Dispute Resolution Services

Residential Tenancy Branch
Ministry of Housing

DECISION

Dispute Codes MNDCT, MNSD, FFT / MNDCL-S, FFL

Introduction

The hearing was convened following applications for dispute resolution (Applications) from both parties under the *Residential Tenancy Act* (the Act), which were crossed to be heard simultaneously.

The Tenants seek the following:

- Compensation for monetary loss under section 67 of the Act;
- The return of their security deposit and pet damage deposit under sections 38 and 67 of the Act; and
- to recover the cost of the filing fee from the Landlords under section 72 of the Act.

The Landlords request the following:

- Compensation for monetary loss under section 67 of the Act;
- To retain the security deposit and pet damage deposit under sections 38 and 67 of the Act; and
- to recover the cost of the filing fee from the Tenants under section 72 of the Act.

As both parties were present, service was confirmed at the hearing. The parties each confirmed receipt of the Notice of Dispute Resolution Package (the Materials) and evidence. Based on their testimonies I find that each party was served with these Materials as required under sections 88 and 89 of the Act.

Preliminary issue: Amendment

The Tenants' Application listed only CB as an Applicant Tenant. The Landlords listed both Tenants CB and JC as Respondent Tenants. JC confirmed that they were a Tenant and had intended on being party to the Application but as they were out of town at the time of submission, only CB was listed as an Applicant Tenant.

As JC agreed to be added to the Tenants' Application and the tenancy agreement lists them as a Tenant, I amend the Application accordingly per rule 4.2 of the *Rules of Procedure*.

Issues to be Decided

1. Are the Tenants entitled to the requested compensation?
2. Are the Tenants entitled to the return of all, or part of the security deposit and pet damage deposit?
3. Are the Landlords entitled to the requested compensation?
4. Are the Landlords entitled to retain all, or part of the security deposit and pet damage deposit?
5. Are either party entitled to recover the costs of the filing fee for their respective Applications?

Background and Evidence

The parties were given an opportunity to present evidence and make submissions. I have reviewed all written and oral evidence provided to me by the parties, however, only the evidence relevant to the issues in dispute will be referenced in this Decision.

The parties agreed on the following regarding the tenancy:

- The tenancy began on August 31, 2021.
- Rent was $3,800.00 per month due on the first day of the month.
- A security deposit of $1,900.00 and pet damage deposit of $1,900.00 was paid by the Tenants which the Landlords still hold.
- There is a written tenancy agreement which was entered into evidence.
- The tenancy ended under a Two Month Notice to End Tenancy for Landlord's Use on April 1, 2023 and the Tenants no longer occupy the rental unit (the Property).

Tenants' Claim for Compensation

The Tenants request $3,800.00 in compensation. In their Application they state "Been given the run around by landlord and she is being hard to deal wtih/charging (sic) me for things out of my control and calling me dishonest."

The Tenants did not provide a breakdown as to how this figure was arrived at. They stated they had been advised they could claim for stress caused by the Landlords.

The Tenants testified that when they moved out of the Property, they sent a text message to the Landlords and asked if there were any issues. The Landlords stated they would contact the Tenants in a couple of days. The Landlords did have issues with how the Tenants left the rental unit, but refused the Tenants the option to rectify them.

The Landlords stated they did not know what the Tenants were requesting and thought the request might have been made in error.

Tenants' Request for the Return of the Security Deposit and Pet Damage Deposit

The Tenants testified that they did not agree for the Landlords to retain the security deposit or pet damage deposit and request double the amount in return.

There was no walkthrough with the Landlords, but the Landlord's Agent did an informal walkthrough with them and said the Property looked and smelled clean. No condition inspection reports were prepared by the Landlords at either the start or end of the tenancy.

The Landlords did not dispute that no condition reports were prepared. The security deposit and pet damage deposit were retained so they could be held against damages done by the Tenants to the Property.

