



PRINCE EDWARD ISLAND

Regulatory & Appeals Commission

Commission de réglementation et d'appels

ÎLE-DU-PRINCE-ÉDOUARD

Date Issued: January 30, 2026

Dockets: LR25063

Type: Rental Appeal

INDEXED AS: Gagandeep Kaur, Dilpreet Kaur, Tarsem Singh Bhullar and Sahib Singh v.
Peace Property Management Co. Ltd.

2026 PEIRAC 1 (CanLII)

Order No: LR26-01

BETWEEN:

Gagandeep Kaur, Dilpreet Kaur, Tarsem Singh Bhullar and Sahib Singh (the "Tenants")
Appellants

AND:

Peace Property Management Co. Ltd. (the "Landlord")
Respondent

ORDER

Panel Members:

Pamela J. Williams, K.C., Chair
Murray MacPherson, Commissioner

Compared and Certified a True Copy

(Sgd.) Michelle Walsh-Doucette

Commission Clerk

Island Regulatory and Appeals Commission

A. INTRODUCTION

1. This appeal was heard by the Commission on December 16, 2025, and asks the Commission to determine whether the Residential Tenancy Office (the “Rental Office”) erred in finding that the Landlord will keep the Tenant’s security deposit, including interest in the amount of \$1,913.01, and that the Tenants must pay the Landlord \$386.99 by December 15, 2025.

B. BACKGROUND

2. This appeal concerns two rental units located at 16 Elena Court, Charlottetown, PEI (the “Rental Unit”).
3. On August 6, 2025 the parties signed a *Form 1 Standard Form of Tenancy Agreement* for the Unit (the “First Tenancy Agreement”). The term was for the period of August 6, 2025 to August 31, 2025 for Unit 202. A \$1,900.00 security deposit was paid. Rent in the amount of \$2,200.00 was due on the first day of the month.
4. On August 6, 2025 the parties signed a second *Form 1 Standard Form of Tenancy Agreement* for another rental unit, Unit 105, in the Residential Property (the “Second Tenancy Agreement”). The term was for a yearly fixed-term for the period of September 1, 2025 to August 31, 2026. The security deposit paid would carry over in the amount of \$1,900.00. Rent in the amount of \$1,900.00 was due on the first day of the month.
5. On September 4, 2025 the Landlord’s representative (the “Representative”) served the Tenants with a *Form 4A Eviction Notice* effective September 4, 2025 (the “Notice”) for non-payment of rent for Unit 202 and an order requiring the Rental Unit to be vacated.
6. The earliest vacate date for the Notice is September 24, 2025 because of the minimum notice period required by subsection 60(1) of the *Act*. The Notice’s vacate date is automatically corrected to September 24, 2025, under section 54.
7. On September 4, 2025 the Representative filed the first *Form 2(B) Landlord Application to Determine Dispute* (the “First Application”) with the Rental Office seeking compensation in the amount of \$26,400.00 for Unit 105.
8. On September 15, 2025 the Representative filed the second *Form 2(B) Landlord Application to Determine Dispute* (the “Second Application”) with the Rental Office seeking rent owing, in the amount of \$4,400.00 and vacant possession of the Unit 202.
9. Collectively, the First Application and the Second Application are referred to as the “Applications”.
10. On October 7, 2025 the Rental Office emailed the parties notice of a telephone hearing scheduled for October 28, 2025 along with copies of the Applications.
11. On October 28, 2025 the Landlord’s Representative, the Landlord’s witness (CW), the Tenants and the Tenants’ witness (MS) joined the telephone hearing before the Rental Office for determination of the Applications.

12. On November 14, 2025, the Rental Office issued Order LD25-403, which ordered that the Landlord will keep the Tenant's security deposit to apply against September's rent for Unit 105, and the outstanding rent balance for Unit 202 including interest in the amount of \$1,913.01, and that the Tenant's must pay the Landlord the balance of \$386.99 by December 15, 2025. The Rental Office further found that regardless of the Notice, the tenancy for Unit 202 ended on August 31, 2025 and the Tenants did not move out until October 31, 2025. As for Unit 105, the Tenants refused to take occupancy of the unit based on the condition of the unit. The Rental Office found that although Unit 105 was "not reasonably clean" as of September 1, 2025, there was insufficient evidence to establish that it was uninhabitable.
13. The Tenants appealed Order LD25-403 on November 27, 2025.
14. The Commission heard the appeal on December 16, 2026, by way of telephone conference. Gagandeep Kaur (GK) and Dilpreet Kaur (DK), attended on behalf of the Tenants along with Mantej Singh (MS) as a witness. The Landlord, Peace Property Management Co. Ltd. was represented by Tuyet "Sunny" Tran (TT), and Carl Wigmore (CW) attended as a witness for the Landlord.
15. The applicable legislation is the *Residential Tenancy Act*, cap. R-13.11 (the "Act").

