

Residential Tenancies Tribunal

Application 2026-0409-NL & 2026-0485-NL

Pamela Pennell
Adjudicator

Introduction

1. Hearing was called at 9:03 a.m. on 9 July 2026.
2. The applicants, [REDACTED] (tenant 1) and [REDACTED] (tenant 2), hereinafter referred to as “the tenants” attended by teleconference.
3. The respondent and counter applicant, [REDACTED] hereinafter referred to as “the landlord” attended by teleconference.

Preliminary Matters

4. The tenants submitted an affidavit with their application stating that they had served the landlord with the Notice of Hearing electronically by email on 6 May 2026 (TT#1). The landlord confirmed receipt of the document on that date and countered the claim. The landlord submitted an affidavit with his application stating that he had served the tenants with the Notice of Hearing electronically by emails on 28 June 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 31 March 2026. Rent was \$1200.00 per month, due on the first day of each month. A security deposit of \$900.00 was paid on 23 December 2024 and is in the landlord's possession.

Issues before the Tribunal

6. The tenants are seeking:
 - Refund of security deposit \$900.00
7. The landlord is seeking:
 - Compensation paid for damages \$1900.00
 - Security deposit applied against monies owed \$900.00

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. Relevant and considered in this decision is the following section of the *Residential Tenancies Act, 2018*: Section 14: Security deposit. Also, relevant and considered in this decision are the following sections of the *Residential Tenancies Policy Manual* - Section 9-3: Damages to property and Section 9-5: Depreciation and life expectancy of property.

Issue # 1: Compensation Paid for Damages \$1900.00

Relevant Submission

10. The landlord testified that there were damages to the unit that needed to be repaired / replaced and he stated that he is seeking \$1900.00 to cover the cost to complete the work. The landlord submitted a copy of a damages ledger to support the claim (LL#2). See copy of damages ledger below:

ITEM		PRICE	TOTAL
Cleaning/Mold removal		\$600	\$600
New Stove		\$800	\$1400
Door frame repair		\$300	\$1700
New Closet door		\$150	\$1850
Paint/wall damage		\$50	\$50
			\$1,900

Landlord's and Tenant's Positions

11. The landlord's and tenant's positions on each item are as follows:

Item # 1: Cleaning / mold removal (\$600) – The landlord testified that the kitchen in the unit required a deep clean due to the presence of grease and smoke residue from an oven fire that was caused by the tenants sometime midway through the tenancy and he stated that there was a buildup of black mold in other area of the unit including window sills and the bathroom area which needed to be removed. The landlord is seeking 16 hours of self-labor at \$37.50 per hour for a total of \$600.00 to clean the unit.

The tenants did not dispute there was a fire from the inside of the oven; however, they disputed that they were responsible for the fire as the stove was very old and not working properly. Nor did they dispute there was mold in the unit; however, they disputed that they were responsible for the buildup of the mold. Tenant 1 stated that there was a moisture problem in the unit from the time they took possession, and he stated that the HVAC system did not work properly. The tenants stated that they continuously cleaned the mold with a bleach product, but it always reappeared due to the moisture / ventilation problem within the unit.

Item # 2: Replace stove (\$800.00) – The landlord testified that the stove needed to be replaced as it was damaged due to the fire, and he stated that he paid \$1200.00 to replace the stove, however he is only seeking \$800.00 from the tenants towards the cost to replace the stove.

The tenants did not dispute that the stove was damaged and did not work after the fire; however, they disputed that they were responsible for the fire as the stove was very old and not working properly, and they disputed that they should be responsible for any cost towards replacing the stove.

Item # 3: Door frame repair (\$300.00) – The landlord testified that the door frame on the inside of the exterior door was damaged due to the presence of water which caused black mold on the door frame, and he stated that he is seeking \$300.00 to cover the cost of labor and materials to replace the wood of the door frame.

The tenants did not dispute that the door frame had water damage which caused black mold to form on the wood of the door frame; however, the tenants disputed that they were negligent in causing the water to enter the unit and tenant 1 stated that they should not be responsible for the cost to repair the door frame.

Item # 4: Replace closet door (\$150.00) – The landlord testified that a closet door located in a bedroom was damaged due to mold and needed to be replaced, and he stated that he is seeking \$150.00 to cover the cost of labor and materials to replace the closet door.

The tenants did not dispute that the closet door was damaged due to mold and needed to be replaced; however, they disputed that they were negligent in causing the damage, and tenant 1 testified that there was a moisture problem in the unit since they took possession. The tenants also stated that they were not aware of the damage until the end of the tenancy as that bedroom was used as a storage room only and tenant 2 stated that they rarely entered the room.

