



PRINCE EDWARD ISLAND

Regulatory & Appeals Commission

Commission de réglementation et d'appels

ÎLE-DU-PRINCE-ÉDOUARD

Date Issued: July 20, 2026

Dockets: LR 26030

Type: Rental Appeal

INDEXED AS: Juanita Leudy v. Harshit Walia aka Harshit Singh Ahluwalia

2026 PEIRAC 47 (CanLII)

Order No: LR26-35

BETWEEN:

Juanita Leudy (the “Tenant”)

Appellant

AND:

Harshit Walia aka Harshit Singh Ahluwalia (the “Subtenant”)

Respondent

ORDER

Panel Members:

Pamela J. Williams, K.C., Chair
Gordon MacFarlane, 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 June 11, 2026, and asks the Commission to determine whether the Residential Tenancy Office (the “Rental Office”) erred in finding that the Tenant return the security deposit to the Subtenant in the amount of \$500 by June 19, 2026.

B. BACKGROUND

2. This appeal concerns a rental unit located at 47 Bayfield Street, Charlottetown, PEI (the “Rental Unit”).
3. The Rental Unit is a single room located in a three-bedroom, one-bathroom, single-family dwelling, which the Tenant has rented from the property owner since May 1, 2021.
4. On November 1, 2024, the parties entered into an oral monthly subletting agreement for the Rental Unit. Rent in the amount of \$500.00 was payable on the first day of the month. A \$500.00 security deposit was paid on November 27, 2024.
5. On August 21, 2025, the parties signed a written, monthly subletting agreement. Rent remained the same and there is no mention of the security deposit.
6. On November 30, 2025, the Subtenant vacated the Rental Unit.
7. On December 17, 2025, the Subtenant filed a *Form 2(A) Tenant Application to Determine Dispute* (the “Subtenant Application”) with the Rental Office seeking return of the security deposit and compensation. The Subtenant hand-delivered the Subtenant Application to the Tenant.
8. On December 22, 2025, the Subtenant withdrew the request for compensation.
9. On January 7, 2026, the Tenant filed a *Form 2(B) Landlord Application to Determine Dispute* (the “Tenant Application”) with the Rental Office seeking to keep the Subtenant’s security deposit and additional compensation. The Tenant text messaged and e-mailed the Tenant Application to the Subtenant.
10. On March 12, 2026, the Rental Office e-mailed the parties notice of a tele-hearing scheduled for March 31, 2026.
11. On March 31, 2026, the Subtenant joined the tele-hearing before the Rental Office. The Tenant did not join the tele-hearing and did not answer the Rental Office’s telephone calls or e-mails. The Rental Office adjourned the tele-hearing due to the Tenant’s absence.
12. On April 13, 2026, the Rental Office e-mailed the parties a new notice of tele-hearing scheduled for April 28, 2026.
13. On April 28, 2026, the Tenant, the Tenant’s witness, and the Subtenant participated in the tele-hearing.

14. On May 19, 2026, the Rental Office issued Order LD26-161, which ordered that the Tenant return the security deposit to the Subtenant in the amount of \$500 by June 19, 2026.
15. The Tenant appealed Order LD26-161 on May 28, 2026.
16. The Commission heard the appeal on June 11, 2026, by way of tele-hearing. The Tenant, Juanita Leudy, attended the tele-hearing on her own behalf. The Subtenant, Harshit Walia, did not attend the telephone hearing.
17. The applicable legislation is the *Residential Tenancy Act*, cap. R-13.11 (the “Act”).

C. DISPOSITION

18. The Appeal is denied and the Rental Office’s Order LD26-161 is upheld. The Tenant shall return the Subtenant’s security deposit in the amount of \$500.00, plus applicable interest by July 31, 2026.

D. ISSUES

19. The issue for the Commission to consider in this appeal is whether the Tenant has established her claim against the Subtenant in order to retain the security deposit.

E. SUMMARY OF EVIDENCE

Tenant’s Evidence & Submissions

20. The Tenant submits that the Subtenant damaged the stovetop by using a pressure cooker on the stovetop during his subtenancy.
21. The Tenant testified that she repeatedly asked the Subtenant not to use the pressure cooker and that in continuing to do so, he destroyed her stove.
22. The Tenant testified that she hired a professional to clean the stovetop for which she received and paid an invoice for \$598.00.
23. The Tenant submits that in an oral discussion with the Subtenant, it was agreed that she could keep the security deposit in lieu of the damage done to the stovetop.

