



# Dispute Resolution Services

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Residential Tenancy Branch  
Ministry of Housing and Municipal Affairs

## DECISION

Dispute Codes      MNRL-S, MNDCL-S, LRSD, FFL; MNSDS-DR, FFT

### Introduction

This hearing dealt with the Landlord's Application for Dispute Resolution under the *Residential Tenancy Act* (the Act) for:

- a Monetary Order for unpaid rent under section 67 of the Act
- a Monetary Order for damage to the rental unit or common areas under sections 32 and 67 of the Act
- authorization to retain all or a portion of the Tenant's security deposit in partial satisfaction of the Monetary Order requested under section 38 of the Act
- authorization to recover the filing fee for this application from the Tenant under section 72 of the Act

This hearing also dealt with the Tenant's Application for Dispute Resolution under the *Residential Tenancy Act* (the "Act") for:

- a Monetary Order for the return of all or a portion of their security deposit and/or pet damage deposit under sections 38 and 67 of the Act
- authorization to recover the filing fee for this application from the Landlord under section 72 of the Act

The agent E.S. attended for the Landlord.

The Tenant attended and called the witness D.A. who provided affirmed testimony.

Service of Notice of Dispute Resolution Proceeding (Proceeding Package) and Evidence

I find that Tenant was served on August 12, 2025, by pre-agreed e-mail in accordance with section 43(2) of the *Residential Tenancy Regulation*. The Tenant acknowledged service.

Background and Evidence

I have reviewed all evidence, including the testimony of the parties, but will refer only to what I find relevant for my decision.

*Tenancy*

The parties agreed as follows:

The parties entered into a fixed-term tenancy from October 15, 2025 to September 30, 2026, at a monthly rent of \$1,780.00. A copy of the tenancy agreement was submitted, which included an Addendum containing a liquidated-damages clause of \$890.00 in section 8 of the Addendum.

The Tenant paid a security deposit of \$890.00 on September 22, 2025, and the parties agreed that interest had accumulated as calculated using the Residential Tenancy Branch's online interest calculator and the total deposit held by the Landlord is \$892.34.

On October 10, 2025, the Tenant attended the rental unit to take measurements and raised concerns regarding cleanliness and condition issues. The Landlord responded by offering a proposal involving professional cleaning, patching of holes, and removal of shelving, with no repainting. The Tenant accepted this proposal.

On October 14, 2025, the Tenant informed the Landlord that she had decided not to move into the unit. She did not pay any rent. No move-in or move-out condition inspection report was completed, and none was submitted as evidence.

The Tenant provided her forwarding address to the Landlord on October 18, 2025, and the Landlord brought this application within 15 days of receiving that address.  
Landlord's Evidence

#### *Landlord's Claim*

The Landlord claimed compensation for loss of rent from October 15, 2025 to December 1, 2025 when another occupant moved into the unit, liquidated damages, professional expenses for the agent's services charged to the Landlord, reimbursement of the filing fee and authorization to apply the deposit to the award, as follows:

	<b>ITEM</b>	<b>AMOUNT</b>
1.	October 15 to November 31, 2025 - rent	\$2,670.00
2.	Liquidated damages	\$890.00
3.	Expenses	\$645.75
4.	Filing fee	\$100.00
5.	(Less security deposit \$892.34 , interest \$2.34)	(\$892.34)
	<b>TOTAL</b>	<b>\$3,413.41</b>

The Landlord stated he made every reasonable effort to find a replacement occupant for the unit and a new occupant for the same located signed a tenancy agreement on November 6, 2025 and moved in December 1, 2025.

The Landlord relied on Addendum clause 8 for compensation for liquidated damages. The Landlord also claimed expenses payable by the Landlord to the agent for fees in finding a new occupant.

#### *Tenant's Evidence*

The Tenant denied that the Landlord was entitled to any compensation and requested the return of the security deposit. The Tenant did not view the unit before signing the tenancy agreement on September 22, 2025. When she viewed the unit on October 10, 2025, she said that it was "filthy," with odours, holes, and residue throughout, and she stated that the Landlord refused to complete a move-in inspection unless she prepaid additional rent for October beginning on

October 10, which she did not do. The Tenant initially accepted the Landlord's proposed cleaning and patching plan but later changed her mind and attempted to assign or replace herself with D.A. The Tenant said she found a replacement Tenant and that the Landlord had no claim against her because the replacement Tenant was willing to take over the tenancy beginning October 15, 2025.