Item # 5: Paint and repair walls (\$50.00) – The landlord testified that there were scratches and dents on the walls which required repair work and painting and he stated that he is seeking 4 hours of self-labor at \$12.50 per hour for a total of \$50.00 to complete the work.

The tenants disputed that there was any damage to the walls other than normal wear and tear.

Analysis

12. 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)*

13. Each item is analyzed as follows:

Item # 1: Cleaning / mold removal (\$600) – Based on the testimony of the landlord and the tenants, and in accordance with Section 9-3 of the *Policy* as stated above, I accept that there was a fire in the oven of the stove, and I accept that it happened during the tenancy and while the tenants were using the stove. I also accept that it was a serious fire as the *Fire Department* was called. I asked both parties what the *Fire Marshall* deemed the cause of the fire to be from, and the landlord responded that the *Fire Marshall* stated that the oven fire was caused due to grease left in the oven over time. The tenants responded that the *Fire Marshall* stated that the stove was old and that could have been the reason for the fire. I find that the landlord failed to show the extent

of the damage caused by the fire and he also failed to show that the tenants were negligent in causing the fire which resulted in the damage to the walls.

A serious fire from an oven would most likely damage all walls in the kitchen area, and the time spent to wash down the walls would most likely take 4-5 hours. I find that the tenants are not responsible for 5 hours of the landlord's time to wash the smoke residue from the walls in the kitchen area.

As for the black mold that needed to be cleaned from other areas of the unit, and in accordance with Section 9-3 of the *Policy* as stated above, I accept that the moisture problem exists; however once again, the landlord failed to show the extent of the problem, and what cleaning was required due to the mold. I accept that the tenants were aware of the problem in the unit, as they testified that there was a presence of mold on their furniture and I find that they failed to inform the landlord, allowing the problem to escalate.

Although there is no evidence to show the extent of the damage to the unit, both parties agreed that there was a mold problem throughout the unit, and I agree with the landlord that the unit required a deep clean to remove the mold.

The question is whether or not the landlord was aware of the moisture / ventilation problem in the unit, and I asked the landlord the condition of the unit when he rented it to the tenants and he responded that there was no issue with moisture or mold in the unit, and he testified that the unit had a deep clean and was freshly painted prior to the tenancy. The landlord also testified that the HVAC system was relatively new when they took possession and worked well. The landlord stated that the tenants turned the HVAC system off which created the problem and he stated that he had no way of knowing that the damage was occurring. I asked the landlord how he knew the system was turned off and he testified that it was turned off when he was showing the unit to new prospective tenants in March 2026. The tenants disputed ever turning the HVAC system off and tenant 1 stated that the HVAC system did not work properly. The landlord responded to that statement and testified that the system has been working property since the tenants vacated the unit, as the new tenants are not experiencing any moisture problems in the unit.

If in fact the HVAC system was not working properly and the unit was at risk of black mold, then the tenants certainly had an obligation to make the landlord aware of the problem. Tenant 2 testified that they stopped communication with the landlord as he was indifferent to them and did not respond to their messages. The landlord disputed that he ever received messages from the tenants, except one time when they made a complaint about the door and he stated that he responded promptly. I asked the tenants at what point did they inform the landlord that there was a moisture / ventilation problem within the unit, and they responded that they informed the landlord towards the end of the tenancy as they tried to reach him on several occasions, but he would never respond to their messages. I do not accept the tenants testimony that they were unable to reach the landlord, and I find that the tenants had an obligation to make the landlord aware of the moisture issue before it escalated into a serious problem, and I find that as the tenants failed to fulfil that obligation, they shall be responsible for the cost of cleaning black mold from the unit.

The question is at what rate. A mold issue in a unit must be carefully dealt with which takes time, and I accept the landlord's testimony that he spent a total of 16 hours washing down the walls in the kitchen and cleaning the mold. As it was determined above that it would take approximately 5 hours to wash the walls, I find that the tenants are responsible for the other 11 hours to clean the mold at the allowable rate for self-labor of \$24.35 per hour for a total of \$267.85.

I find that the tenants are responsible for the cost to remove the mold from the unit in the amount of \$267.85.

Item # 2: Replace stove (\$800.00) – Based on the testimony of the landlord and the tenants, and in accordance with Section 9-3 of the *Policy* as stated above, I accept that the stove was damaged as a result of the fire and needed to be replaced. As it was determined in item # 1 above that the tenants were not negligent in causing the fire or damage to the stove, I find that the tenants are not responsible for the cost to replace the stove.

