



**Date Issued:** May 25, 2026  
**Dockets:** LR 26011  
**Type:** Rental Appeal

INDEXED AS: Lind Schoenfeldt v. Darcie Lanthier and Peter Lanthier dba PEI Green Home  
2026 PEIRAC 25 (CanLII)  
Order No: LR26-20

**BETWEEN:**

Lind Schoenfeldt (the "Tenant")

**Appellant**

**AND:**

Darcie Lanthier and Peter Lanthier dba PEI Green Home (the "Landlords")

**Respondents**

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## ORDER

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Panel Members:

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

Compared and Certified a True Copy

(Sgd.) Michelle Walsh-Doucette

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Commission Clerk

Island Regulatory and Appeals Commission

## A. INTRODUCTION

1. This appeal was heard by the Commission on April 7, 2026, and asks the Commission to determine whether the Residential Tenancy Office (the "Rental Office") erred in finding that the Landlords will keep the Tenant's security deposit, in the amount of \$904.77.

## B. BACKGROUND

2. This appeal concerns a rental unit located at 15 Mermaid Lane, Suite A, Mermaid, PEI (the "Rental Unit"). The Rental Unit is a bachelor unit in a 4-unit building, owned by the Landlords.
3. On September 9, 2025 the Tenant paid the Landlords a \$904.77 security deposit.
4. On September 10, 2025 the parties signed a written, *Form 1 Standard Form of Rental Agreement*.
5. On September 26, 2025 the parties signed another written, monthly *Form 1 Standard Form of Tenancy Agreement* (the "Tenancy Agreement") beginning October 1, 2025. Rent in the amount of \$904.77 was due on the first day of the month.
6. On September 28, 2025 the Tenant was given early access to the Rental Unit and began moving some items in.
7. On September 29, 2025 the Tenant gave notice to the Landlord that the Tenant no longer found the Rental Unit to be suitable and removed the items.
8. On October 8, 2025 the Landlords filed a *Form 2(B) Landlord Application to Determine Dispute* (the "Application") with the Rental Office seeking to keep the Tenant's security deposit for rent owing. The Application was served to the Tenant by email.
9. On January 22, 2026 the Landlords and the Tenant joined the teleconference hearing before the Rental Office for determination of the Application.
10. On March 5, 2026, The Rental Office issued Order LD26-079 which ordered that the Landlords were able to keep the Tenant's security deposit, in the amount of \$904.77.
11. The Tenant appealed Order LD26-079 on March 24, 2026.
12. The Commission heard the appeal on April 7, 2026, by way of telephone conference. The Tenant, Lind Schoenfeldt, attended. Darcie Lanthier, attended on behalf of the Landlords.
13. The applicable legislation is the *Residential Tenancy Act*, cap. R-13.11 (the "Act").

## **C. DISPOSITION**

14. The Appeal is denied, and the Rental Office Order is upheld. The Landlords shall keep the Tenant's security deposit for unpaid rent for October 2025, in the total amount of \$904.77.

## **D. ISSUES**

15. Have the Landlords established a claim for unpaid rent against the Tenant and if so, are they entitled to apply the Tenant's security deposit to the claim?

## **E. SUMMARY OF EVIDENCE**

16. The timeline as set out in the "Facts" above, is not in dispute.
17. The Tenant argues that the decision should be varied and that they should be reimbursed for some or all of their security deposit based on their efforts to mitigate their losses by locating a replacement tenant.
18. The Tenant submits that the decision of the Rental Office does not fully consider key evidence or properly apply the *Act*.
19. The Tenant submits that upon realizing they could not proceed with the tenancy with the Landlords, they asked the Landlords for permission to find a replacement tenant, and the Landlords agreed to this request.
20. The Tenant further submits that they identified qualified prospective tenants to sublet the Rental Unit. The prospective tenants contacted the Landlords but were advised that the Rental Unit was no longer available.
21. The Tenant returned the keys to the Rental Unit on September 30, 2025.
22. The Tenant argues that they made their best efforts to find a replacement tenant and that the Landlords failed to properly mitigate their losses by refusing reasonable replacement tenants for the month of October 2025.
23. The Tenant relies on section 30 of the *Act*, which provides that a landlord must not arbitrarily or unreasonably withhold consent to a sublet or assignment.
24. The Tenant submits that they were encouraged to mitigate their losses while, at the same time, were effectively prevented from doing so.
25. The Tenant also notes inconsistencies in the Landlords' evidence regarding when a new tenant was secured. The Tenant also submits that there was insufficient and contradictory evidence regarding when the new tenancy agreement was finalized and security deposit paid.
26. The Tenant indicated that the Landlord entered the Rental Unit without their knowledge or consent.

