



Dispute Resolution Services

Page: 1

Residential Tenancy Branch
Ministry of Housing and Municipal Affairs

DECISION

Introduction

This hearing dealt with the Landlord's April 25, 2025, Application for Dispute Resolution under the Residential Tenancy Act (the "Act") for:

- compensation for damage in the rental unit
- compensation for monetary loss/other money owed
- retain all/part of the security deposit for compensation
- recovery of the Application filing fee.

The Tenant's May 28, 2025, Application, crossed to the Landlord's Application already in place by that date, concerned the return of the security deposit, and the recovery of their Application filing fee.

The Tenant and the Landlord attended the scheduled hearings.

Service of hearing documents and evidence

Each party confirmed the other's service of the Notice of Dispute Resolution Proceeding and hearing information.

Each party confirmed service of the other's evidence for this hearing. In the interim period I ensured that the Tenant provided video files to the Landlord.

Preliminary Matter – withdrawn Landlord claim

The Landlord on their Application listed personal property that they allege the Tenant removed from the rental unit at the end of the tenancy. They listed a value of \$29,977.

In the hearing on June 24, the Landlord acknowledged their claim for alleged property taken by the Tenant was more than \$35,000 which is the statutory limit of a claim brought to the Residential Tenancy Branch. The Landlord acknowledged the need to bring that part of their claim to a separate forum because the amount would exceed \$35,000.

In the reconvened hearing on August 21, the Landlord stated they listed a value that exceeds the monetary limit for compensation claims under the Act. The Landlord's submissions, and the Tenant's response submissions, focused on the Landlord's claim for damage compensation, which in this case was the carpet in the rental unit. The Landlord chose to focus on the carpet replacement in this Application, and acknowledged the missing property claim would place the compensation far in excess of what is permitted in this hearing process under the Act.

I conclude the Landlord withdrew their compensation claim associated with their personal property alleged as missing from the rental unit. I have removed this issue from consideration herein.

Issues to be Decided

- a. Is the Landlord entitled to compensation for damage in the rental unit?
- b. Is the Landlord authorized to retain part/all of the security deposit for compensation?
- c. Is the Tenant entitled to the return of the security deposit?
- d. Is the Landlord eligible for recovery of the Application filing fee?
- e. Is the Tenant eligible for recovery of the Application filing fee?

Background and Evidence

I have reviewed all evidence, including the testimony of the parties, but will refer only to what I find relevant to my decision.

The Landlord and the Tenant each provided a copy of the tenancy agreement they had in place. The tenancy started on October 18, 2022, set to continue on a month-to-month basis after the initial two-year fixed term ended on October 15, 2024.

The rent amount of \$8,000 per month was payable on the 15th of each month according to the agreement.

a. *Is the Landlord entitled to compensation for damage in the rental unit?*

In the hearing, the Landlord described having their representatives present when the Tenant moved into the rental unit. The Tenant confirmed this, and also stated the Landlord in person never visited the rental unit even one time during the tenancy. This is owing to the Landlord living in a different jurisdiction. In the hearing, the Landlord confirmed that there was an “informal inspection” at the start, with nothing documented.

In the hearing, the Landlord clarified that carpet replacement for the upper level is \$25,000, not including the removal of the old carpet for \$3,800. The Landlord’s compensation request for lower-level carpeting was \$6,112. The Landlord added to this \$1,000 for the cost of a mattress to be replaced, owing to pet damage.

In the Landlord’s evidence:

- the agent’s move-out report to the Landlord, dated April 15, 2025, wherein the agent listed items they observed, noting: urine smell in numerous places, south bedroom carpet “bubbling” and “needs to be stretched out”, and: “I have noted all the items that I feel are tenant caused and they are liable for.”
- an account (May 5) from a flooring company staff member who visited the rental unit on April 29, post-tenancy: they noted stains and persistent odour – further, they visualized areas of stretched carpeting that they attributed to excessive attempt at cleaning with ammonia, which was palpable in the air and overwhelming – from this visit they recommended full removal of the upstairs carpeting and, owing to the level of contamination, they recommended removal by a restoration company – they provided an estimate for carpet replacement: \$25,873.81

- a paid invoice (June 11) from the flooring company: \$25,873.61 for the work completed on May 15 (the Tenant observed the same agent provided the evaluation, and sold the carpeting to the Landlord)
- a secondary invoice (June 11, specific to the basement) from the flooring company: \$6,112.44 for the work completed on May 15
- pictures showing extent of carpet damage owing to pet urine stains, upon removing an overturning the carpeting in miscellaneous areas in the rental unit, a mattress stained by urine (labeled replaced, \$1,074.07), the Tenant's dogs in the rental unit
- an email dated June 8 from the co-tenant who left at the end of 2024 confirming that their own pet did not stain the carpet owing to any urine, and no odour present (the Tenant noted that they are going through a divorce proceeding with the former co-tenant, which taints this account)