Item # 3: Door frame repair (\$300.00) – Based on the testimony of the landlord and the tenants, and given that the tenants are not disputing that the damage exists, and in accordance with Section 9-3 of the *Policy* as stated above, I accept that the door frame was damaged due to water entering the unit, resulting in the buildup of black mold on the door frame; however, once again the landlord failed to show the extent of the damage. I accept that the tenants did not physically damage the door which caused the water to enter the unit; however, I find that they were aware of the situation, and they failed to inform the landlord, allowing the problem to escalate.

The tenants submitted an exhibit showing the damage to the doorframe, which I determined was not admissible as the evidence was not sent to the landlord prior to the hearing. Although there is no evidence to show the extent of the damage, both parties agreed that there was a growth of black mold on the door frame, and I agree with the landlord that the door frame needed to be replaced.

I asked the tenants at what point did they inform the landlord that there was water entering the unit through the exterior door and they responded that they informed the landlord towards the end of the tenancy. I find that the tenants had an obligation to make the landlord aware of the water issue before it escalated into a serious problem, and I find that as the tenants failed to fulfil that obligation, they shall be responsible for the cost of replacing the wood to the door frame.

I asked the landlord the age of the doorframe and he responded that it was 15 years old. In accordance with Section 9-5 of the *Policy*, Depreciation and life expectancy of property, doorframes last up to 30 years and as the doorframe was only 15 years old, I find that there is approximately 50% of the doorframes life cycle remaining. The landlord is seeking \$300.00 for the cost of labor and materials to replace the doorframe, and although he failed to submit a receipt for materials, research shows that this is a reasonable cost. I find that the tenants are responsible for the cost of replacing the wood to the doorframe in the amount of \$150.00 (\$300.00 x50%).

Item # 4: Replace closet door (\$150.00) – Based on the testimony of the landlord and the tenants, and in accordance with Section 9-3 of the *Policy* as stated above, I accept that the closet door in the bedroom was damaged due to a buildup of mold that was caused by the moisture / ventilation problem within the unit, however the landlord failed to show the extent of the damage. As stated in item #1 above, I accept that the tenants were aware of the problem in the unit, as they testified that there was a presence of mold on their furniture and I find that they failed to inform the landlord, allowing the problem to escalate.

Although there is no evidence to show the extent of the damage to the closet door, both parties agreed that there was a growth of mold on the closet door, and I agree with the landlord that the closet door needed to be replaced.

It was determined in item # 1 above that the landlord was never made aware of the moisture / ventilation problem in the unit, and that the tenants had an obligation to inform him of the mold before it escalated into a serious problem. I find that as the tenants failed to fulfil that obligation; they shall be responsible for the cost of replacing the closet door.

I asked the landlord the age of the closet door and he responded that it was 15 years old. In accordance with Section 9-5 of the *Policy*, Depreciation and life expectancy of property, closet doors can last for life, and as such, I find that depreciation shall not be taken into consideration. The landlord is seeking \$150.00 for the cost of labor and materials to replace the closet door, and although he failed to submit a receipt for materials, research shows that this is a reasonable cost. I find that the tenants are responsible for the cost to replace the closet door in the amount of \$150.00.

Item # 5: Paint and repair walls (\$50.00) – Based on the testimony of the landlord and the tenants, and in accordance with Section 9-3 of the *Policy* as stated above, I find that the landlord failed to show that the damage exists. As the tenants disputed that the damage exists, the onus was on the landlord to submit evidence to corroborate his testimony. I find that the tenants are not responsible for the cost of repairing and painting walls.

Decision

14. The landlords claim for compensation for damages paid succeeds in the amount of \$567.85.

Issue # 2: Security deposit applied against monies owed Refund of Security Deposit

Analysis

15. 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.

16. The landlord's claim for losses has been successful as per paragraph 14 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. **Note:** interest calculated up to the hearing date equates to \$9.22.

Decision

17. The tenant's claim for refund of security deposit partially succeeds.

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

Summary of Decision

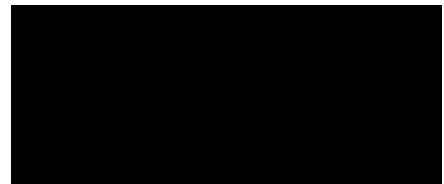
19. The landlord shall refund the security deposit in part plus interest to the tenants in the amount of \$341.37.

20. The tenants shall pay the landlord \$0.00 as follows:

Compensation for damages	\$567.85
Less: security deposit	567.85
Total	\$0.00

July 27, 2026

Date



Pamela Pennell, Adjudicator
Residential Tenancies Office