

## Residential Tenancies Tribunal

Application 2026-0251-NL

Pamela Pennell  
Adjudicator

---

### Introduction

1. Hearing was called at 2:14 p.m. on 9-April-2026.
2. The applicant, [REDACTED] represented by [REDACTED] (landlord 1) and [REDACTED] (landlord 2), hereinafter referred to as “the landlord” attended by teleconference.
3. The respondents, [REDACTED] (tenant 1) and [REDACTED] (tenant 2), hereinafter referred to as “the tenants” attended by teleconference.

### Preliminary Matters

4. The landlord submitted an affidavit with their application stating that they had served the tenants with the notice of hearing electronically by emails on 26-March-2026 (LL#1). The tenants confirmed receipt of the documents on that date. In accordance with the *Residential Tenancies Act, 2018*, this is good service.
5. There was a written month-to-month rental agreement which commenced on 1-January-2025. The tenants vacated the unit on 30-September-2025. Rent was \$1050.00 per month, due on the first day of each month. A security deposit of \$787.50 was paid on 23-December-2024 and is in the landlord’s possession.
6. The landlord’s representative amended the application to decrease the amount sought for compensation paid for damages from \$1908.11 as per the application to \$1768.11, and to include hearing expenses.

### Issues before the Tribunal

7. The landlord is seeking:
  - Compensation paid for damages \$1768.11
  - Hearing expenses \$20.00

- Security deposit to be applied against monies owed \$787.50

## 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 Policy Manual*: Section 9-3: Damages to rented premises and Section 12-1: Recovery of costs.

## Issue # 1: Compensation Paid for Damages \$1768.11

### Relevant Submission

10. The landlord's representative testified that the unit required water and mold damage remediation and they are seeking \$1768.11 to cover the cost to have the work completed. The landlord submitted a copy of a damages ledger to support the claim (LL#2). See copy of damages ledger below:

Item #	Description of Damages	Compensation Claimed
E.g.	3cm x 3cm hole in bathroom wall	\$ 75.00
1	Water and Mold Damage Remediation (Attached pg 32)	1,768.11

### Landlord's and Tenant's Positions

11. The landlord's representative testified that on 26-May-2025 mold was observed in the bottom corner of a windowsill when they received a photograph from the tenants due to a problem with the window lock. The landlord's representative stated that on 6-June they asked the tenants to remediate the mold and followed up with an inspection of the unit on 9-June at 10:30am only to learn that the mold was still present not only on the windowsills but on the wall in the bathroom behind the toilet area. The landlord submitted move-in photographs of the unit from an inspection that was conducted on 31-December-2025 and photographs of the mold 5-6 months later to support the claim (LL#3). The landlord is seeking \$1768.11 to cover the cost of remediation and they submitted a copy of an invoice from [REDACTED] to support the claim (LL#4).
12. The tenants did not dispute that there was a mold problem in the unit, however they disputed that they knew what mold was and stated that they thought it was just dust and tenant 1 stated that they would just brush the dust away, only to have it return. Tenant 1 stated that they learned that it was mold in June, and only then did they understand the full implications of what happens when mold grows in a unit and tenant 1 stated that they kept it clean and sprayed and he stated that there wasn't any mold present when they vacated the unit.
13. Landlord 2 did not dispute that the mold was contained when the tenants vacated the unit as she had personally sprayed the areas affected with bleach and took the necessary actions to contain the problem, however she stated that the damage was done at that point and the windowsills needed to be replaced due to swelling, curling and discoloring.

## Analysis

14. In accordance with *Residential Tenancies Policy 9-3*, the applicant is required to show:
- *That the damage exists;*
  - *That the respondent is responsible for the damage, through a willful or negligent act;*
  - *The value to repair or replace the damaged item(s)*
15. I accept that the tenants are new to *Canada* with no prior experience with HVAC ventilation systems and I accept that they relied on the landlord to ensure that the building was maintained and all systems were functioning correctly. However I find that the tenants had an obligation to alert the landlord of any deficiencies in the unit, whenever something didn't seem right, or when the mold kept reappearing on the windowsills and the walls. I asked the landlord's representative if the unit had proper ventilation and if the HVAC system was operable, and the landlord's representative testified that the unit had proper ventilation and that the HVAC was plugged in and working as it should during the inspection conducted in December 2025. Landlord 1 testified that the HVAC was unplugged when the technician went into the unit on 10-June, which explained the buildup of moisture in the unit and the presence of mold. I asked the tenants if they had unplugged the HVAC unit and tenant 2 responded that they did on 9-June as the cold air coming from the system made them uncomfortable at night. Tenant 1 stated that the HVAC had been plugged in all winter but must not have had been functioning correctly. Tenant 1 stated that they could not hear any noise from the vents, which indicates that the unit was not working.
16. The landlord disputed the tenant's remarks and stated that the HVAC unit works perfectly when plugged in and turned on and he stated that a move-in inspection confirmed that the unit was plugged in and operable when the tenants took possession in January, and he stated that the noise level from the unit differs during different seasons of the year which explains why the tenants did not hear any noise through the vents in January. Landlord 1 stated that the HVAC system had to have been unplugged by the tenants sometime early in the tenancy to create the high level of moisture that was present in the unit in June.
17. I agree with the landlord and in accordance with Section 9-3 of the *Policy* as stated above, I find that the landlord was able to show that the damage exists and they were able to show that the unit was in good condition at the commencement of the tenancy. I do not accept the tenant's testimony that the mold issue was the responsibility of the landlord as the landlord had no way of knowing about the mold problem. Also, I do not accept the tenant's testimony that the HVAC was plugged in all winter but inoperable. The landlord was able to show the cost to repair the damage, and for those reasons, I find that the tenants are responsible for the cost to repair damages due to the buildup of moisture and the presence of mold in the amount of \$1768.11.

## Decision

18. The landlord's claim for compensation paid for damages succeeds in the amount of \$1768.11.

## Issue # 2: Hearing expenses \$20.00

## Analysis

19. The landlord paid an application fee of \$20.00 to *Residential Tenancies* and submitted a copy of the receipt to support the claim (LL#5). 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 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 \$787.50

21. 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.

22. The landlord's claim for losses has been successful as per paragraphs 18 and 20 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 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 landlord \$992.54 as follows:

Compensation for damages .....	\$1768.11
Hearing expenses .....	20.00
<b>Less: security deposit &amp; interest .....</b>	<b>795.57</b>
 Total .....	 \$992.54

April 22, 2026  
Date



Pamela Pennell, Adjudicator  
Residential Tenancies Office