The Tenant in a written statement noted the following issues:

- no formal move-in inspection, and they messaged to the Landlord requesting a move-in inspection report, as in their evidence
- no joint move-out inspection, the Landlord's agent unilaterally undertook an inspection in April 2025, post-tenancy
- the Landlord approved of the Tenant's three dogs
- the Tenant requested information re: installation/invoice of the original carpeting
- the salesperson from the flooring company who evaluated the carpets was aiming for a sale of new carpeting to the Landlord
- the carpets were in poor shape at the start of the tenancy owing to the Landlord using the rental unit for Airbnb

In the Tenant's evidence:

- the Tenant notified the Landlord in November 2022 about loose carpeting, based on the prior tenant's presentation of this as such
- from November 2024, the Landlord identifying soiled carpets necessitating the use of one of the deposits, which was then returned to the exiting co-tenant

- from February 2025, a dialogue on continuing the tenancy, with the Tenant being explicit on the presence of three dogs in the rental unit
- the Tenant's videos capture leaking ceilings, and other deficiencies in the rental unit
- the particular video dated March 25, 2025 shows the Tenant proceeding through the rental unit room-by-room, to capture the state of reasonable cleanliness and repair – the carpet in each room is visible throughout
- witness' statements that attest to the clean state of the rental unit, odour-free with no evidence of pet soiling on the carpets – one account presents the level of deep cleaning they undertook at the Tenant's expense
- the April 1, 2025 cleaning report specific to the carpets, showing before and after images.

The Tenant's simple response was that the carpet throughout the rental unit was over 15 years old. The Tenant made requests to the Landlord for original installation dates, and invoice amounts thereof. The Landlord, in a text message response to the Tenant's inquiry, noted they purchased the house in 2014, though construction had started in 2006. In the hearing, the Landlord confirmed the carpeting was in place when they purchased the property, estimating the carpeting to be 10-11 years old by the time the tenancy ended.

b. Is the Landlord authorized to retain the security deposit?

c. Is the Tenant entitled to the return of the security deposit?

The Tenant paid a security deposit amount of \$4,000 on October 15, 2022. The Tenant paid a pet damage deposit of \$4,000 on that same date.

The Tenant provided a forwarding address to the Landlord on April 15, 2025, using a formal document setting out the key information, signed on that date. The Tenant provided that forwarding address to the Landlord via registered mail, shown in the Tenant's evidence, sent on April 17.

The Landlord raised an issue with the Tenant providing a forwarding address via PO Box #. The Tenant set out this was their only option, owing to the Landlord's mode of communication during the tenancy.

The tenancy-end date, as provided by both the Landlord and the Tenant on their respective Applications, was April 15, 2025. The Landlord completed this Application at the Residential Tenancy Branch on April 25, 2025.

In their Application, the Tenant seeks full return of each deposit they paid at the start of the tenancy. They applied for a doubling of each deposit.

The Landlord provided one of the co-tenants from the original agreement, who moved out at the beginning of 2025, one of the two deposits paid at the start of the tenancy.

In the hearing, I confirmed with the Tenant the outstanding amount of the deposits, as at the end of the tenancy, was \$4,000. The Tenant provided confirmation of this in the form of a text message from the Landlord, dated December 29, 2024.

As of the date of the Landlord's Application, April 25, 2025, the interest accumulated on each deposit was \$200.97.¹

While the Tenant provided the Landlord was refusing to return the deposits, the Landlord made a claim against the deposit. In the hearing, the Landlord confirmed they made an application against the security deposit within 15 days after the tenancy ended: April 25, 2025.

The Tenant's claim is that the Landlord's right to claim against the deposit is extinguished under s. 24(2) and s. 36(2) of the *Act*. This is owing to the Landlord not completing an inspection, or inspection documents, at the start and end of the tenancy. The Tenant claims a return of double the deposit amount on this basis.

d. Is the Landlord eligible for recovery of the Application filing fee?

The Landlord paid the Application filing fee amount of \$100 on April 25, 2025.

e. Is the Tenant eligible for recovery of the Application filing fee?

The Tenant paid the Application filing fee amount of \$100 on May 28, 2025.

