

Residential Tenancies Tribunal

Application 2026-0313-NL

Pamela Pennell
Adjudicator

Introduction

1. Hearing was called at 1:57 p.m. on 7-May-2026.
2. The applicant, [REDACTED] hereinafter referred to as “the landlord” attended by teleconference. [REDACTED] was removed from the application as an applicant.
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 2 affidavits with his application stating that he had served the tenants with the notice of hearing electronically by email on 21 April 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 fixed-term rental agreement which commenced on 14 June 2025. The tenants vacated the unit on 14 March 2026. Rent was \$1600.00 per month, due on the 14th day of each month. A security deposit of \$1200.00 was paid on 1 June 2025 and is in the landlord’s possession.
6. The landlord amended the application to omit vacant possession, to increase rent paid from \$1600.00 as per the application to \$4800.00, to increase late fees from \$13.00 to \$75.00 and to include hearing expenses.

Issues before the Tribunal

7. The landlord is seeking:
 - Validity of termination notice determined
 - Rent and late fees paid \$4875.00
 - Utilities paid
 - Hearing expenses \$20.00
 - Security deposit applied against monies owed \$1200.00

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 is the following section of the *Residential Tenancies Act, 2018*: Section 6-3: Mitigation of abandonment of residential premises, Section 14: Security deposit and Section 15: Fee for failure to pay rent. Also, relevant and considered in this decision is the following Section of the *Residential Tenancies Policy Manual*: Section 2-4: Deposits, payments and fees and Section 12-1: Recovery of costs.

Issue # 1: Validity of Termination Notice to be Determined

Relevant Submission

10. The landlord submitted a copy of a termination notice given on a *Tenant's Notice to Terminate Early – Cause* form dated 9 March 2026 to vacate on 14 March 2026 under Section 23 of the *Act* (LL#2). The landlord is questioning the validity of that notice.

Analysis

11. Section 23 of the *Residential Tenancies Act, 2018* states:

Notice where landlord contravenes peaceful enjoyment and reasonable privacy

23. (1) Notwithstanding subsection 18(1) and paragraph 18(3)(a), where a landlord contravenes statutory condition 7(b) set out in subsection 10(1), the tenant may give the landlord notice that the rental agreement is terminated and the tenant intends to vacate the residential premises on a specified date **not less than 5 days**, but not more than 14 days, after the notice has been served.

12. In accordance with Section 23 of the *Act* as stated above, the date given to terminate the unit was less than 5 days after the notice was served, which makes the termination notice an invalid notice. Notices have to be served within the timeframe as set out in the *Act*, which is 5 clear days not including the date it was served or the date of termination, and when the proper timeframe is not given, the notice is deemed invalid and there is no need to further analyze its validity under the section of the *Act* for which it was given.

Decision

13. The termination notice given to the landlord with cause dated 9 March 2026 is not a valid notice.

Issue # 2: Rent and Late Fees Paid \$4875.00

Relevant Submission

14. The landlord testified that the tenants vacated the unit on 14 March 2026, and he stated that he is seeking loss of rental income up to the end of the fixed term on 13 June 2026 in the amount of \$4800.00. The landlord stated that he is also seeking the maximum late fee charge of \$75.00. The landlord submitted a copy of a rental ledger to support the claim (LL#3). See breakdown of rental ledger below:

Rental Ledger 2026-0313-NL			
Date	Action	Amount	Total
March 13, 2026	Balance		\$0.00
March 14, 2026	Rent due	\$1,600.00	\$1,600.00
April 14, 2026	Rent due	\$1,600.00	\$3,200.00
May 14, 2026	Rent due	\$1,600.00	\$4,800.00
May 7, 2026	late fees	\$75.00	\$4,875.00

Landlord and Tenant's Positions

15. The landlord testified that rent was paid in full up to the time the tenants vacated the unit on 13 March, and he stated that he has endured a loss of rental income to date and he stated that he will continue to endure a loss of rental income up to the end of the fixed term on 13 June 2026. The landlord stated that he is also seeking \$4800.00 and the maximum late fee charge of \$75.00 for a total of \$4875.00.
16. The tenants disputed that they should pay rent for the time they did not reside at the residence, and they stated that they had reason to break the lease under Section 23 of the Act for interference in peaceful enjoyment.

