

Residential Tenancies Tribunal

Application 2026-0226-NL

Pamela Pennell
Adjudicator

Introduction

1. Hearing was called at 1:58 p.m. on 31-March-2026.
2. The applicant, [REDACTED], represented by [REDACTED] and [REDACTED] hereinafter referred to as “the landlord” attended by teleconference.
3. The respondents, [REDACTED] and [REDACTED], hereinafter referred to as “the tenants” did not attend.

Preliminary Matters

4. The tenants were not present or represented at the hearing, and I was unable to reach them 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 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 landlord submitted 2 affidavits with their application stating that they had served the tenants with the notice of hearing electronically by email on 9-March-2026 (LL#1). The landlord submitted proof of service (LL#2). In accordance with the *Residential Tenancies Act, 2018*, this is good service. As the tenants were properly served, and as any further delay in these proceedings would unfairly disadvantage the landlord, I proceeded with the hearing in their absence.
6. There was a written month-to-month rental agreement which commenced on 1-March-2024. The tenants vacated the unit on 31-December-2025. Rent was \$1250.00 per month, due on the first day of each month. A security deposit of \$937.50 was paid on 21-February-2024 and \$391.50 plus interest (\$17.22) was refunded on 9-January-2026.
7. The landlord’s representative amended the application to omit the cost for removal of garbage in the amount of \$65.00 plus taxes and to reduce the amount of the security deposit to be applied against monies owed from \$937.50 to \$546.00 plus interest.

Issues before the Tribunal

8. The landlord is seeking:
 - Compensation paid for damages \$897.00
 - Hearing expenses \$20.00
 - Security deposit to be applied against monies owed \$546.00

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 are the following sections of the *Residential Tenancies Policy Manual*: Section 9-3: Damages to rented premises and Section 12-1: Recovery of costs.

Issue # 1: Compensation paid for Damages \$897.00

Relevant Submission

11. The landlord’s representative testified that the unit required cleaning, and a key to the main entrance of the unit needed to be replaced. The landlord is seeking to \$897.00 to cover the cost to clean and to replace the key plus taxes including a 20% administrative fee and they submitted a copy of a damages ledger to support the claim (LL#3). See copy of damages ledger below:

CHARGES	AMOUNT
Cleaning	575.00
Garbage Removal	65.00
Main Entrance Key - not returned	75.00
Total Charges	715.00
Plus 15% HST (as per lease)	107.25
Subtotal	822.25
Plus 20% Admin Fee (as per lease)	164.45
TOTAL	986.70

Landlord’s Position

12. The landlord’s representative omitted the cost for garbage removal and testified that the unit needed to be professionally cleaned at the end of the tenancy. The landlord submitted a copy of a move-in and move-out inspection report to support the claim (LL#4) and photographs of the cleanliness of the unit (LL#5). The landlord also submitted a copy of an invoice from [REDACTED] to support the claim (LL#6). The landlord’s representative also stated that the tenants failed to return the key to the main entrance, and they are seeking \$75.00 as per the cost outlined in *Schedule*

B of the rental agreement (LL#7). The landlord is also seeking a 20% administrative fee as per Schedule B of the rental agreement.

Analysis

13. I accept the landlord's representative's testimony and the exhibits entered into evidence which supports the landlord's claims. I find that the tenants are responsible for the cost of cleaning in the amount of \$575.00 plus taxes. I find that the tenants are responsible for the cost to replace the main entrance key in the amount of \$75.00 plus taxes, and I also find that the tenants are responsible for the 20% administrative fee as per the rental agreement for a total cost of \$897.00.

Decision

14. The landlord's claim for compensation paid for damages succeeds in the amount of \$897.00.

Issue # 2: Hearing expenses \$20.00

Analysis

15. The landlord paid an application fee of \$20.00 to *Residential Tenancies* and submitted a copy of the receipt to support the claim (LL#8). In accordance with Section 12-1 of the *Residential Tenancies Policy Manuel*, claimable costs may include the filing fee. As the landlord's claim for losses has been successful, I find that the tenant is responsible for the hearing expenses.

Decision

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

Issue # 3: Security deposit applied against monies owed \$546.00

17. Section 14 of the *Residential Tenancies Act, 2018* deals with security deposits, and the relevant subsections state:

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).

(12) A landlord who does not make an application in accordance with subsection (11) shall return the security deposit to the tenant.

18. The landlord's claim for losses has been successful as per paragraphs 14 and 16 above 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 rate for 2024-2025 was 1% and is currently 0% for 2026.

19. The landlord refunded \$391.50 from the security deposit with interest to the tenants in the amount of \$17.22 on 9-January-2026. I find that interest was overpaid in the amount of \$9.93 for that period. The remainder of the security deposit in the amount of \$546.00 has an interest amount equating to \$10.16. With the \$9.93 overpayment, I find that the balance owing for interest on the full security deposit is \$0.23.

Decision

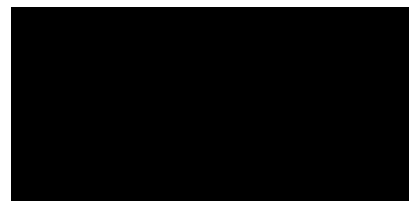
20. The landlord's application to have the security deposit applied against monies owed succeeds.

Summary of Decision

21. The tenants shall pay the landlord \$370.77 as follows:

Compensation for damages	\$897.00
Hearing expenses	20.00
Less: Security deposit	546.00
Less: interest	0.23
Total	\$370.77

April 14, 2026
Date



Pamela Pennell, Adjudicator
Residential Tenancies Office