27. The Tenant submits that they acted promptly, reasonably, and in good faith, followed section 30 of the *Act*, and questions the reliability and completeness of the Landlords' evidence. The Tenant argues that the October 2025 vacancy was avoidable, and they should be reimbursed part or all of their security deposit.
28. The Landlords submit that the Tenant signed a monthly Tenancy Agreement, moved into the Rental Unit on September 28, 2025, and then on September 29, 2025 sent a message to indicate the Rental Unit was not going to work out and they did not wish to continue with the tenancy.
29. The Landlords state that, consistent with their usual practice, they contacted the next prospective tenant on their generated list, who agreed to rent the Rental Unit effective November 1, 2025. The Landlords submitted that they had informed the Tenant they would be reaching out to others on their list.
30. The Tenancy Agreement was signed with a new tenant digitally on October 1, 2025, and then in person on October 11, 2025, at which time a security deposit was also paid.
31. The Landlords submit that the Tenant did not pay October 2025's rent and as the new tenant was unable to move in until November 1, 2025, the Landlords sought to keep the Tenant's security deposit for October's rent.
32. The Landlords' evidence was that the Rental Unit remained vacant for October 2025, and the new tenant did not have early access before November 1, 2025. The Landlords indicated they may have entered the Rental Unit on or about September 30, 2025 to ensure it was set up for a new tenant.

## **F. ANALYSIS**

33. An appeal to the Commission, per subsection 89(8) of the *Residential Tenancy Act*, is heard by way of a re-hearing, and the Commission has the discretion to receive and accept new evidence and information, and to make any decision or order that the Director is authorized to make. The statutory requirement for a re-hearing requires that the Commission make its own decision based on the entire record.<sup>1</sup>
34. It is not in dispute that the Tenant and Landlords entered into a valid monthly Tenancy Agreement commencing October 1, 2025, and that the Tenant took possession of the Rental Unit prior to that date on September 28, 2025.
35. It is further undisputed that the Tenant vacated the Rental Unit on September 29, 2025, informed the Landlords that the tenancy was not going to work out, and did not pay rent for October 2025.
36. The Commission is satisfied that when the Tenant advised they would not be proceeding to move into the Rental Unit, this was their written notice. Under s. 55(2) of the *Act*, the Tenant was required to provide the Landlord with appropriate notice, which in this case

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<sup>1</sup> *Perry v. Kings Square Affordable Housing*, 2023 PESC 32, at para 22.

would be one month's notice. The Tenant's notice was inadequate and results in the Tenant owing the Landlord one month's rent.

### **Sublet/Assignment**

37. The Commission considered the Tenant's argument regarding section 30 of the *Act* which provides that a landlord must not arbitrarily or unreasonably withhold consent to a sublet or assignment. However, the Commission finds the evidence does not establish that a specific sublet or assignment agreement was presented to the Landlords for approval and refused. Rather, the Tenant's evidence is that qualified prospective tenants were directed to contact the Landlords. However, the Tenant also confirmed that they did not verify the income or rental tenancy history of these prospective tenants.
38. Based on the evidence, the Commission is not satisfied that the Landlords acted unreasonably in their dealings with the Tenant's prospective tenants. The Landlords' evidence is that they proceeded in accordance with their usual practice by offering the unit to the next qualified applicant on their own list, who ultimately entered into a tenancy agreement commencing November 1, 2025.
39. The Commission finds that this falls short of establishing that the Landlords withheld consent to a proposed sublet or assignment within the meaning of the *Act*.
40. While the Tenant made efforts to identify potential occupants, those efforts did not result in a completed sublet or assignment. The Commission notes that communication could have been better between the Landlords and the Tenant on the process of securing a new tenant. However, none of the above relieves the Tenant of their obligation to pay rent under the Tenancy Agreement.
41. Finally, the Commission finds that the Tenant cannot satisfy their obligation to pay rent merely by proposing potential occupants unless and until a legally effective transfer of the tenancy interest is completed. Absent such a transfer, the original contractual relationship—and the Tenant's liability—remains intact.