Analysis

17. 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.

18. *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.

19. Section 6-3 of the *Residential Tenancies Policy Manual* states:

Mitigation on Abandonment of Residential Premises

A tenant is considered to have abandoned residential premises when all 3 of the following conditions are met:

- *The tenant has vacated the residential premises*
- *The tenant's rent is overdue, and*
- *The rental agreement had not been terminated in accordance with the Residential Tenancies Act, 2018.*

Mitigation

A landlord has a legal duty to take all reasonable steps to mitigate their damages after a tenant abandons residential premises. As the most obvious sort of damage the landlord would suffer would be a loss of rental income, "mitigation" in these circumstances would entail the landlord taking immediate steps to find new tenants to move into the property so that the landlord could once again collect rent.

Failure to Mitigate

Where a landlord fails to take steps to find new tenants, or where the landlord waits an unreasonable amount of time before taking those steps, the tenant may not be held liable for the loss of rental income suffered by the landlord.

20. I accept that the tenants believed that they could have shown that they had good reason to give a termination notice with cause under Section 23 of the *Act*, however given that the termination notice did not meet the guidelines as set out in the *Act*, the notice was deemed invalid as per paragraphs 11-13 above, and as such I find that the tenants unlawfully broke the lease when they vacated the unit on 14 March, which means they abandoned the premises. In accordance with Section 6-3 of the *Policy* as stated above, the landlord had an obligation to mitigate his losses once he became aware that the tenants would be vacating the unit.
21. I asked the landlord if he made every effort to re-rent the unit, and he responded that he posted an advertisement on *Marketplace* on 18 March for a 2 week period and he stated that he had people interested but it didn't work out because everyone wanted a long term lease and he was unable to offer that as he had plans to list the property for sale in the coming months.
22. I accept that the landlord was unable to mitigate his losses due to the fact that the property was only available for rent for a couple of months as his plan was to sell the property. As the termination notice was deemed invalid, I find that the tenants shall be responsible for the loss of rental income for the period of March 14 to April 13 in the amount of \$1600.00. I find that the landlords could have mitigated their losses after a 30-day period and the fact that they couldn't had nothing to do with the tenants.
23. With regards to the late fees, and in accordance with Section 15 of the *Act* and Section 12-1 of the *Policy* as stated above, I find that the tenants shall be responsible for late fees for the period of March 14 – April 13 in the amount of \$63.00.

Decision

24. The landlords claim for rent and late fees paid succeeds in the amount of \$1663.00.

Issue # 3: Utilities Paid

Analysis

25. The landlord checked off utilities paid on his application but failed to enter an amount and failed to include a copy of the *NL Power* bill with his application or with his evidence package to the tenants, and as such the tenants were unaware of what exactly the landlord was seeking with regards to utilities. Respondents have a right to know exactly what an applicant is seeking against them so as to prepare their defense. I find that utilities paid shall not be analyzed for the purpose of this decision due to lack of information.

Decision

26. The landlord's claim for utilities paid does not succeed.

Issue # 4: Hearing expenses \$20.00

Analysis

27. The landlord paid an application fee of \$20.00 to *Residential Tenancies* and submitted a copy of the receipt to support the claim (LL#4). 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 is partially successful, I find that the tenants are responsible for the hearing expenses.

Decision

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

Issue # 5: Security deposit applied against monies owed \$1200.00

Analysis

29. 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).*

30. The landlord's claim for losses has been successful as per paragraphs 24 and 28 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

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

Summary of Decision

32. The tenants shall pay the landlord \$475.96 as follows:

Rent & late fees paid	\$1663.00
Utilities paid	0.00
Hearing expenses	20.00
Less: security deposit & interest	1207.04
Total	\$475.96

June 1, 2026

Date



Pamela Pennell, Adjudicator
Residential Tenancies Office