rental arrears and the amount owing on the security deposit, to comply with their obligation to pay for utilities, as well as termination of the tenancy agreement and eviction.

A hearing was held on November 12, 2025, by three-way teleconference. SM appeared representing the Applicant. JL and KH appeared as Respondents.

Tenancy agreement

The Applicant provided as evidence the written tenancy agreement between the parties for the period from July 1, 2024 to July 31, 2024. At the hearing the parties clarified that this was an error and the agreement was for the term July 1, 2024 to June 30, 2025, and the rent was \$2,350.00 per month. A document was also provided renewing this tenancy for the term July 1, 2025 to June 30, 2026. The rent is currently \$2,450.00 per month.

I am satisfied there is a valid tenancy agreement in accordance with the *Residential Tenancies Act* (the Act).

Rental arrears - including utilities paid by landlord

The lease ledger provided as evidence represents the Landlord's accounting of monthly rents and payments received against the Respondent's account, the ledger also includes amounts paid on behalf of the Respondents for water and heat. According to the updated statement, dated November 10, 2025, the Respondents currently have arrears owing in the amount of \$12,709.29. The Applicant testified and provided evidence of notices to the Respondents about the arrears including a Notice of Substantial Breach: 10 Day Lease Termination, dated March 6, 2025, and another notice on July 11, 2025.

At the hearing the Respondent testified that since the statement was printed, they had made a payment of \$500.00. This was confirmed by the Applicant, and this payment brings the arrears down to \$12,209.29.

Under part 4 of the written tenancy agreement between the parties, heat, water and hydro are the responsibility of the tenant and were not included in the rent. When the Respondents did not comply with the tenancy agreement, the landlord paid the costs for water and heat. The arrears claimed in the lease ledger include amounts paid by the Applicant on behalf of the Respondents for utilities as well as a 15% (plus GST) charge to administer the utility account. The Applicant provided as evidence copies of invoices from the City of Yellowknife for water and sewer and from Matonabee Petroleum for heating fuel made out to the Landlord and paid by them.

Under subsection 1(1) of the Act, “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 and for any services and facilities, privilege, accommodation or thing the landlord provides for the tenant in respect of his or her occupancy of the rental premises, whether or not a separate charge is made for the services and facilities, privilege, accommodation or thing;”.

In this situation the Respondents have clearly breached their obligation under the tenancy agreement. The amounts paid by the Applicant on behalf of the Respondents for utilities are supported by evidence and these costs as well as administration charges are reasonable and will be included in the calculation of rent owing.

The Respondent testified that at the beginning of their tenancy they had tried to set up an account with the City of Yellowknife and a heating fuel provider but were not successful. Considering the bills were being paid regularly by the Landlord they did not pursue this any further. They acknowledged that they should have done something about this and agreed to comply with their obligation by setting up these accounts and paying the costs directly.

I noted that the amounts claimed by the Applicant do not include charges from the City of Yellowknife for October and November 2025, nor do they include charges for fuel for the period June to November 2025. The Applicant testified that it takes some time for the invoices to come in and to be paid and they expected further invoices for utilities. I advised the Respondent not only to set up their own accounts but to also settle the outstanding charges with the Landlord once the invoices are issued. Finally, in their notices to the Respondents about the arrears it might have helped to specifically reference the breach of their obligation in the tenancy agreement for utilities.

When reviewing the updated lease ledger statement I noted that the balances were not consistent with the balances on the statement provided with the filed application. After review I found that additional late payment penalties were added to the ledger after the Application

was filed. At the hearing I stated that I thought it was not fair to charge late payment penalties retroactively and would deny these amounts. If the Landlord wished to charge late payment penalties they should have been charged in the month the rent was overdue or very soon after.

I reserved my decision on the denied charges in order to review my calculations. After review, I calculated the charges added and denied which included the following:

1. September 2024 - \$29.00;
 2. October 2024 - \$30.00;
 3. November 2024 - \$34.00;
 4. February 2025 - \$27.00;
 5. March 2025 - \$30.00;
 6. May 2025 - \$30.00;
 7. July 2025 - \$30.00;
 8. August 2025 - \$5.00
- Total - \$215.00

When this amount, \$215.00, is deducted from the rent owing, the revised total is now \$11,994.29

I am satisfied the lease ledger statements accurately reflect the current status of the Respondents' rent account and find they have arrears of rent owing in the amount of \$11,994.29.

