

Residential Tenancies Tribunal

Application 2024-0984-NL

Seren Cahill
Adjudicator

Introduction

1. Hearing was held on 19-November-2025.
2. The applicant, [REDACTED], hereinafter referred to as the landlord, attended via teleconference. Her husband, [REDACTED], also attended via teleconference and provided testimony.
3. The respondents [REDACTED] and [REDACTED], hereinafter referred to as the tenants, were represented at the hearing by [REDACTED], who also attended via teleconference.

Procedural History

4. The tenants acknowledged they were properly served.

Issues before the Tribunal

5. Should the landlord's claim for unpaid rent and utilities succeed?

Legislation and Policy

6. The jurisdiction of the Director of Residential Tenancies is outlined in sections 46 and 47 of the *Residential Tenancies Act*, 2018 (the *Act*).

Issue 1: Unpaid rent and Utilities

Background

7. The parties agree on the following facts. The tenants lived at the rental premises beginning in 1-May-2025. They had a fixed term lease set to end in 1-May-2026. The landlords purchased the property from the previous owner effective 8-September-2025. The tenants moved out at the end of September 2025.

Landlord's Position

8. The landlord originally claimed for unpaid rent in the amount of \$14000.00 and unpaid utilities in the amount of \$1400.00, representing the months of October 2025 to April 2026, which was the scheduled end of the fixed term lease. At the hearing, they amended this to seek only rent and utilities to the end of November 2025, as they stated they had found a new tenant for the beginning of December. They seek rent in lieu of notice as they say the tenants left the premises without providing notice and they were unable to mitigate their losses by finding a new tenant any earlier. They testified that they purchased the property based partially on the understanding that there were tenants living there.

Tenants' Position

9. The tenants deny that they owe any unpaid rent or utilities to the landlord. They testified that the previous landlord informed them he would be selling the property on 10-July-2025 and gave them the option to move out early without penalty. They also question the landlord's claim to have attempted to mitigate their damages.

Analysis

10. The purchaser of a property can only acquire the rights that the seller has to transfer. In other words, their ownership is encumbered in all the same ways that the seller's is. A purchaser of a property subject to a residential tenancy effectively takes on the rental agreement in place with any existing tenants.
11. T#22 shows an email from the previous owner of the property on 10-July-2025. He states "...I will not sell the house to anyone that will not buy it as a rental. You will not be affected and you will be able to stay in the house. I will also give you the option to move out if you want without any penalties..." T#23 shows an email from the tenant in response on 3-September-2025 seeking to accept the offer and asking if it was still available (though it was never formally retracted). The former landlord responds to say that the sale is expected to close today, so the tenants must check with the new owners. T#1 shows the tenant informing the landlord of their intentions and that they intend not to remain after the current month. They responded "Ok." T#4 shows that later in the month, 22-September-2025, the landlord informs the tenants that they will require at least 2 months' notice.
12. S. 18(1)(c) of the *Act* states that a tenant shall give the landlord notice that the rental agreement is terminated and the tenant intends to vacate the residential premises not less than 2 months before the end of the term where the residential premises is rented for a fixed term. S. 18(5) of the *Act* (5) notwithstanding subsections (1) to (3), a notice of termination is not required to be given where a landlord and a tenant agree in writing to terminate the rental agreement on a specific date.
13. As of the tenant's email accepting the unretracted offer on 3-September-2025, the tenants and the (then) landlord had an agreement in writing that the tenant could move out early without penalty, but they did not have an agreement in writing concerning a specific date. S. 18(5) was therefore not in effect at that time.

14. Legally speaking, at the time the emails were exchanged, the former owner was still the landlord and was the person empowered to accept the tenant's request to move out without penalty at the end of the month. By responding "the house is supposed to close today so you will have to speak with [the current landlord]," he delegated that decision to the landlord.
15. In T#1, later that same day, the tenant informs the (now) landlord that they are looking to move out early, that the former owner had initially offered to allow them to move out without penalty, and that they were looking for the landlord's response so they can arrange their move out plans. The landlord responds "House not closed yet. Will get back to younas [sic] soon as it closes." The tenant accepts this and states they wish to let the new landlord know that they plan to move out. The new landlord asks "from when?" The tenant explains that they mean until the remainder of the month. The landlord responds "Ok."
16. On 5-September-2025, the tenant provides a contact who would be interested in renting the property, and the new landlord agrees to speak with them (T#2). On 9-September-2025, the landlord requests pictures of the house to post for sale, which the tenant does the next day. Only on 22-September-2025 does the landlord indicate they are unsatisfied with the lack of notice.
17. In the context of the evidence as a whole, I find that the landlord's text message "ok" constitutes agreement in writing to the tenants moving out on 30-September-2025, as per s. 18(5) of the *Act*. The landlord correctly pointed out that they were not legally the landlord at that time. However, I find that they were acting as an agent of the previous owner, who delegated to them the authority to accept such a proposition. The record shows that nothing was concealed from the landlord at the time they sent the "ok" text, they were fully informed of the relevant details by the tenant.
18. In the alternative, if I am mistaken that an agreement was reached in writing, I would still find that any right the landlord may have to recover is barred by the principle of promissory estoppel. The landlord made a clear promise to allow the tenant out of the lease, the tenant acted in reliance on the promise (preparing to move out, acquiring a new residence), the tenant's reliance was reasonable and foreseeable, and the tenant suffered an injury due to reliance on the landlord's promise (effectively committing to financial responsibility for two separate residencies).
19. The landlord's claim for unpaid rent and utilities fails.

Decision

20. The landlord's claim is dismissed.

8-December-2025
Date


Seren Cahill
Residential Tenancies Office