

Residential Tenancies Tribunal

Application 2025-0988-NL and 2025-1020-NL

Seren Cahill
Adjudicator

Introduction

1. Hearing was held on 20-November-2025
2. The applicants of the initial claim, [REDACTED] and [REDACTED], hereinafter referred to as the landlords, attended via teleconference.
3. The respondents and counterclaimants, [REDACTED] and [REDACTED], hereinafter referred to as the tenants, were aided in their presentation of their case by their son [REDACTED]. [REDACTED] and [REDACTED] attended via teleconference.

Preliminary Issues

4. The tenants acknowledged that they were properly served.
5. The tenants applied to challenge the validity of a termination notice, and the landlords applied for an order of vacant possession based on the same termination notice. As a valid termination notice is a prerequisite to receiving an order of vacant possession, the issues overlap, and both will be dealt with together.

Issues before the Tribunal

6. Does this tribunal have jurisdiction to hear this matter?
7. Should the landlord's claim for an order of vacant possession succeed?
8. Should the landlord's claim for damages succeed?

Legislation and Policy

9. The jurisdiction of the Director of Residential Tenancies is outlined in sections 46 and 47 of the *Residential Tenancies Act*, 2018 (the *Act*).
10. Also considered and referred to in this decision are s. 20(2-4) and s. 34 of the *Act*, which read as follows:

Notice where material term of agreement contravened

20. ...

(2) Notwithstanding subsection 18(2) and paragraph 18(3)(b), where a tenant contravenes a material term of a rental agreement, the landlord may give the tenant written notice of the contravention, and if the tenant fails to remedy the contravention within a reasonable time after the notice has been served, the landlord may give the tenant notice that the rental agreement is terminated and the tenant is required to vacate the residential premises.

(3) Where the tenant gives a landlord notice under subsection (1) or the landlord gives a tenant notice under subsection (2) that a rental agreement is terminated, the notice shall be given

(a) not less than 7 days before the end of a rental period where the residential premises is rented from week to week; and

(b) not less than one month before the end of a rental period where the residential premises is

(i) rented from month to month,

(ii) rented for a fixed term, or

(iii) a site for a mobile home.

(4) In addition to the requirements under section 34, a notice under this section shall

(a) be signed by the person providing the notice;

(b) be given not later than the first day of a rental period;

(c) state the date, which shall be the last day of a rental period, on which the rental agreement terminates and the tenant intends to vacate the residential premises or the date by which the tenant is required to vacate the residential premises; and

(d) be served in accordance with section 35.

Requirements for notices

34. A notice under this Act shall

(a) be in writing in the form prescribed by the minister;

(b) contain the name and address of the recipient;

(c) identify the residential premises for which the notice is given; and

(d) state the section of this Act under which the notice is given.

Issue 1: Jurisdiction

11. The tenants suggested the tenancy in this case is in the nature of a rent to own agreement, whereas the landlords suggested it is a lease with an option to buy.
12. The jurisdiction of this tribunal is limited to disputes between landlords and tenants. If the supposed tenants in a case have acquired even a small percentage of ownership of a premises, they are no longer tenants within the meaning of the *Act* but are rather co-owners. In such a case, this tribunal has no jurisdiction to hear their applications against supposed landlords or vice-versa. Therefore, the existence of a rent to own agreement generally indicates this tribunal does not have jurisdiction.
13. The parties agree that the tenants were asked to sign a rental agreement which is titled as a "Rent-to-Own Agreement." This agreement included a purchase date that was not acceptable to the tenants, and parties agree it was not signed by the tenants.
14. There is no written agreement between the parties. The rental agreement in this case is verbal only. In accordance with the Statute of Frauds, transfers of real property or an interest therein must be in writing and signed. In this case not only was there never a signed agreement in writing, but the parties also never agreed on the terms of the transfer of the property. It is therefore clear that the tenants have not acquired an interest in the property.
15. As the tenants have occupied the residential premises and have paid rent towards the landlord, in accordance with s. 3(3)(c) of the *Act*, the relationship of landlord and tenant is considered to exist in respect of residential premises, and therefore the *Act* applies.
16. This tribunal has jurisdiction to hear this matter.

Issue 2: Vacant Possession

Landlords Position

17. The landlords seek an order of vacant possession based on the termination notice dated LL#1, given under s. 20 of the *Act*, breach of material term. They say that the tenants breached material terms of the rental agreement in seven ways:
 1. By the failure to pay rent on time,
 2. By refusing to sign the written rental agreement,
 3. By refusing to provide proof of contents insurance,
 4. By failing to report property damage,
 5. By performing modifications to the property without permission,
 6. By obstructing repairs to the property, and
 7. By interfering with the sale of the premises.