Termination of the tenancy agreement and eviction

According to the lease ledger the Respondents have repeatedly breached their obligation to pay their rent (including the charge for utilities) when due. They have had arrears owing in most months since the beginning of their tenancy. The last time their arrears were satisfied was March 2025, and since then the Respondents have not paid costs for utilities, and have only paid partial rent in April and May, no rent in July or August, and only \$500.00 in both September and October 2025. As of the hearing they had only paid \$500.00 against their November's rent.

At the hearing, after some prompting, the Respondents indicated that they would like an opportunity to stay in the rental premises despite some unresolved issues with water leaks and promised to secure funding to pay off \$6,000.00 of the arrears right away. They now have a roommate who was helping them with the costs. Also one of the Respondents was waiting on a

job offer and hoped to be working soon, while the other Respondent was working full time. They were prepared to make a commitment to pay rent when due and pay off the arrears in addition to transferring the utilities.

The Applicant testified that based on the past experience with these tenants they did not have confidence that the arrears and rent would be paid. The Respondents had ample opportunity to meet with the Applicant prior to the hearing but did not do so.

Based on the evidence I am satisfied that termination of the tenancy agreement and eviction are justified. Based on the Respondents promise to secure funding to address their arrears, the termination will be conditional and month to month for December 2025 and January 2026.

If in December the Respondents pay their rent when due, pay at least \$6,000.00 on their rental arrears and comply with their obligation to transfer utilities to their own account, their tenancy will continue. If they do not comply with these conditions, their tenancy will be terminated on December 31, 2025, and eviction may follow on January 1, 2026. If their tenancy continues in January, the Respondents are required to pay their rent for January when due, and pay the remainder of the arrears totalling \$5,994.29. If they do not comply with these conditions their tenancy will be terminated on January 31, 2026 and eviction will follow on February 1, 2026.

Security deposit

The Applicant claimed that the Respondents had only paid \$1,175.00 of their security deposit. The remainder of the security deposit was due on October 1, 2024, and is still outstanding. The lease ledger confirms a charge for the security deposit in May 2024 and a corresponding payment, but does not include a further charge or payment for the other half of the security deposit.

Based on the evidence it is clear that the Respondents have breached their responsibility to pay their security deposit in full by October 1, 2024. However, considering the focus on the termination order and associated conditions, it was not addressed at the hearing, and I will not order it paid at this time. If the Respondents are successful in meeting the conditions and continue their tenancy into February 2026, I suggest that efforts be made to arrange for the security deposit to be paid. If that is not successful then an application can be made for the security deposit.

Issues raised by tenants at hearing

Under subsection 68(2) of the Act, "at a hearing of an application to terminate a tenancy or to evict a tenant, a rental officer may permit a tenant to raise any issue that could be the subject of an application under this Act, and the rental officer may, if he or she considers it appropriate in the circumstances, make an order on that issue."

At the hearing the Respondents reported that there were water issues with their unit starting with the ceiling on the second floor and now affecting the bathroom and kitchen. They reported these issues to the Landlord when they started in June 2024, and a maintenance guy came and took a look, but no work was done. The issue is getting worse and needs to be addressed. The Applicant did not have any record of the maintenance request but would look into it.

As the Respondents had not provided any evidence prior to the hearing in support of their claim, and their interest seemed to be in getting it addressed, I did not make an order. I suggested to the Respondents that they work with their landlord to get the issue addressed. If their landlord does not address the issue they have the option of filing their own application with the rental office.

Orders

An order will issue:

1. requiring the Respondents to pay rental arrears owing in the amount of \$11,994.29 (p. 41(4)(a));
2. requiring the Respondents to pay their rent on time in the future (p. 41(4)(b));
3. Requiring the Respondents to comply with their obligation under the written tenancy agreement to take responsibility for the utilities, and to not breach this obligation again (p. 45(4)(a) and (p.45(4)(b));
4. terminating the tenancy agreement between the parties and requiring the Respondents to vacate the rental premises (p. 41(4)(c)), p.45(4)(e) and ss 83(2)):
 - (a) on December 31, 2025, unless rent for December is paid when due, at least \$6000 is paid against the rental arrears, and the Respondents comply with their obligation under the written tenancy agreement to take responsibility for the utilities;
 - (b) on January 31, 2026, unless rent for January is paid when due and the remainder of the rental arrears in the amount of \$5,994.29 is paid.
5. evicting the Respondents from the rental premises (p. 63(4)(a) and ss 83(2));
 - (a) on January 1, 2026, if the tenancy agreement between the parties is terminated in accordance with paragraph 4(a) of this order;

(b) on February 1, 2026, if the tenancy agreement between the parties is terminated in accordance with paragraph 4(b) of this order;

Janice Laycock
Rental Officer