

## Residential Tenancies Tribunal

Application 2025-0569-NL

Pamela Pennell  
Adjudicator

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### Introduction

1. Hearing was called at 1:59 p.m. on 14-August-2025.
2. The applicant, [REDACTED] (landlord 1), hereinafter referred to as “the landlord” attended by teleconference. The applicant, [REDACTED] (landlord 2), hereinafter referred to as “the landlord” did not attend.
3. The respondent, [REDACTED], hereinafter referred to as “the tenant” did not attend.

### Preliminary Matters

4. The tenant was not present or represented at the hearing and I was unable to reach her by telephone at the start of the hearing. This Tribunal’s policies concerning notice requirements and hearing attendance have been adopted from the *Rules of the Supreme Court, 1986*. According to Rule 29.05(2)(a) respondents to an application must be served with claim and notice of hearing 10 clear days prior to the hearing date and, where the respondent fails to attend the hearing, Rule 29.11(1) states that the hearing may proceed in the respondent’s absence so long as she has been properly served. The landlords submitted an affidavit with their application stating that they had served the tenant with the notice of hearing electronically by email and text message on 1-August-2025 (LL#1). The landlord submitted proof of service (LL#2). In accordance with the *Residential Tenancies Act, 2018*, this is good service. As the tenant was properly served, and as any further delay in these proceedings would unfairly disadvantage the landlords, I proceeded with the hearing in her absence.
5. Originally there was a fixed term rental agreement whereby the respondent and another tenant had entered into a *rent with the option to buy* agreement. This agreement was signed on 1-August-2024 (LL#3) but changed before the tenants took possession due to finances and when the tenancy commenced, it was understood that there no longer was a *rent with the option to buy* agreement in place. The tenant vacated the unit on 20-June-2025. Rent was \$1825.00 per month, due on the 1st day of each month. A security deposit of \$800.00 was paid on 1-August-2024 and is in the landlord’s possession.

6. The application was amended to omit “premises vacated” and to include hearing expenses. The disposition of the security deposit shall be dealt with in this decision.

### Issues before the Tribunal

7. The landlord is seeking:
- Rent paid \$2250.00
  - Late fees \$75.00
  - Hering expenses \$20.00
  - Security deposit applied against monies owed \$800.00

### Legislation and Policy

8. The jurisdiction of the Director of Residential Tenancies is outlined in Sections 46 and 47 of the *Residential Tenancies Act, 2018*.
9. Also, relevant and considered in this decision are the following sections of the *Residential Tenancies Act, 2018*: Section 14: Security deposit and Section 15: Fee for failure to pay rent. Also, relevant and considered in this decision are the following sections of the *Residential Tenancies Policy Manual*: Section 2-4: Deposits, payments and fees and Section 12-1: Recovery of costs.

### Issue # 1: Rent paid \$2250.00

#### Relevant Submission

10. Landlord 1 testified that rent is in arrears for the months of May and June 2025, and they submitted a copy of a rental ledger to support the claim (LL#4). See breakdown of rental ledger below:

Rental Ledger 2025-0569-NL			
Date	Action	Amount	Total
April 30, 2025	Balance		\$0.00
May 1, 2025	Rent due	\$1,825.00	\$1,825.00
May 1, 2025	Payment	-\$1,400.00	\$425.00
June 1, 2025	Rent due	\$1,825.00	\$2,250.00

#### Landlord’s Position

11. Landlord 1 testified that they gave the tenant a termination notice with cause for non-payment of rent to vacate the unit on 18-June-2025 and he stated that the tenant never vacated until 20-June with rent in arrears for the months of May and June. The landlords are seeking rent to be paid in full in the amount of \$2250.00.

### Analysis

12. Non-payment of rent is a violation of the rental agreement. Rent is required to be paid by a tenant(s) during the use or occupancy of a residential premises. I accept the landlord’s testimony that they wanted the tenant to vacate on 18-June and she stayed until the 20-June-2025. I find that the tenant is responsible for outstanding rent up to the date she vacated the unit. See amended rental ledger below:

Amended rental Ledger 2025-0569-NL			
Date	Action	Amount	Total
April 30, 2025	Balance		\$0.00
May 1, 2025	Rent due	\$1,825.00	\$1,825.00
May 1, 2025	Payment	-\$1,400.00	\$425.00
June 1-20, 2025	Rent due (20 days)	\$1,200.00	\$1,625.00

Daily rate: \$1825 x 12 mths = \$21900  
\$21900 / 365 days = \$60 per day

13. I find that the tenant is responsible for outstanding rent in the amount of \$1625.00 for the period of May 1 – June 20, 2025.

