

IN THE MATTER between **KEVIN RICHARDS AND CORRINE RICHARDS**,
Tenants, and **JOHN BASS**, Landlord;

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, **HAL LOGSDON**, Rental Officer,
regarding the rental premises at **YELLOWKNIFE, NT.**

BETWEEN:

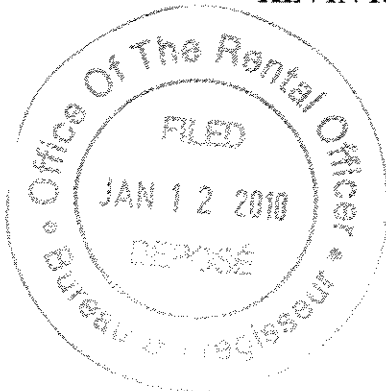
KEVIN RICHARDS AND CORRINE RICHARDS

Tenants

- and -

JOHN BASS

Landlord

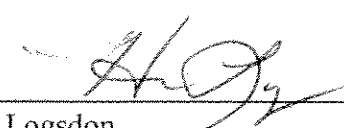


ORDER

IT IS HEREBY ORDERED:

1. Pursuant to section 62(2) of the *Residential Tenancies Act*, the tenants shall pay the landlord compensation for lost rent in the amount of eight hundred twenty seven dollars and ninety one cents (\$827.91).

DATED at the City of Yellowknife, in the Northwest Territories this 12th day of January,
2010.



Hal Logsdon
Rental Officer

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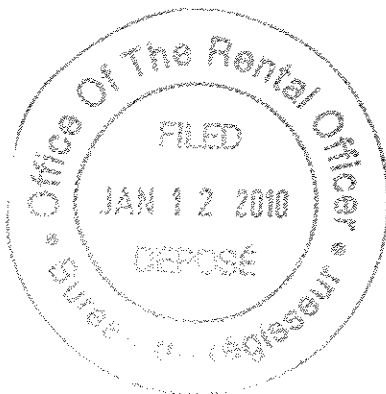
KEVIN RICHARDS AND CORRINE RICHARDS

Tenants

-and-

JOHN BASS

Landlord



REASONS FOR DECISION

Date of the Hearing: January 6, 2010

Place of the Hearing: Yellowknife, NT

Appearances at Hearing: Kevin Richards, tenant
John Bass, landlord (by telephone)

Date of Decision: January 12, 2010

REASONS FOR DECISION

The tenants filed an application to a rental officer on November 19, 2009 seeking an order requiring the landlord to return the security deposit. The landlord filed an application November 24, 2009 seeking an order requiring the tenants to pay compensation for lost rent and electrical costs. As both applications deal with the same rental premises and the same tenancy agreement, with the consent of the parties, both matters were heard at a common hearing.

The tenant stated that he had advised the landlord on September 14, 2009 that he intended to terminate the tenancy agreement if he received mortgage approval to purchase a home. The tenant stated that he moved out of the rental premises on September 25, 2009 and the rent was paid to the end of that month. The tenant stated that he provided a security deposit of \$850 to the landlord on October 1, 2008. The tenant stated that he left the premises in a good and clean state but failed to receive the security deposit from the landlord.

The landlord acknowledged that the rent was paid to September 30, 2009 and that the premises were clean and not damaged when the tenant moved out.

Section 18(2) of the *Residential Tenancies Act*, permits a landlord to retain all or part of a security deposit for rent arrears and repairs of damages.

18.(2) A landlord may, in accordance with this section, retain all or part of the security deposit for repairs of damage caused by a tenant to the rental premises and for any arrears of the rent.

There being no rent arrears or damages to the premises, the landlord is not entitled to retain any of the security deposit or accrued interest. Therefore the security deposit of \$850 must be returned to the tenants with interest which I calculate to be \$22.09.

The landlord stated that since the tenants failed to give proper notice to terminate the tenancy agreement he was entitled to lost rent and the electrical costs for the period of rent loss. The landlord sought compensation for the October, 2009 rent (\$1700) and the costs of electricity he paid during the month of October, 2009 (\$60). The landlord noted the rent was to increase from \$1600 to \$1700 effective October 1, 2009 and provided the notice of rent increase that was served on the tenants.

The landlord provided a detailed chronology indicating how and when the premises were advertised for rent and the prospective tenants to whom the premises were shown as well as correspondence with his agent and property manager. The landlord stated that despite his efforts to re-rent the premises they were not re-rented in the month of October, 2009.

The tenancy agreement between the parties was made for a term which ended on August 30, 2009. There is no evidence that the parties entered into another term agreement, therefore the tenancy agreement was automatically renewed on September 1, 2009 on a monthly basis in accordance with section 49 of the *Residential Tenancies Act*. Since the monthly tenancy had been in effect for less than 12 months, the landlord was entitled to written notice of 30 days to terminate the tenancy agreement pursuant to section 52 of the Act. Since the tenants did not give

sufficient notice, the tenancy agreement was abandoned and, subject to the landlord's efforts to mitigate loss, the tenants remain liable for lost rent pursuant to section 62(1).

62.(1) Where a tenant abandons a rental premises, the tenancy agreement is terminated on the date the rental premises were abandoned but the tenant remains liable, subject to subsection 9(2), to compensate the landlord for loss of future rent that would have been payable under the tenancy agreement.

I am satisfied from the evidence that the landlord took reasonable steps to mitigate the loss of the October, 2009 rent and that the rent that would have come due is \$1700. Section 62(1) provides for compensation for lost rent. The electricity used at the premises for that period is not rent as it is not paid to the landlord. The \$60 for electrical costs is therefore denied. I find the tenants liable for compensation for the October, 2009 rent in the amount of \$1700.

Taking into account both applications, I find an amount due to the landlord of \$827.91 calculated as follows:

Amount due landlord	\$1700.00
less amount due tenants	<u>872.09</u>
Total due landlord	\$827.91

An order shall issue requiring the tenants to pay the landlord compensation for lost rent in the amount of \$827.91.



Hal Logsdon
Rental Officer