During the hearing's final minutes, D.A. joined the call and provided affirmed testimony. She said she signed a tenancy agreement for the rental unit on October 19, 2025 and sent a security-deposit e-transfer that day, but she never took keys or moved in; she later changed her phone number and stopped communicating with the Landlord and the Tenant. No supporting documentation was submitted, although D.A. provided an e-transfer reference number during the hearing, which was not confirmed. The Landlord disputed receiving any payment and produced messages in which he continued to request the deposit after October 19, 2025.

#### *Landlord's Reply*

The Landlord categorically denied ever receiving any money from D.A. and pointed to contemporaneous texts requesting a deposit after October 19, 2025 (some screenshots lacked visible dates).

#### Analysis

Section 7 of the Act provides that a party who fails to comply with the Act, the regulations, or the tenancy agreement must compensate the other party for any resulting damage or loss. Section 67 authorizes an arbitrator to determine whether damage or loss has occurred and to order payment where appropriate.

Rule 6.6 of the Residential Tenancy Rules of Procedure states that the person making a claim bears the onus of proving it, and the applicable standard of proof is a balance of probabilities. Where one party provides an account of events and the other provides an equally plausible but different account, the party making the claim has not met the burden of proof, and the claim must fail.

Residential Tenancy Policy Guideline 16, *Compensation for Damage or Loss* (PG#16), provides guidance on assessing compensation claims and sets out a four-part test

an applicant must satisfy to establish entitlement to a monetary award. In this case, the Landlord must prove:

1. That the Tenant failed to comply with the Act, the regulations, or the tenancy agreement;
2. That the Landlord suffered damage or loss because of that non-compliance;
3. The value of the damage or loss; and
4. That the Landlord took reasonable steps to mitigate the damage or loss.

**1. Is the Landlord entitled to a Monetary Order for money owed or compensation for damage or loss under the Act, regulation or tenancy agreement?**

Each of the Landlord's claims is addressed.

1. *October 15 to November 31, 2025 – outstanding rent*      \$2,670.00

The parties entered into a fixed-term tenancy beginning on October 15, 2025, with monthly rent of \$1,780.00. The Tenant paid a security deposit of \$890.00 on September 22, 2025 but did not pay any rent and did not take possession of the rental unit. The Landlord confirmed that the unit remained vacant during October and November until it was re-rented for December 1, 2025 at the same rent.

The evidence established that the Tenant viewed the unit on October 10, 2025 and later advised the Landlord on October 14, 2025 that she no longer intended to move in. The Tenant attempted to have a co-worker D.A. replace her on the tenancy. I accept the Landlord's evidence that D.A. did not pay the required security deposit or rent and never took possession. The Landlord continued to request payment from the proposed replacement occupant as late as October 25, 2025, and the evidence did not support a finding that the Landlord received any funds from that individual.

The Landlord was therefore left without rent for the period from October 15, 2025 until the unit was re-rented effective December 1, 2025. The Landlord met their duty to mitigate by re-renting the unit at the same rent and within a reasonable period. I accept the Landlord's evidence that they began advertising after it

became clear that neither the Tenant nor the proposed replacement Tenant would be moving in, and that a new tenancy was secured beginning December 1, 2025.

Section 13(2)(f)(iii) states that a fixed term tenancy ends on the date on which the term ends.

When a tenant signs a fixed-term tenancy and then elects not to take possession or pay rent, the tenant remains responsible for rent until the earlier of the end of the fixed term or the date the landlord successfully re-rents the unit, subject to the landlord's duty to mitigate under section 7.

On the evidence before me, the Landlord was entitled to recover rent for the period from October 15 to November 31, 2025, being the time during which the unit remained vacant and produced no rental income. The amount claimed for that period was \$2,670.00, which represented the pro-rated monthly rent from October 15 to November 30, 2025. The Tenant agreed that this was the correct amount of rent for that period, though she disputed liability.