¹

2022	\$4000.00	:	\$0.00	interest owing (0% rate for 21.37% of year)
2023	\$4000.00	:	\$78.26	interest owing (1.95% rate for 100.00% of year)
2024	\$4061.33	:	\$110.25	interest owing (2.7% rate for 100.00% of year)
2025	\$4164.54	:	\$12.47	interest owing (0.95% rate for 31.51% of year)

Analysis

In general, a party that makes an application for compensation against the other party has the burden to prove their claim. This burden of proof is based on a balance of probabilities. An award for compensation is provided for in s. 7 and s. 67 of the *Act*.

To be successful in a claim for compensation, an applicant has the burden to provide sufficient evidence to establish the following four points:

- that a damage or loss exists;
- that a damage/loss results from a violation of the *Act* and/or tenancy agreement;
- the value of the damage or loss; and
- steps taken, if any, to mitigate the damage/loss.

a. *Is the Landlord entitled to compensation for damage in the rental unit?*

The *Act* s. 23 sets out that at the start of a tenancy, a landlord and a tenant must inspect the condition of the rental unit together, and a landlord must complete an inspection report.

In this present scenario, the Landlord admitted there was no report completed. I conclude there is insufficient evidence about the condition of the rental unit at the start of the tenancy.

The *Act* s. 35 sets out that, at the end of a tenancy, a landlord and a tenant must jointly inspect the condition of the rental unit, and a landlord must complete a report of the rental unit condition.

In this scenario, the Landlord's agent performed an inspection without the Tenant present, and reported back to the Landlord, assigning approximate value for what they perceived to be damage caused by the Tenant over the course of the tenancy.

The *Act* s. 24, and s. 36, extinguish the Landlord's right to claim against any deposit where inspection meetings are not undertaken with the Tenant, or documented. I find the Landlord's right to claim against the deposit is extinguished for this reason, applying these provisions in

the *Act* that govern the necessity of incoming/outgoing inspections. A substantial claim for damage is anticipated in the *Act* for this very reason.

I conclude that the Landlord did not follow the provisions of the *Act* regarding inspections in the rental unit, and documentation thereof.

Notwithstanding these provisions, the *Act* s. 72 authorizes for use of a deposit for any payment from a tenant to a landlord. This is in a situation where I should order payment, from the Tenant to the Landlord, for any amount.

On this basis, I shall determine whether there a damage or loss exists, as well as the other considerations listed above, based on the Landlord's burden of proof in this Application.

Concerning damage more generally in a rental unit, the *Act* s. 32(3) sets out that a tenant must repair damage in the rental unit that was caused by their actions/neglect.

Also, the *Act* s. 27 provides that, when a tenant vacates a rental unit, they must leave the rental unit reasonably clean, and undamaged except for reasonable wear and tear.

I find the Landlord provided pictures, post-tenancy, for this hearing to prove their points about the Tenant damaging the carpeting throughout the rental unit. I find this is insufficient evidence to show a level of damage that would approximate the Landlord's claim for replacement of carpeting throughout the rental unit's carpeted areas.

I find the Landlord has not shown there was damage in the rental unit that was something beyond s. 37 of the *Act*. Overall, I find the Tenant's observations and points about the state of the carpeting in the rental unit, as well as its age, outweigh what the Landlord presented in this hearing, again with due regard to the inspection process that was not strictly adhered to.

I give less weight to the Landlord's evidence and testimony, on particular aspects, for other reasons:

- All carpeting throughout the rental unit is not shown – the Landlord relies on images taken upon overturning the carpet, and tearing it out. This is not something the Tenant's were privy to, and is of something I find hidden from the Tenant's view during the tenancy. What is necessary for this type of claim is very specific information concerning the state of the carpeting when the Tenant moved out. Instead, the Landlord provided pictures showing the removal of the old carpeting in the rental unit. There are no pictures showing very specific areas of damage to the carpet owing to the Tenant's pets.

