

Residential Tenancies Tribunal

Application 2025-0626-NL

Oksana Tkachuk
Adjudicator

Introduction

1. Hearing was called at 9:15 a.m. on 19-August-2025.
2. The applicant, [REDACTED], hereinafter referred to as “the landlord”, was represented by [REDACTED] (LL#1), who attended by teleconference.
3. The respondent, [REDACTED], hereinafter referred to as “the tenant” attended via teleconference.

Preliminary Matters

4. The landlord submitted an affidavit with their application stating that they had served the tenant with the notice of hearing electronically via e-mail on 25-July-2025 (LL#2). The landlord submitted proof of service, and the tenant confirmed that they received the notice of the hearing on that date. In accordance with the Residential Tenancies Act, 2018 this is good service, I proceeded with the hearing.
5. There was a fixed-term rental agreement which commenced on 12-May-2025 for one year. The tenant vacated on 7-July-2025. Rent was \$2300.00 per month due on 1st of each month. A security deposit of \$1725.00 was collected on 12-May-2025 and is still in the landlord’s possession.
6. The landlord amended their application to include hearing expenses of \$20.00.

Issues before the Tribunal

7. The landlord is seeking:
 - Rent paid \$2300.00;
 - Late fees \$13.00;
 - Other expenses \$1150.00;
 - Hearing expenses \$20.00;
 - Security deposit to be applied against any monies owed of \$1725.00.

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 following sections of the *Residential Tenancies Policy* Section 2-4; Deposits, Payments and Fees, Section 6-3: Mitigation on Abandonment of Residential Premises and Section 12-1: Costs.

Issue # 1: Rent paid \$2300.00 Late fees \$13.00

Relevant Submissions:

10. The landlord is seeking July rent in the amount of \$2300.00 and late fees of \$13.00.

Landlord's Position:

11. The landlord's representative stated the tenant was in a fixed-term rental agreement, however they abandoned the rental unit and rent for the month of July was not paid. On 6-July, they believed the unit appeared to be abandoned, and they posted an abandonment notice advising of their intent to enter the unit on 7-July. On 7-July, rent remained unpaid, and the landlords issued a termination notice to the tenant under Section 19 of the *Residential Tenancies Act* for failure to pay rent. The landlord is seeking rent to be paid in full.

Tenant's Position:

12. The tenant confirmed that she received the termination notice. She further confirmed that she did not pay rent for July and vacated the unit on 7-July.

Analysis

13. *Residential Tenancies Policy* 2-4; Deposits, Payments and Fees states:

Late payment fee:

When rent is not paid on time, a landlord may charge a late fee of \$5.00 for the first day rent is in arrears and \$2.00 for each additional day that the rent remains in arrears in any consecutive number of rental periods up to a maximum of \$75.00.

14. Non-payment of rent is a violation of the rental agreement. Rent is required to be paid under a rental agreement by a tenant during the use or occupancy of a residential premises.
15. I accept both the landlord's representative's and the tenant's testimony that rent was not paid by for the month of July and that the tenant abandoned the rental unit on 7-July, while the parties were in the fixed-term rental agreement. I asked the landlord's representative if the rental unit was re-rented, and they responded that it has been not re-rented yet, as they were unable to secure a new fixed-term tenancy. Therefore, I find that the tenant is responsible for the full month's rent for July.
16. Whith regards to the late fees and in accordance with Section 2-4 of the *Policy*, when rent is not paid on time, the landlord may charge a late fee of \$5.00 for the first day rent is in arrears and \$2.00 for each additional day that rent remains unpaid. Therefore, I find that the landlord is entitled to late fees in the amount of \$15.00, however, this tribunal is

application driven, I cannot award more than the amount claimed. As the landlord sought \$13.00 in late fees, I find that the landlord is entitled to be awarded \$13.00.

Decision

17. The landlord's claim for rent and late fees succeeds in the amount of \$2313.00.

Issue # 2: Other expenses \$1150.00

Landlord's Position:

18. The landlord is seeking compensation for expenses they incurred in paying a tenant placement fee to a property management company in order to secure a new tenant. The landlord's representative explained that they have not yet been successful in finding a tenant for a fixed-term rental agreement, but they hope to secure one by September, as, the landlords prefer this arrangement to ensure stable income from their rental properties. They further stated that the previous tenant was also on a one-year fixed-term lease, and this is the arrangement the landlords prefer. The landlord submitted a receipt showing they paid the property management company (LL#3) equal to 50% of one month's rent as a tenant placement fee, which they described as the regular rate for this service.

Tenant's Position:

19. The tenant stated that she agrees to have her security deposit applied toward the landlord's expenses for the tenant placement fee.

Analysis

20. According to the Section 6-3 of the *Policy*, a landlord has the legal duty to take all reasonable steps to mitigate their damages after a tenant abandons residential premises. This includes taking immediate steps to find new tenants to move into the property so that rent can once again be collected.

21. In this case, I accept the landlord's representative's testimony that the landlord hired a property management company to secure a new tenant. I accept that this was a reasonable step to mitigate damages and to provides stable income. The landlord also provided a receipt confirming payment of \$1150.00 as a tenant placement fee.

22. Therefore, I find that the landlord incurred these expenses in their attempt to mitigate damages due to the tenant's abandonment of the rental unit during a fixed-term lease, and the tenant shall be responsible for reimbursing the landlord for this cost.

Decision

23. The landlord's claim for other expenses succeeds in the amount of \$1150.00.

Issue # 3: Hearing expenses \$20.00.

Relevant Submission

24. The landlord paid \$20.00 for the application fee is seeking reimbursement. The landlord submitted a copy of the receipt to support the claim (LL#4).

Analysis

25. In accordance with Section 12-1 of the *Residential Tenancies Policy Manual: Costs*, as the landlord's claim was successful as per paragraphs 17 and 23, the landlord will be awarded with \$20.00.

Decision

26. The landlord's claim for hearing expenses succeeds in the amount of \$20.00.

Issue # 4: Security deposit to be applied against any monies owed \$1725.00

Analysis

27. 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).

28. The landlord's claim for losses has been successful as per paragraphs 17, 23 and 26 and as such, 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 in 2025 is 1%.

Decision

29. Security deposit plus interest of \$1729.73 to be applied against monies owed.

Summary of Decision

30. The tenant shall pay the landlord \$1753.27 as follows:

Rent and late fees.....	\$2313.00
Other expenses	\$1150.00
Hearing expenses	\$20.00

Less than Security Deposit..... \$1729.73

Total \$1753.27

August 20, 2025

Date



Oksana Tkachuk, Adjudicator
Residential Tenancies Office