I find the Tenants submitted a copy of the Notice of Dispute Resolution Proceeding containing the forwarding address of only Tenant CB as evidence the Tenants' forwarding address was given in writing to the Landlords. The Landlords confirmed receipt of this document on April 28, 2023 having been served in-person. I find the Landlords submitted their Application to the Residential Tenancy Branch on May 12,

2023 and also submitted an application for substituted service, requesting to serve their Application Materials to Tenant JC via email.

Landlords' Claim for Compensation

The Landlords seek compensation totalling $10,102.82. The Landlords' claim is summarized as follows:

Item	Description	Amount Claimed
1	Broken upstairs door	$865.82
2	Space heaters taken	$315.70
3	Trampoline	$343.99
4	Leaky toilet	$2,325.13
5	Hedge removal	$6,063.75
6	Abandoned/Damaged Items	$188.43
7	Removal of interior and exterior walls	$867.50
	Total	**$10,970.32**

Broken Upstairs Door

The Landlords testified they noticed one of the upstairs doors was broken when they returned to the Property in April 2023. The door is a custom door. No local professionals were willing to carry out the work, so they decided to purchase a pre-hung door and install it themselves. I was referred to photographs of the door taken after the tenancy had ended which appear to show small holes and some scratches on the door.

Receipts for casing for the door, the door itself and base for the door were submitted into evidence. The receipts total $545.82. The Landlords also claim 8 hours of their own time at a rate of $40.00 per hour for a total of $320.00. The Landlords have "no idea"

how old the door was, but confirmed it was there when they purchased the Property in 2020.

The Tenants argued that the amount claimed by the Landlords is excessive. The Tenants testified they had researched the costs of doors and did not find any as expensive as the one fitted by the Landlords.

The Tenants acknowledged the small hole at the bottom of the door was caused by them, but none of the other damage was due to them and the other damage was present at the start of the tenancy. They stated door itself was old, not in good shape and from at least the 1980s. A friend of the Tenants had lived in the Property as a child and had said the door was there when they lived there. They offered to fix the hole they made, but the Landlords declined this offer.

Space Heaters Taken

The Landlords testified there were two oil space heaters in the Property but when they returned, they were not there. One was new at the start of the tenancy, and one was 5 years old. There were two heaters as there are two rooms in the Property that are not connected to the heating ducts, so without the heaters the rooms get cold.

The Tenants testified they purchased two heaters for the Property for around $60 to $80 each. There was one space heater in the Property already at the start of the tenancy. The Tenants acknowledged they did take two space heaters with them when they vacated the Property, one of which is definitely theirs.

The Tenants acknowledged one heater they have may be Landlords. As there were a lot of items in the Property left behind by the Landlords, they were unsure which items were theirs and which belonged to the Landlords.

Trampoline

The Landlords testified they bought a trampoline in early 2020 when they purchased the Property. When they returned the trampoline was “destroyed”. There was a burn hole in the bounce and the poles had been snapped. I was referred to a photograph of the

trampoline showing only one pole left and screenshots taken from Amazon showing the costs of components, and a new trampoline.

The Landlords had priced up replacing the components but found it to be cheaper to replace the whole trampoline.

The Tenants testified the boyfriend of the tenant who lived in another suite of the rental property, AM, had a large Great Dane dog. The dog was encouraged to go on the trampoline to burn energy as they did not like to walk it round the neighbourhood. The dog would rub up against the poles and damaged them. AM would throw balls onto the trampoline for the dog to play with.

There was a wind storm in the first winter the Tenants occupied the Property. The winds blew a fence over into the trampoline, damaging the poles further. They replaced the poles as their friend had spare ones, even though the damage was not their fault.

The Tenants referred me to a sworn statement of AM the Landlords had submitted into evidence. The Tenants put forward that in the statement, AM asserts the Tenants' children and dogs used the trampoline and that the Great Dane was always supervised and did not damage the trampoline.

The Tenants testified their children barely used the trampoline. As one of their dogs is elderly with mobility issues, they could not possibly use the trampoline and the other is a chihuahua who was too small and not suitable to use the trampoline.