- I find the Tenant's opinion valid on the Landlord's reliance on the other ex-tenant's account. Upon this ex-tenant moving out in January 2025, there was no associated inspection with that process (even though that involved a deposit return to that person), thereby nullifying this ex-tenant's account. I find the Tenant credible on their opinion that this ex-tenant had other motivations in place to make this statement.
- I find the Landlord had knowledge of the Tenant's three dogs during the tenancy. I find the Landlord cannot rely on this as unknown information post-tenancy.
- I grant that the Landlord sought an opinion on the state of the carpeting post-tenancy. This is from the salesperson who made a sizable replacement with the Landlord after this. I don't necessarily make the link between this salesperson's opinion and their description (which does entail a subsequent sale); however, this salesperson's opinion is not met with pictures showing an undamaged state on the surface, prior to the carpet being removed to reveal what lies underneath – unknown and unseen by the Tenant at the end of the tenancy or at any point during the tenancy.
- In sum, should the Landlord have chosen to rely on the state of the carpet as it existed at the very time the tenancy ended, that was not captured in the evidence. The only photo that is presented shows a buckling of one individual area, and this is not conclusive as to damage by the Tenant throughout the rental unit during the tenancy.
- The Tenant is credible on establishing the overall age of the carpeting in the rental unit. Minus sound evidence showing damage by the Tenant, I conclude that the age of the carpeting is more likely to be the source of persistent staining underneath, again without specific pictures showing damage to the surface of the carpet as installed in the rental unit (*i.e.*, without its removal). Sound evidence, in the form of pictures, is necessary in this instance, especially where the Landlord is relying on the salesperson's opinion that refers to an odour in particular, which is something that cannot be captured by testimony or pictures.
- The Landlord added roughly \$1,000 for the cost of a mattress, and gave the exact amount in labelling one picture they provided in evidence; however, there is no evidence to establish an actual value of that mattress.

In sum, I find the Landlord is maintaining a rental unit in which the carpeting pre-dated their ownership. Over the years, the condition of the carpeting has deteriorated, though the Landlord has not shown with concrete evidence that this was owing to the actions or neglect of the Tenant during this tenancy. There is an inspection process that is built-in to any tenancy for this reason, and the Landlord did not adhere to those mandated processes.

I give weight to evidence and testimony of the Tenant thus:

- I find they are credible on the ex-tenant's motives for making a statement that somewhat supports the Landlord's position.
- The move-out video provided shows a state that is reasonably clean, and undamaged. Counter to this, the Landlord did not provide sufficient evidence showing specific carpet damage, exclusively owing to the actions/inactions of the Tenant over the course of the tenancy. I conclude the buckling of the carpeting in a single spot is perceptible wear and tear.
- I find the Tenant clearly presented that no inspections were offered or documented during this tenancy. What also carries weight is the fact that the Landlord never attended at the rental unit in person.
- I give weight to the Tenant's witness accounts: these are accounts of individuals who witnessed first hand what transpired with the Tenant in the rental unit, in contrast to the Landlord who did not.

In sum, for the reasons listed above, I dismiss the Landlord's claim for damage in the rental unit in its entirety, without leave to reapply.

b. Is the Landlord authorized to retain the security deposit?

c. Is the Tenant entitled to the return of the security deposit?

The *Act* s. 38 sets out that within 15 days of the later of the tenancy end-date, or the date a landlord receives a tenant's forwarding address in writing, a landlord must repay any deposit with interest, or make an application against a deposit.

The *Act* s. 38(6) provides that if a landlord does not comply with this timeline, they may not make a claim against a deposit, and must pay double any deposit amounts to a tenant.

I find the Tenant moved out from the rental unit by April 15, 2025, and the Landlord completed this Application at the Residential Tenancy Branch on April 25, 2025. By default, there is no doubling of the deposit.

The Landlord returned one of the deposits to the ex-tenant in December 2024. That is a matter for the Tenant to take up separately with the ex-co-tenant.

I calculated the interest on the remaining deposit, as of the date of the Landlord's Application: \$200.97.

In sum, the Landlord, having no successful claim against the Tenant arising from this tenancy, must return the remaining deposit, and its interest. This amount is \$4,200.97, listed below.

d. Is the Landlord eligible for recovery of the Application filing fee?

I find the Landlord was not successful in this Application; therefore, I grant no recovery of their Application filing fee.

e. Is the Tenant eligible for recovery of the Application filing fee?

I find the Tenant was successful in this Application; therefore, I grant recovery of their Application filing fee to them.

Conclusion

I order the Landlord to return the full remaining deposit, and interest, plus the Tenant's Application filing fee.

I grant to the Tenant a Monetary Order in the amount of **\$4,300.97** under the following terms:

Monetary Issue	Granted Amount
return of deposit + interest	\$4,200.97
recovery of the filing fee for this Application	\$100.00
Total Amount to Tenant	\$4,300.97

I provide the Tenant with a Monetary Order in the above terms and the Tenant must serve it to the Landlord as soon as possible. Should the Landlord fail to comply with this Monetary Order, the Tenant may file this Monetary Order in the Small Claims Division of the Provincial Court where it will be enforced as an Order of that Court.

I make this decision on the authority delegated to me by the Director of the Residential Tenancy Branch under s. 9.1(1) of the Act.

Dated: September 25, 2025

Residential Tenancy Branch