C. DISPOSITION

16. The appeal is denied and Order LD25-403 is confirmed, subject to an interest adjustment accounting for the time period following the issue date of said Order.

D. ISSUE

17. Does subsection 55(3) of the *Act* apply and did the Tenants fail to give notice under that subsection?

E. SUMMARY OF EVIDENCE

Tenants' Evidence

18. GK testified that the Tenants were living at Unit 202 and were scheduled to move to Unit 105 in the same building on September 1, 2025. GK stated that the rent for Unit 202 was too high. GK stated that they had asked to see Unit 105 prior to September 1st but were unable to do so as someone was living there. GK stated that the Tenants thought Unit 105 would be as clean and as good as Unit 202. They e-transferred rent of \$1,900.00 which was the rental rate for Unit 105. When they obtained the keys on September 1st and GK's brother entered Unit 105 at approximately 7:30 a.m. GK's brother noticed a bad smell and saw a few roaches visible, with insect dropping apparent as well as wall damage. GK's brother developed rashes on his skin and GK was concerned that it would be an unhealthy environment for her 3-month old baby. GK testified that they then asked TT for a "solution". GK stated that TT did not provide them with a solution. GK stated that because no solution was provided, the Tenants stayed in Unit 202 for September and October 2025.
19. DK provided similar testimony made by GK above.

20. GK testified further that the Tenants had purchased furniture because Unit 105 was unfurnished. GK testified that they were unable to give 30 days' notice and they refused to move in to Unit 105. GK testified that the Tenants were assured by TT that Unit 105 was pest free. GK testified that the Tenants paid \$2,000 for September and \$2,000 for October 2025 for Unit 105 rent.
21. MS testified that he is a family friend of the Tenants. He testified that he was there to help the Tenants move in. MS testified that he saw cockroaches and mold in apartment 105. He stated that he saw cockroaches on the bathroom door, cockroaches in the kitchen cabinets and spray marks in the bedroom. MS stated he saw 10 to 15 cockroaches in Unit 105.

Landlord's Evidence

22. TT testified when the tenants who had occupied Unit 105 moved out on August 31st, they had not properly cleaned. TT testified that she and CW worked hard cleaning until 2:00 am on September 1st. TT stated that CW fixed the caulking in the bathroom as there was a strong smell. TT testified that she did not see any cockroaches and that the video presented by the Tenants was for a different apartment. TT testified that the rent for Unit 202 is \$2,200.00 per month while the rent for Unit 105 is \$1,900.00 per month. TT stated that she believes the Tenants wanted to stay in Unit 202.
23. CW testified that the Landlord had sprayed for insects in the apartment building. CW testified that in early August 2025 Unit 105 was professionally treated for cockroaches using a method that did not involve spray. He stated that on September 1, 2025 he spent 8 hours in Unit 105 working and he did not develop a rash. He stated that he felt the Tenants were trying to make an issue to avoid the lease. He stated he saw one dead cockroach in the middle of the bathroom floor. CW stated that the previous tenants also had a young baby but had no problems. CW testified that after the Tenants had rejected Unit 105 the Landlord took the opportunity to fix the nail holes and paint. A new tenant then moved into Unit 105 in October 2025.
24. When questioned by the Commission on the condition of Unit 105, CW stated that when he and TT went there to clean there was a smell consistent with cooking without using the exhaust fan. The baseboard in the bathroom was discoloured. That is why CW and TT worked into the night cleaning.
25. TT stated that the building is new but some tenants have brought cockroaches with them. TT stated that the Landlord has treated units for cockroaches without using spray and that the apartments are safe for all people, including babies. TT stated that she and CW were not aware there were cockroaches in Unit 105 and there were no complaints about cockroaches from the previous tenants. However, they did arrange for a professional pest control company to perform non-spray treatment in Unit 105 in August 2025.
26. TT stated that the Landlord lost one month's rent for Unit 105. TT stated that when the Tenants moved out of apartment 202 at the end of October a new tenant moved in to that apartment in November. TT stated that she felt that Order LD25-403 was fair and good for both parties.