When one of the Tenants' children was on the trampoline, they tripped and hit their head. As the poles were badly bent, the net surrounding the trampoline had become a tripping hazard. After this, the Tenants removed the net, rolled it up and stored it in the shed. After this, the children stopped using the trampoline. They do not know how the burn hole could have occurred.

Leaky Toilet

The Landlords testified they were told by the Tenants of a leaky toilet in January 2022. The Landlords sent their handyman, LJ, to fix the issue. A new component for the toilet was ordered and sent to the Tenants to install. Three months later they received a utility

bill which was extremely high and there was an accompanying message advising to check for possible leaks.

The Landlords asked the Tenants if the leak had been fixed and the Tenant JC replied that the new component was still being worn in. The Landlords asked LJ to contacts the Tenants again. The Tenants reiterate the message about the component being worn in to LJ. I was referred to a sworn affidavit of LJ which asserted they became aware of the leaky toilet in January 2022 during a walkthrough of the Property. They notified the Landlords and in May 2022 they received notification from the Landlords that the toilet may still be leaking and asked to check in with the Tenants. The Tenants stated there was no issue as the plug just needed to be worn in.

When the Landlords returned to the Property, they found the toilet still leaked and would flush of its own accord every 20 minutes. It was a simple fix and all that was needed was a new flapper.

The Landlords were unsure how much water would escaped from the leaky toilet, but online research indicated to them a lower end estimate would be 1 cubic meter of water per day. The municipality charges between $5.37 and $5.66 per cubic meter as prices increased over time. One utility bill was over $1,500.00 which was much higher than normal. The Landlords calculated water usage for 330 days at $5.37 and 96 days at $5.66 per day.

LJ is a friend of the Landlords who would carry out walkthrough inspections every 3 months, as this was a requirement of the Landlords' insurer. LJ would be on hand to deal with any repairs also.

The Tenants argued that the Landlords were a family of 4 people, and when the Landlords lived in the Property, only AM lived in the other suite. The Tenants were a family of 6 and AM's boyfriend moved in, so water consumption on the rental property as a whole would naturally increase.

The Tenants acknowledged that there was an issue with the flapper on the toilet causing it to leak. The new part was fitted and, as the rubber was stiff, it did not solve

the issue right away. They told LJ and the Landlords but ordering the part was the only thing they did.

The normal practice regarding repairs during the tenancy had been for the Tenants to notify LJ of any issues, who would then relay the message to the Landlords in order for any repairs to be approved. The Tenants argued the Landlords only took action and ordered the new component when the water bill arrived in May 2022.

Hedge Removal

The Landlords testified that the maintenance of the garden at the Property was important to them. They drafted the addendum to the tenancy agreement with special mention of the requirement to water the garden and cut the lawn. They showed the Tenants the hedges and how to water them. There were soaker hoses along the hedges to water them. When they returned to the Property the hedges were dead.

There were 54 mature hedges along the border of the Property which act as a fence to provide privacy. Of the 54 hedges, 34 of them were dead. A landscaping company advised the hedges had died due to lack of water, and the hedges typically would die within about a year of neglect. The Landlords seek the cost of the removal of the dead hedges only, not the replacement. An estimate of the removal from a landscaping company was submitted into evidence by the Landlords.

The Tenants testified they researched online and contacted the municipality and found the hedges are susceptible to both very wet and very dry conditions. They also found that other similar hedges in the area had died at the same time. Photographs of the other dead hedges were submitted into evidence. Over the last couple of years there have been excessively cold winters and hot summers. The hedges have died off in a gradual fashion which they believe is more an indication of root rot, not under-watering.

The Tenants testified they watered the garden frequently as instructed, as did AM. The instructions were not formal and more of a “breeze through”. There was supposed to be

more formal instructions given in-person, though as the Landlords had to rush when they left, this did not take place.

