



PRINCE EDWARD ISLAND

Regulatory & Appeals Commission

Commission de réglementation et d'appels

ÎLE-DU-PRINCE-ÉDOUARD

Date Issued: March 30, 2026

Dockets: LR26006

Type: Rental Appeal

INDEXED AS: Shi Xia Xing v. Noor Fatima

2026 PEIRAC 16 (CanLII)

Order No: LR26-11

BETWEEN:

Shi Xia Xing (the "Landlord")

Appellant

AND:

Noor Fatima (the "Tenant")

Respondent

ORDER

Panel Members:

Pamela J. Williams, K.C., Chair
Kerri Carpenter, Vice-Chair

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 March 17, 2026, and asks the Commission to determine whether the Residential Tenancy Office (the “Rental Office”) erred in finding that the Landlord must return to the Tenant the security deposit, including interest, of \$766.76, by March 11, 2026.

B. BACKGROUND

2. This appeal concerns a rental unit located at Room A – 15A MacKinnon Road, Charlottetown, PEI (the “Rental Unit”). The Unit is a room with shared common facilities in a building owned by the Landlord (the “Residential Property.”)
3. On March 27, 2025, the Landlord and the Tenant entered into a written fixed-term tenancy agreement for the Rental Unit, commencing on April 1, 2025, and ending on April 30, 2026. The monthly rent was \$750.00 due on the first day of the month, and a \$750.00 security deposit was paid on March 27, 2025.
4. The Tenant moved out of the Rental Unit on August 31, 2025, and the tenancy ended by mutual agreement.
5. On September 12, 2025, the Landlord filed a *Form 2(B) Landlord Application to Determine Dispute* (the “Application”) with the Rental Office seeking to keep part of the security deposit for damages and utilities. The Tenant was served the Application by email on September 12, 2025.
6. On January 20, 2026, the Landlord’s representative (the “Representative”) and the Tenant participated in a teleconference hearing before the Rental Office. The parties confirmed receipt of the evidence package and that all evidence they had submitted to the Rental Office was included.
7. On February 11, 2026, the Rental Office issued Order LD26-062 which ordered that the Landlord must return to the Tenant the security deposit, including interest, of \$766.76, by March 11, 2026.
8. The Landlord appealed Order LD26-02 on February 23, 2026.
9. The Commission heard the appeal on March 17, 2026, by way of telephone conference. Hao Zhang (“the Representative”) attended on behalf of the Landlord, Shi Xia Xing. The Tenant, Noor Fatima, attended on her own behalf.
10. Both parties confirmed they received the information package in advance of the Appeal hearing.
11. The applicable legislation is the *Residential Tenancy Act*, cap. R-13.11 (the “Act”).

C. DISPOSITION

12. The appeal is dismissed as the Landlord has not established his claim. Order LD26-02 is varied to include additional security deposit of \$200.00 paid during the tenancy. The Landlord shall return the Tenant's security deposit of \$950.00 (\$750.00 original security deposit plus an additional \$200.00 paid) plus interest.

D. ISSUES

13. The issues in this appeal are identified as follows:
 - A. Has the Landlord established that the Tenant caused damage to the Rental Unit beyond reasonable wear and tear?
 - B. Has the Landlord established that the Tenant owes additional electricity costs for her use of a heat pump?
 - C. If so, what amounts, if any, are owing?

E. SUMMARY OF EVIDENCE

14. The Rental Unit is described as a private room with a bathroom, shared kitchen and common area in a Residential Property housing 8 additional tenants.
15. The Landlord is seeking to retain \$409.88 of the Tenant's security deposit which the Landlord currently holds -- \$300.00 for the repair of alleged damage to the Rental Unit and \$109.88 for additional electricity costs related to the Tenant's use of a heat pump during June, July and August, 2025 in her Rental Unit.
16. It was acknowledged by the parties that no other tenants in the Residential Property use heat pumps.
17. The Representative stated that the Tenant caused damage to the sink faucet and walls of the Rental Unit. He also submitted that the Tenant had agreed to pay an additional share of the electricity bill due to her use of the aforementioned heat pump.
18. The Representative indicated the Landlord received an oral estimate of \$300.00 from a handyman to repair the damage. He also confirmed that the repairs have not been done nor has payment been made as of the date of the appeal.
19. The Representative stated that the Rental Unit was in good condition upon the Tenant's move-in although he also "did not know" when the Rental Unit was last painted. The Representative submitted that the Tenant did not advise the Landlord of any issues with the Rental Unit even though she had been encouraged to do so. The Representative confirmed that the Landlord normally asks tenants to do an inspection upon move-in and report to him if anything needs repairs.
20. The Representative acknowledged there was no pre- inspection nor post-inspection reports completed of the Rental Unit.