### **Mitigation**

42. The *Act* requires Landlords to take reasonable steps to mitigate their losses arising from the Tenant's early termination of the tenancy (section 46).
43. The Commission accepts the Landlords' evidence that they contacted the next prospective tenant on their generated list and secured a new tenancy with a new tenant commencing November 1, 2025.
44. The Commission has considered the Tenant's concerns regarding the timing and consistency of the Landlords' evidence. However, those concerns do not establish that the Landlords failed to take reasonable steps to mitigate their losses.
45. The Commission finds that the Landlords secured a new tenant at the earliest reasonable opportunity given the circumstances. The Commission further finds that there is insufficient evidence to conclude that the Rental Unit could reasonably have been re-rented for October 2025 or that the Landlords failed to take reasonable steps to do so.

46. The Commission places weight on the practical constraints inherent in re-renting residential properties. The Tenant's notice was given effectively on the eve of the tenancy's commencement. Even with diligent efforts, the process of advertising (if necessary), screening, arranging viewings, and executing a new tenancy agreement typically requires a reasonable lead time.
47. The expectation that the Landlords could have secured a new tenant for October 1, 2025, or even within the month of October, does not adequately account for these operational realities. Mitigation does not require landlords to achieve immediate replacement, only to act reasonably in the circumstances.
48. While the Tenant made efforts to identify potential replacement tenants, those efforts did not result in a completed sublet or assignment. In the absence of such an arrangement, the Tenant remained responsible for rent for October 2025 under the Tenancy Agreement.
49. The Commission also notes that the Tenant's position implicitly assumes a degree of control over the selection of replacement occupants that is not supported by *Act*. Even where section 30 of the *Act* is engaged, it does not displace a landlord's legitimate interest in independently assessing prospective tenants against consistent screening criteria.
50. The evidence indicates that the Landlords relied on their established waitlist and screening process. In the absence of evidence that this process was applied selectively or in bad faith, the Commission is not prepared to second-guess the Landlords' business judgment or impose a duty to prioritize candidates identified by the Tenant.
51. Therefore, the Commission finds that the Landlords took reasonable steps to mitigate their losses by securing a new tenant for November 1, 2025 and that the loss of rental income for October 2025 is attributable to the Tenant's decision to terminate the tenancy early.
52. The Tenant's argument invites the Commission to attribute the loss to the Landlord's handling of prospective tenants, rather than to the Tenant's precipitating breach. The Commission finds that the vacancy for October 2025 was not the result of any action on the part of the Landlords but flowed from the Tenant's abrupt withdrawal from the tenancy.
53. Ultimately, the Commission is satisfied that this case turns not on the Landlords failure of mitigation or an unreasonable refusal to consent to a sublet or assignment, but on the consequences of the Tenant's own decision to end the tenancy.
54. The Commission finds that the Landlords have established an entitlement to recover rent for October 2025. As the amount of the security deposit corresponds to the unpaid rent, the Landlords are entitled to retain the security deposit in full to satisfy the unpaid rent for October 2025.

## **G. CONCLUSION**

55. The Appeal is dismissed and Order LD26-079 of the Rental Office is upheld.

56. The Landlords are entitled to retain the Tenant's security deposit in the amount of \$904.77 in satisfaction of unpaid rent for October 2025.

57. The Landlords shall return \$11.43 to the Tenant for accrued interest.

## **IT IS ORDERED THAT**

1. **The appeal is denied.**
2. **The Landlord shall retain the security deposit in the amount of \$904.77.**
3. **The Landlords will pay the Tenant \$11.43 which represents interest accrued.**

**DATED** at Charlottetown, Prince Edward Island, 25<sup>th</sup> day of May, 2026.

## **BY THE COMMISSION:**

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

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Pamela J. Williams, K.C.

*[sgd. Murray MacPherson]*

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Murray MacPherson

## **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, 1 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.