

## **DECISION**

Dispute Codes      FF, MNDC, MNSD

### Introduction

A substantial amount of documentary evidence and written arguments has been submitted by the parties prior to the hearing. I have thoroughly reviewed all submissions.

I also gave the parties the opportunity to give their evidence orally and the parties were given the opportunity to ask questions of the other parties.

All testimony was taken under affirmation.

### Issues(s) to be Decided

This is a request for a monetary order for \$500.00, a request of the respondent bear the \$50.00 cost of the filing fee paid for the application for dispute resolution, and a request that the landlord be allowed to retain the full security deposit towards this claim.

### Background and Evidence

The applicants testified that:

- The tenants signed a six month lease with an expiry date of April 30, 2010.
- The lease also contained a liquidated damages clause in which the parties agreed that the tenant would pay \$500.00 if she did not stay to the end of the term of the lease.
- The tenant gave notice and vacated the rental unit prior to the end of the lease.
- They worked diligently to ensure that the unit was re-rented and therefore the tenant is not required to pay any further rent.

- The amount of \$500.00 liquidated damages was established after reviewing the average costs required to re-rent a unit, and although the average cost exceeds \$500.00 the landlords decided to limit the amount to \$500.00.

The applicants are therefore requesting that the tenant be held liable for the full \$500.00 a liquidated damages, that they be allowed to keep the full security deposit of \$362.50 towards the claim and that a monetary order be issued for the balance plus the filing fee.

The respondent testified that:

- She did sign a six month lease with an expiry date of April 30, 2010.
- She was informed of the liquidated damages clause, and was also told by the landlords that she could sublet to a qualified renter if she chose to leave early.
- The reason she chose to leave early was because of the stress caused by discovering that there was a pedophile living at the rental property.
- She has no children herself at the rental property; however she started worrying about the other children at the complex and this cause her extreme stress.
- She gave the landlords plenty of notice that she would be vacating, and since the rental unit was re-rented, the landlords have lost no rental income.

The tenant therefore believes that the landlords claim should be denied, as there was no loss to the landlord.

### Analysis

It is my decision that I will allow the full amount claimed by the landlords.

The tenant has admitted that she signed the tenancy agreement knowing that there was a liquidated damages clause, and that the landlord had even informed her of the consequences of ending the tenancy before the end of the lease.

Liquidated damages clauses are in agreements for the protection of both parties. The tenant is protected by knowing that even if the landlord's costs exceed the amount of

liquidated damages they will not have to pay any more, and the landlord is protected by knowing that if a tenant breaches a lease there will be funds available to cover the costs of re-renting.

Therefore since the tenant signed the lease fully aware of the consequences of breaking the lease, it is my decision that she is liable for the \$500.00 liquidated damages.

I also allow the landlords request for the \$50.00 filing fee

### Conclusion

I have allowed the applicant's full claim of \$550.00, the applicants may therefore keep the full \$362.50 security deposit and I have issued an order for the respondent to pay \$187.50 to the applicants.

This decision is made on authority delegated to me by the Director of the Residential Tenancy Branch under Section 9.1(1) of the *Residential Tenancy Act*.

Dated: July 29, 2010.

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Dispute Resolution Officer