

Residential Tenancies Tribunal

Application 2026-0090-NL

Pamela Pennell
Adjudicator

Introduction

1. Hearing was called at 1:54 p.m. on 11-March-2026.
2. The applicants, [REDACTED] (landlord 1) and [REDACTED] (landlord 2), hereinafter referred to as “the landlords” attended by teleconference.
3. The respondents, [REDACTED] (tenant 1) and [REDACTED] (tenant 2), hereinafter referred to as “the tenants” did not attend.

Preliminary Matters

4. The tenants were not present or represented at 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 the claim and notice of hearing 10 clear days prior to the hearing date and, where the respondents fail to attend the hearing, Rule 29.11(1) states that the hearing may proceed in the respondent’s absence so long as they have been properly served.
5. The landlords submitted an affidavit with their application stating that they had served the tenants with the notice of hearing electronically at: [REDACTED] on 23-February-2026 (LL#1). Landlord 1 stated that she made multiple attempts to serve tenant 2 electronically by using the email address provided to her in the rental agreement but the email was undeliverable. I accept the landlord’s testimony. The landlords provided proof of service (LL#2). The hearing was postponed due to staffing issues at the *Residential Tenancies Office* on 9-March-2026, but only after all parties were granted an opportunity to call in to the hearing and as the respondents chose not to participate during the regular scheduled hearing date, they were not informed of the new rescheduled hearing date. In accordance with the *Residential Tenancies Act, 2018* this is allowable. As the tenants were properly served, and as any further delay in these proceedings would unfairly disadvantage the landlords, I proceeded with the hearing in their absence.
6. There was a fixed-term rental agreement which commenced on 15-February-2025. The tenants vacated the unit on 15-January-2026. Rent was \$1950.00 per month, with

\$975.00 due on the 1st and the 15th day of each month. A security deposit of \$600.00 was paid on 6-February-2025 and is in the landlord's possession.

7. The landlords amended the application to increase late fees paid from \$31.00 as per the application to \$75.00 and to seek hearing expenses.

Issues before the Tribunal

8. The landlord is seeking:
 - Rent and late fees paid \$3975.00
 - Hearing expenses \$20.00
 - Security deposit applied against monies owed \$600.00

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*.
10. Also, relevant and considered in this decision is the following section of the *Residential Tenancies Act, 2018*: Section 15: Fee for failure to pay rent. Also, relevant and considered in this decision are the following sections of the *Residential Tenancies Policy Manuel*: Section 2-4: Deposits, payments and fees and Section 12-1: Recovery of costs.

Issue # 1: Rent and Late Fees Paid \$3975.00

Landlord's Position

11. The landlords testified that they had initially served the tenants with a standard termination notice to vacate at the end of February and landlord 1 stated that when the tenants failed to pay rent for the month of January, they were forced to serve a second termination notice with cause for non-payment of rent to vacate the property 10 days later. Landlord 1 stated that the tenants abandoned the property on 15-January without any notice, and she stated that they did not anticipate any loss of rental income for the months of January and February. The landlords are seeking rent to be paid in full for the months of January and February in the amount of \$3900 plus the maximum late fee charges of \$75.00 for a total of \$3975.00.

Analysis

12. 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.

13. *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.

14. 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 residential premises. I accept that the landlords gave a standard termination notice and the expectation was that the tenants would be in the unit up to the end of February and that rent would be paid for the same period. I also accept the landlord's testimony that they were forced to give a second termination notice for non-payment of rent, which means that the tenants were required to vacate 10 days after the notice was served. I do not accept that the tenants abandoned the unit, and I find that the tenants complied with the termination notice and vacated the unit as asked to do so.
15. With that said, landlords should not incur any financial loss due to the actions of tenants, and I find that rent should have been paid for at least the time the tenants resided at the unit up to 15-January. With regards to the remainder of January and the month of February, the landlords had an obligation to mitigate their losses, and I asked the landlords what efforts they made to re-rent the unit and landlord 2 responded that the unit needed to be cleaned and painted and was not available for occupancy until 1-March.
16. I find that the tenants are responsible for rent for the full month of January in the amount of 975.00. I find that the tenants are not responsible for rent for the month of February as they were asked to vacate on 15-January and as the landlords failed to show that they made every effort to mitigate their losses. I accept that there was some cleaning and maybe some painting that was required, however the landlords failed to support that claim. I find that the tenants are responsible for the loss of rental income for the month of January only in the amount of \$975.00.
17. Also, in accordance with section 15 of the *Act* and section 2-4 of the *Policy* as stated above, I find that the tenants shall pay the maximum late fee charge allowable in the amount of \$75.00 for a total of \$1050.00.

Decision

18. The landlord's claim for rent and late fees paid succeeds in the amount of \$1050.00.

Issue # 2: Hearing expenses \$20.00

Analysis

19. The landlords paid an application fee of \$20.00 to *Residential Tenancies* and submitted a copy of the receipt to support the claim (LL#3). In accordance with Section 12-1 of the *Residential Tenancies Policy Manuel*, filing fees can be claimable costs. As the landlord's claim for losses succeeds, I find that the tenants are responsible for the hearing expenses.

Decision

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

Issue # 3: Security deposit applied against monies owed \$600.00.

Analysis

21. 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).*

22. The landlord's claim for losses has been successful as per paragraphs 18 and 20 above, and as such I find that the landlord's claim to have the security deposit applied against monies owed succeeds. 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 2025 was 1% and is currently 0% for 2026.

Decision

23. The landlord's claim to have the security deposit applied against monies owed succeeds.

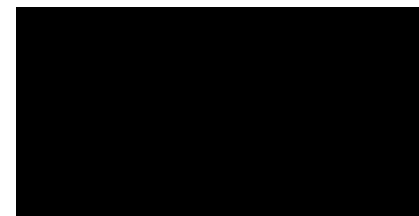
Summary of Decision

24. The tenants shall pay the landlords \$464.59 as follows:

Rent & late fees paid	\$1050.00
Hearing expenses	20.00
Less: security deposit & interest	605.41
Total	\$464.59

March 27, 2026

Date



Pamela Pennell, Adjudicator
Residential Tenancies Office