There is a drip hose which waters the whole garden and this was turned on daily. I was referred to photographs submitted into evidence by the Tenants which show the condition of the garden during the tenancy.

The Tenants stated they also sent photographs of the garden to the Landlords during the tenancy and no issues were raised. They also argued that the photographs of the dead hedges show the grass to be green and healthy which indicates the garden was watered. They also argued that the landscaper the Landlords employed does not have the same level of knowledge as an arborist.

Abandoned/Damaged Items

The Landlords testified that when the Tenants vacated the Property, they left behind a lot of items. There was a large, heavy cabinet, a Christmas tree, dog gates, a broken patio umbrella, jerry cans with oil and gasoline in, street signs, an oxygen tank and other items. They left the items outside for the Tenants to collect but they never did. As a result, the items needed to be taken to the dump.

The Landlords seek the costs of the dump fee of $120.00 and the costs of renting a truck of $25.00, plus two hours of their time.

The Tenants testified they took everything they believed belonged to them. The Landlords had left a lot of their items in the Property during the tenancy. They thought the cabinet and dog gates belonged to the Landlords, though “can’t say either way”, so left them behind. The jerry cans did not belong to the Tenants as they do not own any gas-powered equipment. The oxygen tank does belong to CB, and they told the Landlords they would collect it, though this never happened. They do not know where the street signs came from. The Christmas tree was put in the compost pile. They verbally offered to collect it, but were denied the opportunity to do so by the Landlords.

Removal of Interior and Exterior Walls

The Landlords testified that there was a half brick wall in an unfinished space at the back of a closet in one of the rooms within the Property. Bricks had been removed and

placed outside. When the Landlords spoke to CB about it, they said it fell over on its own.

There was an exterior wall with a cat door that had been sealed up with casing and insulated with polyurethane. When the Landlords returned to the Property, they found the cat door had been opened up, then resealed with board and tape which was not insulated and so was drafty. A plant pot was leaning against the board to try and keep the seal tight.

The Landlords submitted a quote from a handyman to fix the walls into evidence. The Landlords did not submit any photographic evidence of the walls that needed repair, though I was referred to a photograph of the interior wall submitted into evidence by the Tenants.

The Tenants testified there was an issue with the furnace and heat pump. When they were trying to fix the issue, they bumped into the internal wall, which was a floating brick wall in a wooden frame. They felt it was a safety hazard so removed it.

The Tenants acknowledged they did remove the casing on the cat door and left this on the Property. They forgot to screw the wood back on and add the insulation. The Tenants argued the quoted price for fixing the issue is excessive.

Analysis

Rule 6.6 of the Residential Tenancy Branch *Rules of Procedure* states that the standard of proof in a dispute resolution hearing is on a balance of probabilities, which means that it is more likely than not that the facts occurred as claimed. The onus to prove their case is on the person making the claim.

Are the Tenants entitled to the requested compensation?

Section 67 of the Act states that an arbitrator may determine the amount of compensation owed by a party if they have breached the Act, *Residential Tenancy Regulation* (Regulation) or tenancy agreement.

Section 59(2)(b) of the Act also states that an application must include full particulars of the dispute that is to be the subject of the dispute resolution proceedings. Procedural fairness requires the respondent be informed of the value of the monetary claim and how the amount was reached.

The Tenants requested compensation of $3,800.00 but included no calculations as to how this figure was reached or any evidence in support of the claim. I find no basis for this request and conclude the Tenants applied for this amount in error. It is possible the Tenants requested this amount in relation to the provisions set out in section 38(6) of the Act regarding a landlord paying double a deposit to a tenant. I shall be considering this issue in the Tenants' other claim. As such, I dismiss this claim without leave to reapply.

Are the Tenants entitled to the return of the security deposit and pet damage deposit?

Section 38(1) of the Act requires a landlord to either repay the security deposit to the tenant or make an application for dispute resolution claiming against the security deposit within 15 days of the tenancy ending and receiving the Tenant's forwarding address in writing, which ever is later.

