



PRINCE EDWARD ISLAND

Regulatory & Appeals Commission

Commission de réglementation et d'appels

ÎLE-DU-PRINCE-ÉDOUARD

Date Issued: October 15, 2026

Dockets: LR26053

Type: Rental Appeal

INDEXED AS: Xue Wang v. Jiayi Xu and Zhaoxuan Xu

2026 PEIRAC 70 (CanLII)

Order No: LR26-56

BETWEEN:

Xue Wang (the “Landlord”)

Appellant

AND:

Jiayi Xu and Zhaoxuan Xu (the “Tenants”)

Respondents

ORDER

Panel Members:

Gordon MacFarlane, Commissioner
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 September 25, 2026, and asks the Commission to determine whether the Residential Tenancy Office (the “Rental Office”) erred in finding that the Landlord will keep \$373.12 of the security deposit funds and that the Landlord must pay the Tenants the remaining security deposit balance and interest in the amount of \$2,161.33 by September 14, 2026.

B. BACKGROUND

2. This appeal concerns a rental unit located at 30 Endris Lane, Charlottetown, PEI (the “Rental Unit”).
3. The Rental Unit is a three-bedroom, two-and-a-half-bathroom townhouse that the Landlord has owned for about four years. The Rental Unit was new when the Landlord purchased it. The Rental Unit is located in a four-unit townhouse building.
4. On March 31, 2025 the Landlord and the Tenants entered into a written, fixed-term tenancy agreement from April 1, 2025 to March 31, 2026 (the “Tenancy Agreement”). A security deposit of \$2,424.00 was paid on April 1, 2025. A pet deposit of \$1,200.00 was paid on April 3, 2025. Rent in the amount of \$2,424.00 was due on the first day of the month.
5. On January 12, 2026 the Landlord returned the \$1,200.00 pet deposit to the Tenants.
6. On February 19, 2026 the Tenants complained to the Department of Environmental Health (“Environmental Health”) regarding the Rental Unit’s condition.
7. On March 16, 2026 the Environmental Health issued a letter to the Landlord with requirements to address specific issues.
8. On March 31, 2026 the Tenants vacated the Rental Unit. The parties agree that the tenancy ended on this date.
9. On April 10, 2026 the Landlord filed a *Form 2(B) Landlord Application to Determine Dispute* with the Rental Office seeking to keep the Tenants’ security deposit and additional compensation, with the claims totaling \$7,825.30. On April 14, 2026 the Landlord served this application to the Tenants.
10. On April 14, 2026 the Tenants filed a *Form 2(A) Tenant Application to Determine Dispute* (the “Tenant Application”) with the Rental Office seeking the return of the security deposit and additional compensation. On April 17, 2026 the Tenants served this application to the Landlord.

11. On July 8, 2026 the Landlord filed a *Form 2(B) Landlord Application to Determine Dispute* (the “Landlord Application”) with the Rental Office seeking to keep the Tenants’ security deposit and additional compensation, with the claims totaling \$17,779.06. The Landlord Application replaced the Landlord’s earlier application because it also included the original claims. On July 11, 2026 the Landlord served the Landlord Application to the Tenants.
12. On July 10, 2026 the Rental Office emailed the parties a revised notice of a tele-hearing scheduled for July 30, 2026, with an extended evidence submission timeline.
13. On July 22, 2026 the Rental Office issued an evidence package containing a 199-page PDF and one video from the Tenants (“EP”).
14. On July 30, 2026 the Landlord, the Landlord’s two witnesses and the Tenants’ lawyer (“Counsel”) participated in the hearing before the Rental Office. The parties confirmed that they received the evidence package and they were not aware of any missing documents.
15. On August 14, 2026, the Rental Office issued Order LD26-288, which ordered that the Landlord would keep \$373.12 of the security deposit funds the Landlord must pay the Tenants the security deposit balance and interest in the amount of \$2,161.33 by September 14, 2026.
16. The Landlord appealed Order LD26-288 on August 31, 2026.
17. The Commission heard the appeal on September 25, 2026, by way of telephone conference. The Landlord was represented by Huan Shen at the telephone conference hearing. The Tenants were represented by Zachary Pierce at the telephone conference hearing.
18. The applicable legislation is the *Residential Tenancy Act*, cap. R-13.11 (the “Act”).

C. DISPOSITION

19. The appeal is allowed in part. The Rental Office’s order is varied by increasing the amount awarded to the Landlord by \$149.50 for drywall and painting repairs and removing the \$200.00 award for countertop damage.
20. In all other respects, the appeal is dismissed, and the Rental Office’s order is upheld.
21. The Tenants are not entitled to reimbursement of their legal costs associated with the appeal.

D. ISSUES

22. Is the Landlord entitled to financial claims for drywall damage, specialized cleaning due to pet contamination/odour, entry door damage, countertop damage and any other claimed damages?