Tenant's Position

18. The tenants deny that they have breached any material terms of the contract.

Analysis

19. In order to receive an order for vacant possession, a landlord must provide a valid termination notice. To be valid, a termination notice must comply with all relevant sections of the *Act*. The landlords provided a termination notice labeled LL#1.
20. LL#1 is in writing in the form prescribed by the minister. It contains the name and address of the recipients. It identifies the residential premises for which it was given. It identifies itself as being given under s. 20(2) of the *Act*. It therefore complies with s. 34 of the *Act*.
21. LL#1 was signed by the landlord who provided the notice. It was given 26-September-2025, five days before the first day of the relevant rental period. It gives a move out date of 31-October-2025, which is the last date of a rental period. It was served by placing it on the tenants' door, in accordance with s. 35(2)(c) of the *Act*. LL#1 therefore complies with s. 20(4) of the *Act*.
22. LL#1 gives no less than 1 months' notice, as required by s. 20(3) of the *Act*.
23. S. 20(2) of the *Act* allows a termination notice to be given to a tenant after the tenant has contravened a material term of the rental agreement, the landlord has provided written notice of the contravention, and the tenant has failed to remedy the contravention within a reasonable time after the notice has been served.
24. The landlords suggested that the tenants contravened a material term of the rental agreement by twice paying the rent late. They provided evidence (LL#2) that the tenants twice paid rent on the morning of the 2nd instead of on the first. This is not a contravention of a material term of the rental agreement. There is a separate provision of the *Act*, s. 19, for eviction based on failure to pay rent on time.
25. A refusal to sign a rental agreement is also not a contravention of a material term of a rental agreement. A party cannot be compelled by one contract to sign another contract, whether or not one of these contracts is verbal. An agreement to agree on decided terms is not binding.
26. It is unclear to me at this time whether the requirement to have content's insurance was part of the lease. The landlords say it was, but they point to the written proposed lease as evidence of this. As stated above, the proposed lease is not in effect. When the tenants moved in and agreed to pay rent, an effective verbal rental agreement was created. The evidence before me does not provide a clear timeline as to whether the tenants had agreed to acquire insurance before this happened. The tenants state that they inquired about insurance, but their proposed insurer sought more information, which they say the landlords failed to provide. I have little evidence before me regarding this. Considering the evidence all together, I find that the landlords have not established on a balance of probabilities that the tenants violated a material term of the agreement.
27. The landlords suggest that the tenants violated a material term of the lease by failing to report damage to the premises. They point to an incident when it rained heavily on the weekend, they attended the premises on the following Tuesday, and found out there was

water damage to the premises. The tenants testified that it was the next day after the water coming in that the landlord became aware of it. In either case, while I accept that water damage must be acted on quickly to prevent further harm, I do not find this to be a breach of a material term. By their own account, the landlords became aware of the issue within a few days. Even if it was a material breach, there is nothing before me suggesting that the landlords provided the tenants with a written notice of the breach and a reasonable timeline for it to be addressed in, as required by s. 22(2).

28. In terms of unpermitted alterations to the property, the landlords suggest the tenants painted the unit without permission. The tenants deny this. I have no documentary evidence to suggest they did. The evidence is insufficient to prove it happened on a balance of probabilities. I do not find a material breach. Even if I had found a material breach, there was no suggestions the landlords provided a written notice and provided the tenants time to remedy it.
29. The landlords testify that the tenants interfered with necessary repairs around the premises. They did not themselves witness this, nor did they call a witness to testify, but they did provide an unsworn statement (LL#4) from their contractor. The tenants deny this. I therefore have hearsay evidence stating that the tenants were rude and uncooperative, and sworn testimony from the tenants denying this. The tenants' testimony did not contain any significant internal inconsistencies and was not inconsistent with any documentary evidence, so I have no reason to reject it. I do not find that the tenants interfered with repairs.
30. The landlords testify that the tenants interfered with the sale of the premises. They did not themselves witness this, nor did they call a witness to testify, but they did provide an unsworn statement (LL#5) from their real estate agent. The tenants deny this. I therefore have hearsay evidence stating that one of the tenants made "very derogatory and sometimes very inappropriate comments," though no examples were given, and sworn testimony from the tenants denying this. The tenants' testimony did not contain any significant internal inconsistencies and was not inconsistent with any documentary evidence, so I have no reason to reject it. I do not find that the tenants interfered with the sale.
31. The landlords have failed to demonstrate that the tenants breached a material term of the lease and failed to remedy it within a reasonable time after being given written notice of the breach.

Decision

32. LL#1 is invalid. The landlords' claim for an order of vacant possession fails.

Issue 3: Damages

Landlords Position

33. The landlords claim \$402.49 in compensation for damages. This for the cost of replacing a door they say the tenants damaged.

Tenants Position

34. The tenants agree that one of them attempted to repair the door but deny that it needs to be replaced because of their actions.

Analysis

35. In accordance with the Residential Tenancies Program Policy and Procedure Guide, Policy 9-003, when a landlord makes a claim for damages, they must provide sufficient evidence to establish the extent and nature of any damages, that the damage was caused by a wilful or negligent act of a tenant or a person they allowed on the premises, and the cost of repair or replacement. This should include documentary evidence wherever reasonably possible.
36. The landlord provided some photographs (LL#6) that show the door. I can see that an ineffective repair has been made. The pneumatic door mechanism is not attached properly and has been screwed into place. The screws seem to protrude through the door and out the other side.
37. The tenants testify, and I accept, that they did not cause the original door damage. It was caused by improper installation. However, the landlord's claim is that by trying and failing to repair it, they caused irreversible damage. Had the tenants not made this ineffective repair, the original contractors could have been instructed to fix it. I accept the landlord's testimony.
38. The landlords provided LL#7, a quote for a replacement door showing it will cost \$402.49.
39. The landlords have demonstrated the existence and extent of the damage, that the tenants caused damage to the premises by a wilful act, and that the cost of the replacement part is \$402.49.

Decision

40. The landlords' claim for compensation for damages succeeds in the amount of \$402.49.

Summary of Decision

41. LL#1, the termination notice dated 9-September-2025, is invalid.
42. The landlords and tenants both made claims for hearing expenses. Both parties were at least partially successful in their applications. In the circumstances, I decline to award hearing expenses.
43. The tenants shall pay to the landlord \$402.49 in compensation for damages.

25-November-2025
Date


Seren Cahill
Residential Tenancies Office