21. The Representative submitted that it was obvious from the photographs included in the evidence package that there was damage to the Rental Unit when the Tenant moved out.
22. The Representative submits that the damage goes well beyond reasonable wear and tear and that the repairs should be covered by the Tenant's security deposit.
23. The Representative indicated the Tenant agreed to pay 20% of the electricity costs for the summer months to cover the additional cost of her heat pump usage. The Representative submitted that any additional electricity costs recovered from the Tenant would be distributed back equally to the other tenants.
24. The Tenant indicated that it is difficult to establish the original condition of the Rental Unit when there was no inspection reports completed and submits that it is the Landlord who should confirm the condition of the Rental Unit.
25. The Tenant refutes that she caused any damage to the Rental Unit beyond normal wear and tear. She stated that the sink faucet was broken due to its age and use. She submitted that she may have caused a minor amount of damage from attaching a small mirror and shelf with removable adhesive to the wall, which she described as a paint chip. She confirmed that the other nail holes as demonstrated in the pictures around the windows were there when she moved in.
26. The Tenant denied she agreed to pay additional electricity costs for use of the heat pump in the Rental Unit.
27. The Tenant reported that 2 months into her lease, her partner moved into the Rental Unit (June, 2025) and the Landlord increased the rent to \$950.00 per month, plus requested an additional \$200.00 for a security deposit for a total of \$950.00, which was paid and continues to be held by the Landlord.
28. Following this hearing, the Representative confirmed that the Landlord received the additional \$200.00 security deposit. The Commission is satisfied, therefore, that the total security deposit held by the Landlord is \$950.

F. ANALYSIS

29. The Landlord has the onus to prove his claims against the Tenant on a balance of probabilities, or in other words, the Landlord must establish that it is more likely than not, based on sufficiently clear and convincing evidence, that the Tenant caused compensable loss and the quantum of that loss.

Claim for Rental Unit Damage

30. The Landlord is seeking \$300.00 to repair damages to the Rental Unit and asserts these damages were caused by the Tenant. Photographs of the alleged damage were included in the evidence package.
31. Clause 39(2)(a) of the Act states:
(2) When a tenant vacates a rental unit, the tenant shall

(a) leave the rental unit reasonably clean and undamaged, except for reasonable wear and tear

32. The Commission notes that all tenancy agreements commencing on or after April 8, 2023 require a pre-tenancy and post-tenancy inspection report to be completed. This is set out in sections 18 and 38 of the *Act*. However, the Representative confirmed that such reports were not completed.
33. Although the parties confirmed that the Tenant was to advise of any pre-existing damages when she moved in, this is not the Tenant's responsibility under the *Act*.
34. The absence of inspection reports significantly limits or undermines the ability to determine the baseline condition of the Rental Unit at move-in and to demonstrate any material change at the end of the tenancy.
35. The Commission finds there is insufficient evidence to establish that the alleged damage was caused by the Tenant or that it exceeds reasonable wear and tear. The photographs of the Rental Unit alone are insufficient without evidence of the unit's prior condition.
36. Furthermore, neither the Landlord nor the Representative provided documentary evidence such as invoices or written estimates to substantiate the repair costs. The Landlord must provide sufficiently reliable evidence of the cost of repairing any proven damage. Mere assertions or estimates, without corroborating documentation, will generally be considered insufficient.
37. The Tenant, for her part, denied causing the alleged damage and provided a plausible explanation regarding the use of removable adhesive for mounting a mirror and shelf. Even if minor wall marks resulted, the Commission finds that such impacts fall within the scope of reasonable wear and tear in the context of ordinary residential use. Finally, there is insufficient evidence of the Landlord's cost to repair any damages.
38. The Commission also reiterates its prior findings that a landlord's failure to comply with statutory inspection requirements raises the evidentiary threshold. The Commission places significant weight on the statutory requirements under sections 18 and 38 of the *Act*, which mandate the completion of both pre-tenancy and post-tenancy inspection reports. These provisions are not merely procedural; they are safeguards intended to create an objective record of the condition of a rental unit at both the beginning and end of a tenancy.
39. In Order LR25-12, the Commission made the following comments regarding landlords who fail to complete an inspection report according to the *Act* (paragraphs 34 & 35):

