PRINCE EDWARD ISLAND
Regulatory & Appeals Commission
Commission de réglementation et d'appels
ÎLE-DU-PRINCE-ÉDOUARD

Date Issued: **November 16, 2026**
Dockets: **LR26062**
Type: **Rental Appeal**

INDEXED AS: 505 University Avenue Limited Partnership v. Xuanqi Cheng
2026 PEIRAC 76 (CanLII)
Order No: LR26-62

BETWEEN:

505 University Avenue Limited Partnership (the "Landlord")

Appellant

AND:

Xuanqi Cheng (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 October 26, 2026, and asks the Commission to determine whether the Residential Tenancy Office (the "Rental Office") erred in finding that the Landlord must pay the Tenant the amount of $1,867.90 by October 28, 2026.

B. BACKGROUND

2. This appeal concerns a rental unit located at Room C – Unit 7E Browns Court, Charlottetown, PEI (the "Rental Unit").

3. The Rental Unit is a bedroom with shared services and facilities located in a three-bedroom, one-and-a-half-bathroom townhouse.

4. The Landlord and the Tenant entered into a written, fixed-term tenancy agreement from January 1, 2026 to April 30, 2026. The Tenant paid the Landlord a $900.00 security deposit on January 7, 2026, the date the Tenant moved into the Rental Unit. Rent in the amount of $850.00 was due on the first day of the month.

5. On April 29, 2026 the Tenant vacated the Rental Unit and the tenancy ended on April 30, 2026.

6. On June 3, 2026 the Tenant filed with the Rental Office and served the Landlord with a *Form 2(A) Tenant Application to Determine Dispute* seeking double the security deposit compensation, security deposit interest and compensation of $150.00 regarding washer and dryer services (the "Application").

7. On August 5, 2026 the Rental Office emailed the parties notice of a tele-hearing scheduled for September 22, 2026 and a copy of the Application.

8. On September 14, 2026 the Rental Office sent the parties a 100-page PDF evidence package.

9. On September 22, 2026 the Tenant joined the hearing before the Rental Office. The Rental Office telephoned the Landlord but the call was not answered. The Rental Office emailed the Landlord an additional copy of the tele-hearing instructions and the hearing before the Rental Office proceeded in the Landlord's absence ten minutes after the scheduled time. The Tenant confirmed that everything that the Tenant had previously given to the Rental Office regarding the Application was included in the evidence package.

10. On September 28, 2026, the Rental Office issued Order LD26-345 which ordered that the Landlord must pay the Tenant the amount of $1,867.90 by October 28, 2026.

11. The Landlord appealed Order LD26-345 on October 1, 2026.

12. The Commission heard the appeal on October 26, 2026, by way of telephone conference. Lyndsay Garden attended the telephone conference hearing on behalf of the Landlord. The Tenant did not attend the telephone conference hearing.

13. The applicable legislation is the *Residential Tenancy Act*, cap. R-13.11 (the "*Act*").

C. DISPOSITION

14. The Landlord's appeal is allowed in part. Order LD26-345 is reversed with respect to the award of double the security deposit and security deposit interest. The award of $50.00 in compensation for the temporary loss of washer and dryer services is confirmed.

D. ISSUES

15. The issue before the Commission is whether the Landlord complied with section 40(1) of the *Act* in returning the Tenant's security deposit and accrued interest.

E. SUMMARY OF EVIDENCE

Landlord's Evidence & Submissions

16. The Landlord submits that it returned the Tenant's $900.00 security deposit, together with $8.07 in accrued interest, through property management software, Buildium, on May 12, 2026.

17. The Landlord relies on Buildium records showing that the electronic refund of $908.07 was successfully processed. The Landlord also relies on the Tenant's bank statement, which shows that $908.07 was deposited by University Apartments on May 14, 2026.

18. The Landlord submits that the refund was sent using banking information provided and authorized by the Tenant and was the same account from where the security deposit originated.

19. The Landlord acknowledges that it did not participate in the hearing before the Rental Office because of a scheduling error.

20. The Landlord did not pursue appealing the $50.00 compensation awarded for the temporary loss of washer and dryer services.

Tenant's Evidence & Submissions

21. The Tenant did not attend the telephone conference hearing. The Tenant provided written submissions and requested that the Commission consider the written submissions and the evidence previously submitted to the Rental Office.

22. At the Rental Office hearing, the Tenant denied receiving the security deposit and interest.

23. In the Tenant's written submissions on appeal, however, the Tenant subsequently discovered that the funds had been transferred on May 12, 2026, and had since been located in an inactive account initially used for the security deposit payment. The Tenant maintained that the dispute arose because the Landlord had not previously identified the

account to which the refund had been sent and had not participated in the Rental Office hearing.

24. Tenant asks that the $50.00 compensation award be confirmed because the washer and dryer were unavailable for a period of approximately 22 days during the tenancy.

F. ANALYSIS

25. An appeal to the Commission under subsection 89(8) of the *Act* is by way of a rehearing. The Commission makes its own findings based on the evidence before it and may confirm, reverse or vary the Rental Office's order.

26. Subsection 40(1) of the *Act* requires a landlord, within 15 days after the tenancy ends, either to return the security deposit and accrued interest or to apply to the Rental Office to retain all or part of the security deposit. If a landlord does not comply, subsection 40(4) requires the landlord to pay the tenant double the amount of the security deposit.

27. The tenancy ended on April 30, 2026. The evidence before the Commission establishes that the Landlord processed a refund of $908.07 on May 12, 2026, consisting of the $900.00 security deposit and $8.07 in accrued interest. The Tenant's bank statement shows that $908.07 was received from University Apartments on May 14, 2026. The Tenant acknowledges that the funds were received. The Commission notes that there was some confusion around the account identified by the Landlord to the Tenant for the payment as the Tenant had a pre-authorized rent payment set up from another account.

28. However, the security deposit and accrued interest were returned within 15 days after the tenancy ended, as required by subsection 40(1) of the *Act*. The fact that the Tenant did not initially identify the payment does not alter the evidence that the funds were received within the statutory period.

29. Based on the complete record, the Commission finds that the Landlord complied with subsection 40(1) of the *Act* and the double-deposit remedy under subsection 40(4) does not apply.

30. The Landlord is not appealing the $50.00 compensation awarded for the temporary loss of washer and dryer services. That portion of Order LD26-345 is confirmed.

G. CONCLUSION

31. The Landlord's appeal is allowed in part.

32. The Commission finds that the Landlord returned the Tenant's security deposit and accrued interest within the period required by subsection 40(1) of the *Act*. The portion of Order LD26-345 requiring the Landlord to pay the Tenant $1,817.90 for double the security deposit and security deposit interest is reversed.

33. The portion of Order LD26-345 requiring the Landlord to pay the Tenant $50.00 in compensation for the temporary loss of washer and dryer services is confirmed.

IT IS ORDERED THAT

1. **The appeal is allowed in part.**

2. **Order LD26-345 is varied by removing the award of $1,817.90 for double the security deposit and security deposit interest.**

3. **The Landlord shall pay the Tenant $50.00 in compensation for the temporary loss of washer and dryer services by November 30, 2026**

DATED at Charlottetown, Prince Edward Island, 16th day of November, 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.