23. Are the Tenants entitled to a reimbursement of their legal costs associated with the appeal process?

E. SUMMARY OF EVIDENCE

Landlord's Evidence & Submissions

24. The Landlord relies upon his evidence contained in the Exhibit Package and submits that the invoice and photographic evidence establish that the wall damage resulting from the TV mount installed by the Tenants is distinguishable from ordinary wear and tear as contemplated by the *Act*.
25. The Landlord claims compensation for specialized cleaning from the cleaning company, Service Master, asserting that extensive pet hair and pet odours remained in the Rental Unit upon move-out.
26. The Landlord seeks replacement costs for the main entry door handle and door assembly, stating that the entrance was fully operational at move-in and damaged prior to the Tenants' move-out.
27. The Landlord seeks to retain the full Security Deposit plus an award of damages for cleaning and repairs as outlined in its submissions to the Rental Office and at the Appeal.

Tenants' Evidence & Submissions

28. The Tenants request that the Landlord's appeal be dismissed, the remaining security deposit be returned, and their legal costs be awarded at the Commission's discretion.
29. The Tenants submit that because the Landlord failed to complete a mandatory move-in inspection report, there is no certified baseline record of the Rental Unit's pre-existing condition.
30. The Tenants submit the Rental Unit was not professionally cleaned before they moved in.
31. The Tenants argued that they disclosed their pets at the onset of the tenancy, paid the required pet deposit, and that normal pet hair and odours constitute regular wear and tear for a pet-friendly tenancy.
32. The Tenants testified that they primarily used the garage door for entry and exit, did not damage the main entry door, and that the minor countertop markings were pre-existing or minor wear and tear.
33. The Tenants submit they were never told they could not mount a tv on the wall and any damage was normal wear and tear.
34. The Tenants submit that they were successful at the Rental Office hearing and because they were then forced to incur further legal costs due to the Landlord's appeal, they are entitled to same, for which the Commission has discretion to order under the *Act*.

F. ANALYSIS

35. In any dispute regarding property damage, the Landlord bears the burden of proving claims against the Tenants on the civil standard of a balance of probabilities.
36. As discussed below, the Commission dismisses most of the Landlord's claims for damages because the evidence is insufficient to establish the condition of the Rental Unit at the start of the tenancy or that the Tenants caused the damages.
37. Section 18 of the *Act* requires a landlord to complete a move-in inspection report. The Landlord did not complete the required report. Consequently, the Commission has limited objective evidence of the Rental Unit's condition at the commencement of the tenancy. Having considered the remaining evidence, the Commission finds that the Landlord has not established, on a balance of probabilities, that the Tenants are responsible for the claimed damage to the main entry door, the countertop or the other alleged damage for which the evidence does not establish a reliable baseline condition.
38. The Landlord claims \$1,723.94 for specialized cleaning to address alleged pet contamination and odours. The Commission has considered the Rental Office's findings and the evidence on appeal, including the Tenants' video. The evidence does not establish that the Rental Unit was left in a condition that required the claimed specialized cleaning. The cleaning company's documentation does not provide a sufficiently detailed breakdown of the work required, and the Landlord's photographs show only small areas of apparent uncleanliness. Accordingly, the Landlord has not established this claim on a balance of probabilities, and it is dismissed.
39. Regarding the drywall damage from the TV mount, the Commission finds that installing a mounting bracket that alters the wall surface exceeds reasonable wear and tear. The Landlord provided a repair invoice for this work in the amount of \$149.50 at page 30 of evidence package. The Commission is satisfied that the Landlord has established this claim and allows this portion of the Landlord's claim.
40. Regarding the countertop damage, the Rental Office awarded the Landlord \$200.00. On appeal, the Commission has reconsidered the evidence, including the photographs and the absence of a move-in inspection report as mentioned above documenting the countertop's condition at the commencement of the tenancy. The evidence establishes only minor markings and does not sufficiently establish that the Tenants caused damage beyond ordinary wear and tear. The Landlord has therefore not established entitlement to the \$200.00 award. This portion of the Rental Office's order is overturned.
41. The Tenants seek reimbursement of their legal costs incurred in responding to the appeal.
42. Section 89 of the *Act* gives the Commission discretion to award costs. Having considered the outcome of the appeal and the circumstances of the proceeding, the Commission declines to award costs to the Tenants.
43. The Commission emphasizes that the refusal to award costs in this case does not preclude an award of costs in another case where the circumstances are appropriate.

G. CONCLUSION

44. The appeal is allowed in part. The Rental Office's order is varied by allowing the Landlord an additional \$149.50 for drywall and painting repairs due to the TV mount and overturns the \$200.00 award for countertop damage.
45. In all other respects, the findings of the Rental Office in Order LD26-288 are upheld.
46. The Tenants are not entitled to reimbursement of their legal costs associated with the appeal.
47. The Security Deposit accounting is therefore recalculated as follows:

Security Deposit	\$2,424.00
Interest from April 1, 2025 to date of Order	\$98.26
Landlord Deductions	
- Water and Sewer Utilities	(\$173.12)
- Drywall and Painting Repairs	(\$149.50)
Amount payable to Tenants	\$2,199.64

IT IS ORDERED THAT

1. The appeal is allowed in part, and the Rental Office's order is varied as set out in this decision.
2. The Landlord shall pay the Tenants **\$2,199.64**, representing the remaining security deposit and applicable interest after deductions, by October 29, 2026.

DATED at Charlottetown, Prince Edward Island, 15th day of October, 2026.

BY THE COMMISSION:

[sgd. Gordon MacFarlane]
Gordon MacFarlane

[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.