A landlord may also retain the security deposit if they either have authority from an arbitrator, or written agreement from the tenant to do so as set out in sections 38(3) and 38(4) of the Act.

Section 36 of the Act also states that a tenant may also extinguish their right to the return of a security deposit if they fail to attend an inspection of the rental unit at either the start or end of the tenancy after being given 2 opportunities to do so, unless the tenant has abandoned the rental unit.

Section 38(6) of the Act states that if a landlord does not take either of the courses of action set out in section 38(1) of the Act, the landlord may not make a claim against the security deposit and must pay the tenant double the amount of the security deposit.

Based on the evidence before me and the testimony of both parties, I find the tenancy ended on April 1, 2023 and that Tenant CB provided their forwarding address in writing to the Landlords in person on April 28, 2023 as part of their Application Materials.

This means the Landlords would have had to either return the security deposit and pet damage deposit to the Tenants or make an application for dispute resolution claiming against the deposits by May 13, 2023.

I find the Landlords submitted their Application to the Residential Tenancy Branch on May 12, 2023 which is within the 15 day period so there will be no requirement for the Landlords to pay double the deposits to the Tenants per section 38(6) of the Act.

Additionally, I find there is no evidence that the Tenants had extinguished their right to the return of the security deposit per section 38(2) of the Act as they participated in the inspection of the Property at the end of the tenancy.

I find the Landlords failed to prepare a condition report at both the start and end of the tenancy, so have extinguished their right to claim against the deposits under section 38 of the Act, per sections 24(2) and 36(2)(c) of the Act and the Tenants are entitled to the return of their deposits.

As the Landlords have made a claim for compensation under section 67 of the Act, I must consider if there is a payment order to be made against the Tenants that will be set off against the return of the deposits to the Tenants so will deal with any payment orders later in this Decision.

Are the Landlords entitled to a Monetary Order for money owed or compensation for damage or loss under the Act, Regulation or tenancy agreement?

Under section 67 of the Act, when a party makes a claim for damage or loss, the burden of proof lies with the applicant to establish the claim. In this case, to prove a loss, the Landlords must satisfy the following four elements on a balance of probabilities:

1. Proof that the damage or loss exists;
2. Proof that the damage or loss occurred due to the actions or neglect of the Tenants in violation of the Act, Regulation or tenancy agreement;
3. Proof of the actual amount required to compensate for the claimed loss or to repair the damage; and
4. Proof that the Landlords followed section 7(2) of the Act by taking steps to mitigate or minimize the loss or damage being claimed.

Section 37 of the Act states that when a tenant vacates a rental unit, the tenant must leave the rental unit reasonably clean, and undamaged except for reasonable wear and tear. Policy Guideline 1 confirms that the tenant is generally responsible for cleaning costs when a property is left in a condition that does not comply with these standards and is responsible for damage over wear and tear done to the property.

Section 67 of the Act states that if damage or loss results from a tenancy, an Arbitrator may determine the amount of that damage or loss and order that party to pay compensation to the other party.

The Landlords argue the Tenants caused damage to the Property and caused financial losses and seek compensation of $10,970.32 as a result. I will consider each request for compensation in turn.

Broken Upstairs Door

The Landlords argue the Tenants damaged the door in an upstairs bedroom in the Property which necessitated its replacement. The Tenants acknowledged causing a hole in the bottom of the door and argued the remainder of the damage was present at the start of the tenancy, that the door was old and the amount claimed by the Landlords was excessive.

As there is no condition report, nor any photographic evidence showing the state of the door at the start of the tenancy, I am unable to discern if the Landlords' claim is credible. Considering the photographs of the door after the tenancy had ended, I find the door appears to be reasonably old and in all likelihood nearing the end of its typical useful life. However, as the Tenants acknowledged causing some of the damage shown in the photographs, I award the Landlords nominal damages of $20.00.