Subtenant’s Evidence & Submissions

24. The Subtenant did not attend the hearing nor provide evidence. His evidence at the Rental Office hearing was that he did not damage the stovetop nor did he agree that the Tenant could retain the security deposit.

F. ANALYSIS

25. The Tenant seeks to retain the Subtenant's \$500.00 security deposit as compensation for the alleged damage to the stovetop, including the cost of professional cleaning. The Tenant alleges that the Subtenant damaged the stovetop through his continued use of a pressure cooker during the subtenancy.
26. The burden of proof lies with the Tenant, as the party advancing the claim. The applicable standard is proof on a balance of probabilities. To be successful, the Tenant must establish that the Subtenant caused damage to the Rental Unit beyond ordinary wear and tear; the damage occurred during the Subtenant's occupancy; the damage was attributable to the Subtenant rather than another cause; and the compensation claimed reasonably flows from that damage.
27. The Commission accepts that the Tenant genuinely believes the Subtenant was responsible for the condition of the stovetop. However, a sincere belief is not, on its own, sufficient to satisfy the evidentiary burden required to retain a security deposit.
28. The primary difficulty with the Tenant's claim is the absence of persuasive evidence establishing that the Subtenant was responsible for the alleged damage. Although the Tenant testified that the Subtenant regularly used a pressure cooker and that she had repeatedly asked him not to do so, there were no photographs, inspection reports, or other objective evidence demonstrating that the use of a pressure cooker actually caused the damage to the stovetop.
29. Further, the evidence establishes that the kitchen was a shared common area used by three occupants throughout the relevant period. The stovetop was therefore not under the exclusive control of the Subtenant. In circumstances where multiple individuals had access to and regularly used the stovetop, the Commission is unable to conclude, on a balance of probabilities, that any damage was caused solely by the Subtenant.
30. The Tenant produced an invoice showing that she paid \$598.00 for professional cleaning of the stovetop. She also clarified the proper date of the invoice to be in 2026. The Commission accepts that this expense was incurred. However, the existence of an expense does not, by itself, establish that the Subtenant caused the condition requiring that cleaning. A claimant must establish both the existence of the loss and the necessary causal connection between the alleged conduct and that loss.
31. The Tenant also submits that the parties orally agreed that she could retain the Subtenant's security deposit in satisfaction of the damage. The Subtenant denied making any such agreement during the Rental Office hearing, and no written confirmation or other independent evidence was produced to support the Tenant's assertion. In the face of conflicting evidence, the Commission is unable to find, on a balance of probabilities, that such an agreement was reached.
32. The Commission points out that the absence of pre- and post-inspections, photographs documenting the condition of the stovetop at the beginning and end of the subtenancy, and reliable evidence identifying when the alleged damage occurred was not helpful to the Tenant's case. While such evidence is not mandatory, its absence significantly limits

the Commission's ability to determine whether the alleged damage occurred during the Subtenant's occupancy and whether it was attributable to him.

33. The Commission therefore agrees with the Rental Office that the evidence does not establish, on a balance of probabilities, that the Subtenant caused the alleged damage to the stove top. The stove top formed part of a shared kitchen used by multiple occupants throughout the tenancy. In those circumstances, and in the absence of persuasive evidence linking the alleged damage to the Subtenant, the Commission cannot conclude that the Tenant has met her burden of proof. As the Tenant has not established a lawful basis for retaining the security deposit, it must be returned to the Subtenant in accordance with the *Act*, together with applicable interest to the date of this Order.
34. The RTO Order LD26-161 made a finding that section 40 of the *Act* does not apply when a tenant continues to occupy the rental unit with a subtenant to the effect that subsection 40(4) (double return of the security deposit) does not apply in this case. The Commission notes that this finding was not appealed by the Subtenant and, therefore, the Commission makes no comment or findings in respect of this conclusion on appeal.

G. CONCLUSION

35. The appeal is dismissed and Order LD26-161 is confirmed.
36. The Tenant shall pay the Subtenant \$500.00, plus applicable interest in the amount of \$21.15 by July 31, 2026.

IT IS ORDERED THAT

1. The Tenant shall pay the Subtenant \$521.15 by July 31, 2026.

DATED at Charlottetown, Prince Edward Island, 20th day of July, 2026.

BY THE COMMISSION:

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

Pamela J. Williams, K.C.

[sgd. Gordon MacFarlane]

Gordon MacFarlane

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.