### Decision

14. The landlord's claim for rent paid succeeds in the amount of \$1625.00.

### Issue # 2: Late fees \$75.00

#### Landlord's Position

15. The landlords are seeking the maximum late fees allowed for the months of May and June in the amount of \$75.00.

### Analysis

16. Section 15 of the *Residential Tenancies Act, 2018* states:

#### **Fee for failure to pay rent**

*15. (1) Where a tenant does not pay rent for a rental period within the time stated in the rental agreement, the landlord may charge the tenant a late payment fee in an amount set by the minister.*

17. *Residential Tenancies Policy 12-1; Recovery of Fees: Filing, Costs, Hearing Expense, Interest, Late Payment and NSF* states:

#### **Late payment fee:**

*A tenant is responsible to pay the landlord the full rent on the day the rent is due. If the rent is not paid on time, the landlord may charge the tenant a late payment fee of \$5.00 for the first day the rent is in arrears and \$2.00 for each additional day that the rent remains unpaid in any consecutive number of rental periods to a maximum of \$75.00.*

18. Based on the decision that rent is outstanding for the period of May 1-June 20, 2025 as per paragraph 13 as stated above, and in accordance with Section 15 of the *Act* and Sec 12-1 of the *Policy* as stated above, I find that the tenant is responsible for the maximum allowable late payment fee of \$75.00.

### Decision

19. The landlord's claim for late fees paid succeeds in the amount of \$75.00.

### Issue # 3: Hearing expenses \$20.00

## Analysis

20. The landlords paid an application fee of \$20.00 to *Residential Tenancies* and submitted a copy of the receipt to support the claim (LL#5). In accordance with Section 12-1 of the *Residential Tenancies Policy Manuel*, claimable costs may include the filing fee. As the landlord's claim has been successful, I find that the tenant is responsible for the hearing expenses.

## Decision

21. The landlord's claim for *hearing expenses* succeeds.

## Issue # 4: Security deposit applied against monies owed \$800.00

## Analysis

22. Section 14 of the *Residential Tenancies Act, 2018* states:

### Security deposit

14. (8) *A security deposit is not an asset of the landlord but is held by the landlord in trust and may be used, retained or disbursed only as provided in this section.*
- (9) *Not later than 10 days after the tenant vacates the residential premises, the landlord shall return the security deposit to the tenant unless the landlord has a claim for all or part of the security deposit.*
- (10) *Where a landlord believes he or she has a claim for all or part of the security deposit,*
  - (a) *the landlord and tenant may enter into a written agreement on the disposition of the security deposit; or*
  - (b) *the landlord or the tenant may apply to the director under section 42 to determine the disposition of the security deposit.*
- (11) *Where a tenant makes an application under paragraph (10)(b), the landlord has 10 days from the date the landlord is served with a copy of the tenant's application to make an application to the director under paragraph (10)(b).*

23. The landlord's claim for losses has been successful as per paragraphs 14, 19 and 21 above, and as such I find that the security deposit shall be applied against monies owed. Pursuant to the *Residential Tenancies Act, 2018* the landlord must pay interest on a security deposit to a tenant for the entire period that the landlord has had the security deposit. The interest is calculated as simple interest and is not compounded. The annual interest rate for 2024-2025 is 1%.

## Decision

24. The security deposit shall be applied against monies owed.

**Summary of Decision**

25. The tenant shall pay the landlords \$912.35 as follows:

Rent paid .....	\$1625.00
Late fees .....	75.00
Hearing expenses .....	20.00
<b>Less: security deposit &amp; interest.....</b>	<b>807.65</b>
 Total .....	 \$912.35

August 21, 2025

Date



Pamela Pennell, Adjudicator  
Residential Tenancies Office