Space Heaters Taken

I found the testimony of the Landlords to be clearer and more convincing than that of the Tenants in respect of this claim. I found the Landlords rationale behind the requirements for the heaters in particular areas of the Property to have a considerable ring of truth about it.

I found the Tenants' testimony to be vague and non-committal regarding the presence of space heaters in the Property and it appears to me that they accepted the possibility that they had taken at least one heater belonging to the Landlords.

Given the above, I find the Landlords have proven their entitlement to compensation for this matter. As the heaters were of a reasonable age, I am not inclined to award the Landlords the full amount claimed and determine $200.00 to be an appropriate level of compensation in this case.

Trampoline

The Landlords argued the Tenants' children and dogs had caused damage to the trampoline, whilst the Tenants argued the damage was caused by a combination of a storm and the large dog allowed onto the trampoline by a neighbour who shared the communal space where the trampoline was located.

A sworn affidavit from the neighbour was submitted into evidence which states their dog did not damage the trampoline. However, the neighbour was not called as a witness to be questioned. I also find the affidavit to be self-serving in nature. Given this, I do not afford the affidavit significant evidentiary weight.

I found the Tenants' testimony on the subject to be more plausible and convincing than that of the Landlords and find that the Landlords have failed to prove on a balance of probabilities that the damage to the trampoline was caused by the Tenants. Therefore, I make no award for compensation for this claim.

Leaky Toilet

Based on the testimony and evidence before me, I find the Landlords were notified of the leaking toilet in January 2022 and corresponded with the Tenants regarding the issue on January 25, 2022. A new component was ordered and shipped on February 3, 2022 per the Amazon notification entered into evidence, not in May 2022 as the Tenants argued.

The next time the leak was mentioned in correspondence between the parties was in May 2022 when a water bill that was higher than normal was received by the Landlords. When the Landlords' handyman checked in the with Tenants, they were informed via text message that the component needed to be worn in. I find no further correspondence or evidence of any action taken regarding the leak after this, until the Landlords discovered the leak had not been resolved when they returned to the occupy the Property in April 2023.

Considering the above, I find neither party treated the issue with any significant urgency. The Tenants, while they corresponded with the Landlords about the matter were relaxed in their approach to the issue being resolved, saying the component needed to be "worn in", though during the hearing they acknowledged the toilet was leaking. For this reason, I accept that there was some amount of excess water usage

that financially impacted the Landlords caused as a result of the Tenants' failure to properly notify the Landlords of the leak.

Section 7(2) of the Act states that a party claiming compensation must take reasonable steps to minimize the damage or loss. In this case, I find that other than the follow-up message to the Tenants and LJ in May 2022, the Landlords took no steps to ensure the component they had sent to the Tenants was installed property or that the leak had been resolved. I also find no evidence that instructions were provided to LJ, who attended the Property every 3 months for insurance purposes, to inspect the toilet for a leak after learning of the issue. For these reasons, I find the Landlords failed to take steps to steps to fully mitigate their losses and determine nominal compensation of $100.00 to be appropriate.

Hedge Removal

The Landlords argued the Tenants breached a term in the tenancy agreement by failing to water the hedges and causing some of them to die which required them to be removed. I find the addendum to the tenancy agreement contains a term stating, "the garden will be watered as needed, with special attention given to water shortages or drought conditions". The Landlords argued they gave specific instructions to the Tenants in-person, though the Tenants stated only brief guidance was given to them.

The Tenants argued that they did water the garden, including the hedges, during the tenancy, turned on the soaker hoses and that there are other reasons why the hedges died, including exposure to the cold winters and hot summers, or root rot.

Having considered the arguments of both parties and the evidence before me, I find the Landlords have failed to prove on a balance of probabilities that the Tenants breached the tenancy agreement through any act or omission on their part. I do not accept that simply because some of the hedges died, that this means the Tenants did not water them. I found the Tenants arguments regarding other possible reasons for the hedges dying to be logical and persuasive. Though the quote from the landscaper references a lack of watering, as they were not called as a witness to expand on this point, and as there is a potential commercial relationship between the Landlords and the landscaper, I give little evidentiary weight to this statement.

