

Residential Tenancies Tribunal

Application 2026-0526-NL

Seren Cahill
Adjudicator

Introduction

1. Hearing was held on 27-July-2026 at 9:15 am.
2. The applicant, [REDACTED] hereinafter referred to as the landlord, attended by teleconference.
3. The respondent, [REDACTED] hereinafter referred to as the tenant, did not attend.

Preliminary Issues

4. The tenant was 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 claim and notice of the hearing 10 clear days prior to the hearing date and, where the respondent fails 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. The landlords submitted an affidavit (L#1) with their application stating that they had served the tenant with notice of the hearing by prepaid registered mail on 9-June-2026 at 12:17 pm. The tracking number [REDACTED] was provided and checking showed the tenant signed for the package. As the tenant was properly served, and as any further delay in these proceedings would unfairly disadvantage the landlord, I proceeded with the hearing in their absence.
5. This was a month-to-month agreement, with rent set at \$800.00/month due on the 1st of each month and a security deposit of \$400.00 which was paid sometime during December 2024.

Issues before the Tribunal

6. Should the landlord's claim for damages succeed?
7. What is the proper disposition of the security deposit?

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 (the *Act*).

Issue 1: Damages

9. The landlord claims \$2712.24 in compensation for damages, as per L#2, a document titled "Settlement and Move-Out Agreement," which was signed by both parties and witnessed by a third. The landlord testifies that the tenant did not comply with the payment terms of this agreement. The agreement specifies in part 4 that if the tenant does not comply with its terms, the landlord may seek further legal remedy. The landlord now seeks the full value of the lost items, not the reduced amount he specifies in the agreement. He therefore takes the position, and I accept, that the contract was repudiated.
10. In accordance with the Residential Tenancies Program Policy and Procedure Guide, Policy 9-003, when a landlord makes a claim for damages, they must provide sufficient evidence to establish the extent and nature of any damages, that the damage was caused by a wilful or negligent act of a tenant or a person they allowed on the premises, and the cost of repair or replacement. This should include documentary evidence wherever reasonably possible.
11. This signed agreement functions as documentary evidence that the parties agreed that the damage was caused by a person or persons the tenants allowed on the premises, that the extent of the damage was the removal of the items listed in appendix A, and that the cost of replacement is \$2712.24.

Decision

12. The landlord's claim for damages succeeds in the amount of \$2712.24.

Issue 2: Security Deposit

13. The landlord is owed moneys and may therefore apply the security deposit against the sum owed.
14. S. 14(7) of the *Act* states that a landlord shall credit interest to the tenant on the full amount or value of the security deposit, at the rate prescribed by the regulations, during the time the security deposit is held by the landlord. The regulations prescribe a simple interest rate of 1% annual for the years 2024-2025 and an interest rate of 0% for the year 2026. The interest therefore totals \$4.34.
15. The landlord seeks to rely on L#2 as a written agreement on the disposition of \$100.00 of the security deposit, as per s. 14(10)(a) of the *Act*. However, this is a term of a contract the landlord has repudiated and is therefore of no effect.

Summary of Decision

16. The tenant shall pay to the landlord \$2307.90 as follows:

Damages.....	\$2712.24
Less Security Deposit....	(\$404.34)
Total.....	\$2307.90

12-August-2026

Date



Seren Cahill
Residential Tenancies Office