I found no legal basis to relieve the Tenant from her responsibility for rent. Her dissatisfaction with the condition of the unit did not negate the fact that she had entered a binding tenancy agreement beginning October 15, 2025 and agreed with the Landlord on cleaning and repairs prior to moving in. There was no evidence that the Landlord agreed to release her from the fixed term unless the proposed replacement occupant completed all required steps, including payment of a security deposit and rent, which did not occur.

Accordingly, I found that the Landlord was entitled to the claimed rent loss. I grant the Landlord an award in the amount of \$2,670.00.

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|------------------------------|----------|
| 2. <i>Liquidated damages</i> | \$890.00 |
| 3. <i>Expenses</i>           | \$645.75 |

The parties agree that the tenancy agreement addendum contains a liquidated damages clause requiring the Tenant to pay \$890.00 if she breaches the fixed-term tenancy in a manner that causes the Landlord to incur re-rental costs. I find that the Tenant did not take possession of the unit and did not pay rent after October 15, 2025, which constitutes a breach of the fixed-term agreement. The Landlord

relies on this clause and submits that it is reasonable given the administrative burden and disruption created by the early termination.

*Residential Tenancy Branch Policy Guideline #4, Liquidated Damages*, provides that such clauses are enforceable only where the amount represents a genuine pre-estimate of the loss likely to result from a breach, assessed at the time the tenancy agreement is entered into. If the amount is not a reasonable forecast of potential loss, the clause is considered a penalty and is unenforceable. I accept the claimed amount of \$890.00 as reasonable compensation for the Landlord's re-rental effort, and the Landlord is therefore entitled to rely on the liquidated damages clause.

The Landlord also seeks reimbursement of \$645.75 in management expenses charged by the agent. I do not allow this additional amount. The evidence shows that these management charges arise from the same circumstances the liquidated damages clause is designed to address. Awarding both liquidated damages and the agent's management-fee invoice would compensate the Landlord twice for the same category of loss. The Residential Tenancy Branch does not permit double recovery. For this reason, I allow the \$890.00 liquidated-damages claim but deny the additional \$645.75 management-fee claim.

I grant the Landlord an award in the amount of \$890.00 and the dismiss the claim for \$645.75 without leave to reapply.

4. *Filing fee*      \$100.00

5. *(Less security deposit \$892.34 , interest \$2.34) (\$892.34)*

As the Landlord is successful in this application, I grant the Landlord an award of \$100.00 for reimbursement of the filing fee.

The Tenant paid a security deposit of \$890.00 on September 22, 2025. As I have found that the Tenant owes the Landlord a monetary award for unpaid rent and liquidated damages, the Landlord is authorized under section 72 of the Residential Tenancy Act to apply the security deposit, together with the accrued interest of \$2.34, for a total of \$892.34 toward the total amount owing.

I therefore authorize the Landlord to retain the security deposit and interest in the total amount of \$892.34 and apply it to the monetary award.

**Is the Tenant entitled to the return of the security deposit? Reimbursement of the filing fee?**

I have issued a monetary award in the Landlord's favour that exceeds the amount of the security deposit. Section 72 of the Residential Tenancy Act permits the Landlord to apply the deposit and interest toward amounts owed. As a result, the Landlord is authorized to retain the \$890.00 deposit and the \$2.34 in accrued interest and apply it to the award.

As the Tenant has not been successful in her application, she is not entitled to the return of the security deposit.

*Summary*

I grant the Landlord a Monetary Order in the amount of \$2,767.66 calculated as follows:

	<b>ITEM</b>	<b>AMOUNT</b>
1.	October 15 to November 31, 2025	\$2,670.00
2.	Liquidated damages	\$890.00
3.	Filing fee	\$100.00
4.	(Less security deposit \$892.34 , interest \$2.34)	(\$892.34)
	<b>TOTAL</b>	<b>\$2,767.66</b>

Conclusion

I grant the Landlord a Monetary Order in the amount of \$2,767.66.

The Landlord is provided with this Order in the above terms and the Tenant(s) must be served with this Order as soon as possible. Should the Tenant(s) fail to comply with this Order, this Order may be filed and enforced in the Provincial Court of British Columbia (Small Claims Court) if equal to or less than \$35,000.00.

Monetary Orders that are more than \$35,000.00 must be filed and enforced in the Supreme Court of British Columbia.

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: January 27, 2026

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Residential Tenancy Branch