"The Commission finds that the Landlord failed to comply with sections 18 and 38, the statutory requirement for pre-tenancy and post-tenancy inspections. These requirements are in place to protect both landlords and tenants and to provide the Rental Office and the Commission with the best possible evidence of the condition of a rental unit at the start and at the end of the tenancy. A deterioration in the condition of the unit during the tenancy will then be more clearly apparent.

Where a landlord has failed to comply with both sections 18 and 38, the Commission can only award a damage claim to a landlord if that claim is supported by objective and compelling evidence with respect to who caused the damage and how much it costs to repair. The onus to establish such damage and who caused it rests on the party seeking the damage claim and a failure to comply with sections 18 and 38 “raises the bar” thus making it more difficult, but not impossible, to support the claim.”

40. The onus to establish damages clearly rests on the Landlord and a failure to comply with the requirements regarding pre- and post-inspection reports as stated in the above Order, “raises the bar” with regard to the evidence required.
41. The Commission finds the Landlord has failed to meet the evidentiary burden required to support his claim for damages. The absence of mandatory pre- and post-tenancy inspection reports, combined with insufficient and uncorroborated evidence, prevents the Commission from determining that any damage beyond reasonable wear and tear occurred during the tenancy or was caused by the Tenant.

Claim for Additional Electricity Costs

42. The Landlord is seeking \$109.88 in additional electricity expenses for June, July and August 2025 relating to the Tenant’s use of a heat pump in the Rental Unit. The Representative submitted that this equals 20% of the electricity costs for Residential Property’s electricity costs for these months.
43. The Commission finds that the Representative has provided insufficient evidence to establish that the Tenant’s usage of the heat pump would equal 20% of the overall electricity costs for the entire Residential Property. The Representative has not provided baseline electricity usage prior to the Tenant’s use of the heat pump; actual consumption attributable to the heat pump; sufficient comparative usage among the other tenants; or any metering or calculations supporting the 20% allocation to support his claim. The Commission finds that the claimed percentage is arbitrary and unsupported by evidence. As such, it does not meet the required standard of proof.
44. Furthermore, the written tenancy agreement between the parties does not contain any provisions addressing additional electricity charges, heat pump usage, or differential cost allocation among tenants living in the Residential Property. The Commission notes that, based on the evidence, electricity costs were to generally be shared among tenants. The Commission finds that any reallocation of such costs appears to be a matter between the tenants rather than a loss incurred by the Landlord. Any costs awarded for same would therefore belong to the other tenants and not the Landlord.
45. The purpose of a security deposit is to secure the Landlord against loss arising from the tenancy. It should not be used as a mechanism to resolve cost-sharing disputes among tenants or to retroactively impose electricity charges not clearly established in the tenancy agreement.
46. Finally, the Commission notes that if there was an agreement between the parties regarding increased costs related to heat pump usage, it could have been addressed in an Addendum to the tenancy agreement. This was not done.

47. Therefore, with respect to the claim for additional electricity costs, the Commission finds there is no contractual basis for such charges and no reliable evidentiary foundation supporting either the existence of an agreement or the quantum claimed.

G. CONCLUSION

48. For the reasons set out above, the appeal is dismissed, and the Order of the Rental Office is varied to reflect the return of the full security deposit of \$950.00 paid to and held by the Landlord during the tenancy to the Tenant. Interest in the amount of \$19.41 on \$750 from March 27, 2025 to date of Order and interest in the amount of \$4.25 on \$200 from June 1, 2025 to date of Order.

IT IS ORDERED THAT

1. **The Landlord shall pay to the Tenant the sum of \$950.00 representing the full security deposit together with accrued interest of \$23.66, by April 7, 2026.**

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

BY THE COMMISSION:

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

Pamela J. Williams, K.C.

[sgd. Kerri Carpenter]

Kerri Carpenter

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.