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**Docket: LR22053**

**Order: LR22-50**

**IN THE MATTER** of an appeal, under section 25 of the *Rental of Residential Property Act* (the "Act"), filed by Bruce Holdco Inc. against Order LD22-238 issued by the Director of Residential Rental Property and dated July 12, 2022.

**BEFORE THE COMMISSION ON** Thursday, September 1, 2022.

Panel Chair - Erin T. Mitchell, Commissioner

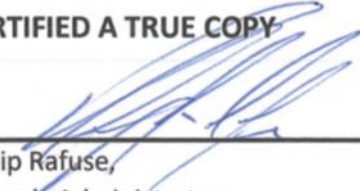
M. Douglas Clow, Vice-Chair

Hearing Date: Tuesday, August 30, 2022

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# ORDER

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Philip Rafuse,  
Appeals Administrator,  
Island Regulatory & Appeals Commission

This appeal asks the Commission to determine whether the Director of Residential Rental Property (the “Director”) erred in finding that an eviction notice was invalid and that a credit balance exists in favour of the tenants.

## **Background**

Angie Parsons and Cathy MacIntyre (“the Tenants”) rent from Bruce Holdco Inc. (“the Landlord”) an apartment at 91 Kensington Road, Charlottetown, PE (the “Premises”). Rent for the Premises is \$919.10 per month.

On May 30, 2022, a representative of the Landlord served a Notice of Termination by Lessor of Rental Agreement (“Form 4”) on the Tenants. The Form 4 alleged rent was owing in the amount of \$1,838.20 representing rent for the months of April and May 2022. The Landlord sought possession of the apartment and an order that the amount owed be paid.

In Order LD22-238 dated July 12, 2022, the Director ordered that the Form 4 was invalid, a credit balance of \$311.80 existed in favour of the Tenants, the Landlord’s applications were dismissed and that the rental agreement continues to be in full force and effect.

The Landlord appealed.

The Commission heard the appeal on August 30, 2022, by way of telephone conference call. Rodney Bruce (“Mr. Bruce”) appeared on behalf of the Landlord. The Tenants did not appear.

Following the hearing, the Commission learned that the Tenants had advised the Commission shortly before the hearing that they were unable to participate.

## **Disposition**

The appeal is denied. Order LD22-238 is confirmed.

## **The Issue**

Did the Director correctly determine that the Form 4 was invalid and that a credit balance exists in favour of the Tenants?

## **Analysis**

As a background and not to be construed as a finding of fact, this appeal is complicated by what appears to be an employment or contractual relationship between the former property management company and the Tenants whereby the Tenants appear to have provided cleaning services for the former property management company for 91 Kensington Road and for at least one other property which was not owned by the Landlord. It appears that the former property management company offset these services against rent and the Landlord was not previously aware.

Mr. Bruce advised that it is his view that the Tenants actually owe \$6,425.50, referencing a spreadsheet provided by his former property manager on July 14, 2022. He also expressed other details and concerns, all of which are set out in an attachment to his Notice of Appeal. He advised that his former property manager refuses to return the

security deposits for all tenants on the basis that the Tenants owe the property management company money for rent.

Mr. Bruce testified that he no longer owns 91 Kensington Road, the apartment building which contain the Premises.

The Commission notes that there is no Form 4 claiming that the Tenants owe the Landlord \$6,425.50.

The Commission finds there is no error in the Director's Order. The Tenants do not owe the Landlord any money.

The Director and Commission's jurisdiction is limited to the landlord / tenant relationship and does not extend to the relationship between landlord and property management company, or a property management company acting as an employer or contractor for services with tenants.

If Mr. Bruce feels that the Landlord is owed money, that is a matter between his company and his former property management company that he may consider pursuing in a forum with jurisdiction, which will then make the necessary findings of fact and application of the law.

Likewise, if the property management company feels the Tenants owe money to said company, that is a matter also for a forum with jurisdiction.

For these reasons the Commission finds that the rental agreement remains in full force and effect, the credit remains in place and thus Order LD22-238 is confirmed.

**NOW THEREFORE**, pursuant to the *Island Regulatory and Appeals Commission Act* and the *Rental of Residential Property Act*,

**IT IS ORDERED THAT**

1. The appeal is denied.
2. Director's Order LD22-238 is confirmed.

**DATED** at Charlottetown, Prince Edward Island, Thursday September 1, 2022.

**BY THE COMMISSION:**

(sgd.) *Erin T. Mitchell*

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**Erin T. Mitchell, Commissioner**

(sgd.) *M. Douglas Clow*

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**M. Douglas Clow, Vice-Chair**

**NOTICE**

Subsections 26(2), 26(3), 26(4) and 26(5) of the *Rental of Residential Property Act* provides as follows:

26. (2) A lessor or lessee may, within fifteen days of the decision of the Commission, appeal to the court on a question of law only.

(3) The rules of court governing appeals apply to an appeal under subsection (2).

(4) Where the Commission has confirmed, reversed, or varied an order of the Director and no appeal has been taken within the time specified in subsection (2), the lessor or lessee may file the order in the court.

(5) Where an order is filed pursuant to subsection (4), it may be enforced as if it were an order of the court.