Given the above findings, I make no award for compensation in respect of this claim.

Abandoned/Damaged Items

The Landlords argued the Tenants left behind items at the Property which then needed to be disposed of. I found the Tenants' testimony to be inconsistent on this subject. They admitted some of the items were theirs, such as the oxygen tank and Christmas tree, and were non-committal about others.

I found the testimony and photographic evidence of the Landlords to be more convincing and find they have proven their entitlement to compensation on a balance of probabilities. Considering the invoices and receipts for the truck rental and municipal fees, I determine an appropriate amount of compensation to be $145.00.

Removal of Interior and Exterior Walls

The Tenants did not dispute they removed the casing to the cat door in the exterior wall and that the interior wall had been removed as they deemed it a safety hazard as it was unfinished. However, they argued the amount of compensation claimed by the Landlords to be excessive.

Considering the quote submitted into evidence by the Landlords includes mudding and taping I find on a balance of probabilities that the work would involve finishing the wall and constitute an improvement on the original state of the Property. There was no evidence before me that indicated the interior wall was finished as the Landlords did not submit any photographic evidence.

Given the above, I find the Landlords are entitled to compensation, though accept the Tenants' argument that the amount claimed is excessive. In this case, I determine an appropriate amount of compensation to be $400.00.

Summary

The Tenants are ordered to pay compensation to the Landlords as follows:

Item	Description	Amount Granted
1	Broken upstairs door	$20.00
2	Space heaters taken	$200.00
3	Trampoline	$0.00
4	Leaky toilet	$100.00
5	Hedge removal	$0.00
6	Abandoned/Damaged Items	$145.00
7	Removal of interior and exterior walls	$400.00
	Total	**$865.00**

Are the Landlords entitled to retain the security deposit and pet damage deposit?

As stated earlier in this Decision, the Landlords failed to comply with sections 23 and 35 of the Act as they did not offer the Tenants at least 2 opportunities to inspect the Property at the start and end of the tenancy and prepare a condition report. Therefore, the Landlords have extinguished their right to claim against the security deposit and pet damage deposit, however, as the Landlords were partially successful in their request for compensation under section 67 of the Act, I authorize the Landlords to retain $865.00 from the security deposit in satisfaction of the payment order in accordance with the offsetting provisions set out in section 72 of the Act.

I order the Landlords to return the remainder of the deposits to the Tenants. Per section 4 of the *Residential Tenancy Regulation*, interest on deposits is calculated at 4.5% below the prime lending rate. The amount of interest owing on the deposits was calculated using the Residential Tenancy Branch interest calculator using today's date. As confirmed in Policy Guideline 17, interest is calculated on the original deposit amount, before any deductions are made.

Are either party entitled to recover the costs of the filing fee?

As both parties were partially successful in their Applications, I find both are entitled to the recover the cost of the Application fee from the other. Per the offsetting provisions in

section 72 of the Act, I therefore make no award in this regard as the fees cancel each other out.

Conclusion

The Tenants' request for compensation is dismissed without leave to reapply.

The Tenants' request for the return of the security deposit and pet damage deposit is granted.

The Landlords' request for compensation is granted in part.

The Tenants are issued a Monetary Order. The Monetary Order is attached to this Decision and must be served on the Landlords. It is the Tenants' obligation to serve the Monetary Order on the Landlords. The Monetary Order is enforceable in the Provincial Court of British Columbia (Small Claims Court). The Order is summarized below.

Item	**Amount**
Return of security deposit and pet damage deposit	$3,800.00
Less: compensation awarded to the Landlords under section 67 of the Act	($865.00)
Interest security deposit and pet damage deposit	$46.08
Total	**$2,981.08**

This Decision is made on authority delegated to me by the Director of the Residential Tenancy Branch under Section 9.1(1) of the Act.

Dated: August 15, 2023

Residential Tenancy Branch