F. ANALYSIS

27. Subsection 55(3) of the Act reads:

Notice for fixed-term tenancy

(3) A tenant may end a fixed-term tenancy by giving the landlord a notice of termination effective on a date that

- (a) is not earlier than one month after the date the landlord receives the notice;*
- (b) is not earlier than the date specified in the tenancy agreement as the end of the tenancy; and*
- (c) is the day before the day that rent is payable under the tenancy agreement.*

28. In an attachment to their Notice of Appeal, the Tenants set out why they believe that the outcome of Order LD25-403 was wrong. Their main point is:

Subsection 55(3) normally applies when a tenant chooses to end a tenancy early and has time to give proper notice. In our situation, we did not choose to end the tenancy. We moved to 16 Elena Court on August 6 and were supposed to move into Unit 105 on September 1. When we arrived on September 1, we discovered that the unit was not livable for us and our baby. We informed the landlord immediately. Since we only learned about the condition on the same day, it was impossible for us to give earlier notice. Because the unit was not in a safe or acceptable condition to start the tenancy, subsection 55(3) should not apply to us.

29. The Commission accepts the evidence of the Landlord that Unit 105 was treated for cockroaches using a non-spray method in early August 2025. The Commission finds that one or more dead cockroaches were present in Unit 105 and the prior tenants had failed to adequately clean that apartment. When TT and CW inspected the apartment and saw its condition, they worked to clean that apartment and repair the caulking and baseboard in the bathroom. However, in spite of this work the Tenants chose to remain at Unit 202 rather than move into Unit 105. The Tenants also failed to pay the full monthly rent for Unit 202.

30. Had the Landlord done nothing to address the condition of apartment 105, the Tenants may have had a solid reason to reject that apartment. However, the Landlord, through the efforts of TT and CW took reasonable steps to address the concerns of the Tenants. The Commission finds that the Tenants were required to give notice under subsection 55(3) and continue to pay rent. They did not do so. They remained in Unit 202 and did not pay the full rent for that apartment. The Landlord mitigated its loss by renting Unit 105 in October 2025 and Unit 202 was rented in November 2025 shortly after the Tenants vacated that unit.

31. The Landlord did not file a cross appeal of Order LD25-403 and TT, on behalf of the Landlord, stated that she felt that Order LD25-403 was fair and good for all parties. Accordingly, the Commission finds that the Landlord has accepted the denial of the Landlord's previous claims before the Rental Office other than the award made under Order LD25-403. As such, the Commission has not addressed such previous claims.

32. The Commission finds there was no error in Order LD25-403. The decision made in that Order was fair, reasonable, in accordance with the *Act* and justified by the evidence before the Rental Office. The Tenants offered no objective evidence, such as a report from Environmental Health, to persuade the Commission that apartment 105 would have been unhealthy for the Tenants, including the baby.
33. The Commission finds that the Tenants owe the Landlord \$200.00 rent for Unit 202 for September 2025, a further \$200.00 rent for that same apartment for October 2025 as well as \$1,900.00 rent for Unit 105 for the month of September 2025 for a total of \$2,300.00. The Landlord is authorized to retain the \$1,900.00 security deposit, plus interest in the amount of \$23.55 [\$13.01 for August 6, 2025 to November 14 2025 plus \$10.54 for interest from November 14, 2025 to the date of this Commission Order], to offset what the Tenants owe the Landlord. The balance of \$376.45 is owed by the Tenants to the Landlord.
34. The Commission therefore denies the appeal and confirms Order LD25-403 in its entirety, subject to the noted interest adjustment.

G. CONCLUSION

35. The Commission confirms Order LD25-403. The Tenants must pay the Landlord \$376.45.

IT IS ORDERED THAT

- 1. The appeal is denied.**
- 2. Interest on the security deposit is adjusted from \$13.01 to \$23.55 as calculated in the Order.**
- 3. The Tenants owe the Landlord the sum of \$376.45 as calculated in this Order. The Tenants must pay \$376.45 to the Landlord within 15 days of this Order.**
- 4. Other than the re-calculation of interest, Order LD25-403 is confirmed.**

DATED at Charlottetown, Prince Edward Island, 30th day of January, 2026.

BY THE COMMISSION:

[sgd. Pamela J. Williams, K.C.]

Pamela J. Williams, K.C., Chair

[sgd. Murray MacPherson]

Murray MacPherson, Commissioner

NOTICE

Subsections 89 (9), (10) and (11) of the *Residential Tenancy Act* provides as follows:

89. (9) A landlord or tenant may, within 15 days of the decision of the Commission, appeal to the Court of Appeal in accordance with the *Island Regulatory and Appeals Commission Act* R.S.P.E.I. 1988, Cap. I-11, on a question of law only.
- (10) Where the Commission has confirmed, reversed or varied an order of the Director, the landlord or tenant may file the order with the Supreme Court.
- (11) Where an order is filed under subsection (10), it may be enforced as if it were an order of the Supreme Court.