

IN THE MATTER between **HOWARD LUCAS**, Applicant, and **G.B.H. HOLDINGS LTD.**, 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, **HAL LOGSDON**, Rental Officer, regarding the rental premises at **INUVIK, NT.**

BETWEEN:

**HOWARD LUCAS**

Applicant/Tenant

- and -

**G.B.H. HOLDINGS LTD.**

Respondent/Landlord

**ORDER**

IT IS HEREBY ORDERED:

1. Pursuant to section 18(5) of the *Residential Tenancies Act* the respondent shall return a portion of the retained security deposit to the applicant in the amount of one thousand dollars and five cents (\$1000.05).

DATED at the City of Yellowknife, in the Northwest Territories this 15th day of July, 2010.

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Hal Logsdon  
Rental Officer

IN THE MATTER between **HOWARD LUCAS**, Applicant, and **G.B.H. HOLDINGS LTD.**, 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 **Hal Logsdon**, Rental Officer.

BETWEEN:

**HOWARD LUCAS**

Applicant/Tenant

-and-

**G.B.H. HOLDINGS LTD.**

Respondent/Landlord

**REASONS FOR DECISION**

**Date of the Hearing:** July 14, 2010

**Place of the Hearing:** Inuvik, NT via teleconference

**Appearances at Hearing:** Andrea Cardinal, representing the applicant  
Greg Murphy, representing the respondent

**Date of Decision:** July 14, 2010

### **REASONS FOR DECISION**

The proper company name of the respondent is “G.B.H. Holdings Ltd.”, not “(G.B.H. Ltd.) G.B.H. Holdings Maintenance” as indicated on the application. The order shall be amended to reflect the respondent’s proper name.

The parties entered into a written tenancy agreement to commence on June 1, 2010. The applicant provided a security deposit of \$1250 on June 3, 2010 and was told they had to also pay the first month’s rent of \$1250. The applicant was provided with keys to the premises. The applicant returned the keys on June 6, 2010 and told the landlord that they were unable to pay the June rent and were therefore not going to take the apartment. The respondent retained the security deposit. There is no evidence that a statement of the security deposit was produced in compliance with section 18 of the *Residential Tenancies Act*. The applicant sought an order requiring the respondent to return the security deposit.

The respondent’s representative did not dispute the allegations and stated that he had recently taken over the property management of the complex.

A tenancy agreement was formed between the parties and the applicant was entitled to possession and given keys. As the tenancy agreement was not terminated in accordance with the Act, the premises were abandoned by the applicant on June 6, 2010 and the tenancy agreement terminated on that day. The landlord is entitled to rent for those six days which I calculate to be \$250. The

monthly rent for the premises was \$1250.

Section 18(2) of the *Residential Tenancies Act* permits a landlord to retain 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.**

Therefore the respondent is entitled to deduct \$250 from the security deposit and accrued interest. There is no evidence that repairs were necessary. The respondent is obligated to return the balance to the applicant. I find that amount to be \$1000.05 calculated as follows:

Security deposit	\$1250.00
Interest	0.05
Less rent arrears	<u>(250.00)</u>
Amt. due applicant	\$1000.05

When a tenant abandons rental premises they are liable for rent which the landlord loses, subject to the landlord's reasonable efforts to mitigate loss. Compensation for lost rent is not the same as rent arrears, however, and can not be deducted from a security deposit. A claim for compensation for lost rent must be made through an *Application to a Rental Officer*.

An order shall issue requiring the respondent to return a portion of the retained security deposit to the applicant in the amount of \$1000.05.

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Hal Logsdon  
Rental Officer