

Residential Tenancies Tribunal

Application 2026-0340-NL

Pamela Pennell
Adjudicator

Introduction

1. Hearing was called at 1:52 p.m. on 20 May 2026.
2. The applicant, [REDACTED], hereinafter referred to as “the landlord” did not attend. [REDACTED], authorized representative attended by teleconference (LL#1).
3. The respondent, [REDACTED] (tenant 1), hereinafter referred to as “the tenant” attended by teleconference. The respondent, [REDACTED] (tenant 2), hereinafter referred to as “the tenant” did not attend.

Preliminary Matters

4. The landlord submitted an affidavit with his application stating that he had tenant 2 served with the notice of hearing electronically by email to: [REDACTED] on 21 April 2026 (LL#2). The landlord submitted proof of service (LL#3). Tenant 1 was not served properly, however he waived service and wished to proceed. In accordance with the *Residential Tenancies Act, 2018* this is allowable.
5. There was a 12-month fixed term rental agreement which commenced on 1 November 2025. The tenants vacated the unit on 29 November 2025. Rent was \$1800.00 per month, due on the 1st day of each month. A security deposit of \$1350.00 was paid on 13 October 2025 and is in the landlord’s possession.

Issues before the Tribunal

6. The landlord is seeking:
 - Rent and late fees paid \$1863.00
 - Utilities paid \$380.02
 - Other \$900.00
 - Hearing expenses \$20.00
 - Security deposit applied against monies owed \$1350.00

Legislation and Policy

7. The jurisdiction of the Director of Residential Tenancies is outlined in Sections 46 and 47 of the *Residential Tenancies Act, 2018*.
8. 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 Manual*: Section 2-4: Deposits, payments and fees and Section 12-1: Recovery of costs.

Issue # 1: Rent and Late Fees Paid \$1863.00

Landlord's and Tenant's Positions

9. The landlord's representative testified that the tenants broke the lease within the first month of the tenancy and vacated the unit on 29 November 2025, and she stated that the landlord is seeking the loss of rental income for the month of December in the amount of \$1800.00. The landlord's representative also stated that the landlord is seeking late fee charges in the amount of \$63.00 for a total of \$1863.00.
10. Tenant 1 disputed that they should be responsible for the loss of rental income for the month of December when they did not reside at the unit. Tenant 1 stated that they were forced to leave the unit for several reasons, some of which included the high cost of rent and their inability to secure a sublet tenant, their dislike for the exterior of the house and due to issues with the unit such as the cold temperatures inside the house and a leak, which he stated caused their baby to become ill.
11. The landlord's representative disputed that the cold temperatures in the unit were a reason to break the lease and vacate early as she stated that the issue was dealt with immediately and resolved. The landlord's representative testified that the hatch to the attic had a 1-inch gap whereby cold air was circulating into a bedroom and she stated that the issue was resolved on 18 November 2025. The landlord's representative also added that the tenants advised her that they were leaving for financial reasons.

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. I asked the landlord's representative if they made every effort to mitigate their losses and re-rent the unit as soon as possible and she responded that they did. The landlord's representative testified that an ad for the unit was posted immediately, and she stated that they had multiple viewings whereby 3 applicants were selected and only 1 applicant

provided documentation for screening. The landlord's representative stated that they were successful in securing new tenants effective 1 January 2026.

15. I accept that the tenants were not happy with the unit for whatever reasons, however landlords should not incur any financial loss due to the actions of tenants. The tenants entered into a binding contract with the landlord, and they did not have a legitimate reason to break the lease early. Also, the landlord made every effort to mitigate their losses, and as such, I find that the tenants are responsible for the landlord's loss of rental income for the month of December in the amount of \$1800.00.
16. With regards to the late fees, I find that rent cannot be late once the tenancy ends and therefore section 15 of the *Act* and Section 2-4 of the *Policy* as stated above do not apply. I find that the tenants are not responsible for any late fee charges.

Decision

17. The landlord's claim for loss of rental income succeeds in the amount of \$1800.00.
18. The landlord's claim for late fees does not succeed.

Issue # 2: Utilities Paid \$380.02

Landlord's and Tenant's Positions

19. The landlord's representative testified that utilities were shared amongst the upstairs and downstairs tenants at a ratio of 60/40 percent respectively as per Part 11 of the rental agreement and she stated that the tenants paid their portion of the utilities up to 18 November 2025. The landlord's representative stated that the utilities are outstanding in the amount of \$380.02 for the period of November 19 – December 31, 2025, and she stated that the landlord is seeking utilities to be paid in full.
20. Tenant 1 did not dispute that they should pay for the outstanding utilities up to the date they vacated the unit on 29 November, however he disputed that they should be responsible for utilities for the time they did not reside at the unit.

Analysis

21. The landlord failed to provide *NL Power* bills to support his claim for utilities, and I asked the landlord's representative if she had the bills and she responded that she did. I afforded her the opportunity to submit copies of the utility bills post hearing, however she failed to do so. I accept that the tenants are willing to pay their share of the utility bill up to the date they vacated the unit on 29 November; however, I am unable to determine what that exact amount is and for that reason, I find that the landlord fails in his request to have the outstanding utilities paid.

Decision

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

Issue # 3: Other \$900.00

Landlord's and Tenant's Positions

23. The landlord's representative testified that the landlord incurred unexpected costs associated with securing new tenants which involved the recruitment stage, showing the unit, interviewing and other administrative work and she stated that the landlord is seeking \$900.00 to cover the cost to secure the new tenants.
24. Tenant 1 disputed that they should be responsible for any costs charged to the landlord to secure new tenants.

Analysis

25. I asked the landlord's representative if the rental agreement had a clause which states that the tenants shall pay for the cost to recruit new tenants in the event that the lease is broken, and she responded that she was unsure if there was an addendum to the agreement stating same. I afforded the landlord's representative the opportunity to submit the signed addendum post hearing, however she failed to do so.
26. The landlords failed to provide documentary evidence establishing that the tenants agreed to assume a fixed fee or specific costs in the event of a breach of the agreement. Further, they did not submit any supporting documentation—such as receipts or invoices—to substantiate that such costs were actually incurred. In the absence of any supporting evidence, the landlord's claim must fail on evidentiary grounds, and the tenants are not responsible for these costs.

Decision

27. The landlord's claim for "Other" does not succeed.

Issue # 4: Hearing expenses \$20.00

Analysis

28. 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 has been partially successful, I find that the tenants are responsible for the hearing expenses.

Decision

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

Issue # 5: Security deposit applied against monies owed \$1350.00.

Analysis

30. 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).*

31. The landlord's claim for losses has been successful as per paragraphs 17 and 29 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

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

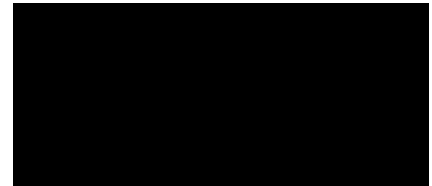
Summary of Decision

33. The tenants shall pay the landlord \$467.04 as follows:

Rent paid	\$1800.00
Late fees	0.00
Utilities paid	0.00
Other	0.00
Hearing expenses	20.00
Less: security deposit & interest	1352.96
Total	\$467.04

June 11, 2026

Date



Pamela Pennell, Adjudicator
Residential Tenancies Office