

IN THE MATTER between **ANGELA MCGONIGLE AND STEVEN MAERZ**,
Applicants, and **SHEILA STYAN**, Respondent;

AND IN THE MATTER of the **Residential Tenancies Act** R.S.N.W.T. 1988, Chapter
R-5 (the "Act") and amendments thereto;

AND IN THE MATTER of a Hearing before, **HAL LOGSDON**, Rental Officer,
regarding the rental premises at **HAY RIVER, NT**.

BETWEEN:

ANGELA MCGONIGLE AND STEVEN MAERZ

Applicants/Tenants

- and -

SHEILA STYAN

Respondent/Landlord

ORDER

IT IS HEREBY ORDERED:

1. Pursuant to section 18.1(b) of the *Residential Tenancies Act*, the respondent shall return the security deposit and accrued interest in the amount of one thousand six hundred dollars and two cents (\$1600.02) to the respondents.

DATED at the City of Yellowknife, in the Northwest Territories this 8th day of January,
2016.

Hal Logsdon
Rental Officer

IN THE MATTER between **ANGELA MCGONIGLE AND STEVEN MAERZ**,
Applicants, and **SHEILA STYAN**, 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:

ANGELA MCGONIGLE AND STEVEN MAERZ

Applicants/Tenants

-and-

SHEILA STYAN

Respondent/Landlord

REASONS FOR DECISION

Date of the Hearing: December 16, 2015

Place of the Hearing: Yellowknife, NT via conference call

Appearances at Hearing: Angela McGonigle, applicant
Steven Maerz, applicant
Michael Cazon, witness for the applicants
Sheila Styan, respondent

Date of Decision: December 16, 2015

REASONS FOR DECISION

The parties entered into a tenancy agreement commencing on October 1, 2015 for a term to end on July 1, 2016. The tenancy agreement was terminated on November 5, 2015 by mutual agreement made in writing. The applicants alleged that the respondent had failed to return the security deposit and sought an order requiring the respondent to return the deposit in full with interest. The application also contained an allegation that the landlord had failed to repair a sewage overflow but the applicants withdrew their request for compensation regarding that matter.

The applicants testified that they provided a security deposit of \$1600 to the landlord on September 23, 2015. They stated that there was no inspection report completed at the beginning of the tenancy agreement or at the end of the tenancy. The applicants stated that no statement of the security deposit had been provided to them.

The respondent acknowledged that there had been no inspection reports completed. The respondent noted that the tenancy agreement contained a provision requiring that the respondents are obligated to pay a penalty of \$4800 or the landlord's loss of rent, whichever is less. The respondent also stated that she had to repaint the floors due to the damage caused by the tenants' cats and clean the premises. She also stated that the mail key was not returned.

Section 18(4) stipulates that only repairs of damages and arrears of rent may be deducted from a security deposit.

18.(4) A landlord may, in accordance with this section, retain all or a part of a security deposit, a pet security deposit or both for arrears of rent owing from a tenant to the landlord in respect of the rental premises, and for repairs of damage to the premises caused by the tenant or a person permitted on the premises by the tenant.

Sections 15 and 17.1 of the *Residential Tenancies Act* require that a landlord conduct an entry and an exit inspection of the premises, provide a written inspection report to the tenant and retain a copy of the reports. Pursuant to section 18(5) of the Act, a landlord who fails to complete these reports forfeits the right to retain any part of the security deposit for repairs of damages to the rental premises.

18.(5) A landlord may not retain any amount of a security deposit or pet security deposit for repairs of damage 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.**

I need not determine if there were damages to the rental premises. The landlord has forfeited their right to deduct any repair costs from the deposit. Any relief for repair costs must be sought through an application by the landlord.

There is no evidence of any arrears of rent. Compensation for loss of future rent is not the same as arrears of rent. Compensation for loss of future rent may not be deducted from a security deposit.

Section 13 of the Act prohibits penalties other than the penalties for late rent set out in section 3 of the regulations.

For these reasons, I find no justification for the respondent to retain any of the security deposit. I find the accrued interest to be \$0.02. An order shall issue requiring the respondent to return the security deposit and accrued interest to the applicant in the amount of \$1600.02.

Hal Logsdon
Rental Officer