



Dispute Resolution Services

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Residential Tenancy Branch
Office of Housing and Construction Standards

DECISION

Dispute Codes OPR, MNR, MNSD, FF

Introduction

This hearing was scheduled to deal with the landlord's application for an Order of Possession for Unpaid Rent and a Monetary Order for unpaid rent and authorization to retain all or part of the security deposit. Both parties appeared at the hearing and were provided the opportunity to make relevant submissions, in writing and orally pursuant to the Rules of Procedure, and to respond to the submissions of the other party.

Preliminary and procedural issues

When the tenant moved into the rental unit she entered into a verbal tenancy agreement with the applicant landlord. The applicant is a tenant on the property but was acting as landlord with the owners' permission. The applicant made this application on April 23, 2012 – the same day the tenant and the owners entered into a written tenancy agreement with respect to the rental unit. As the tenancy relationship between the applicant and the tenant has ended and been replaced by a tenancy agreement between the tenant and the owners, I determined the applicant is not entitled to receive an Order of Possession and I denied the applicant's request for one.

I heard that the tenant and owners have a dispute resolution hearing set for May 28, 2012 to deal with a 10 Day Notice to End Tenancy issued for May's 2012 unpaid rent. The parties were informed that any dispute that has arisen between the owners and tenant since their tenancy commenced is not an issue to be determined with this application.

I informed the parties that the remaining issues to determine with this application pertained to the unpaid rent for April 2012 and the former landlord's request to retain all or part of the security deposit. After much discussion with the parties with respect to their respective rights and obligations under the Act, the parties were able to reach a mutual agreement that I have recorded in this decision.

Issue(s) to be Decided

What are the terms of the mutual agreement?

Background and Evidence

It was undisputed that the tenant paid a \$425.00 security deposit to the applicant at the commencement of the tenancy. It was also undisputed that the tenant failed to pay the applicant \$270.00 of the rent due on April 1, 2012. In resolution of this dispute, the parties mutually agreed to the following:

1. The applicant is authorized to deduct the \$270.00 in outstanding rent for April 2012 from the tenant's security deposit.
2. The remaining security deposit balance of \$155.00 (\$425.00 – \$270.00) continues to be held in trust for the tenant and the applicant is responsible for transferring this amount to the current landlords.

Analysis

Pursuant to section 63 of the Act I have recorded the settlement agreement reached between the parties during the hearing by way of this decision.

In recognition of the mutual agreement, the applicant is authorized to retain \$270.00 of the tenant's security deposit in satisfaction of the unpaid rent for April 2012. A security deposit of \$155.00 remains in trust for the tenant, to be administered in accordance with the Act.

As the Act provides that the security deposit runs with the land, the balance of \$155.00 is the responsibility of the current landlords/owners. It is the responsibility of the former landlord to transfer the security deposit balance to the current landlords.

Conclusion

The tenancy between the applicant and the tenant has ended and the applicant landlord is not entitled to an Order of Possession.

Pursuant to the mutual agreement, the applicant has been authorized to retain \$270.00 of the tenant's security deposit in satisfaction of the unpaid rent for April 2012. The remaining security deposit of \$155.00 remains in trust for the tenant to be administered in accordance with the Act by the current landlords.

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: May 16, 2012.

Residential Tenancy Branch