PLEASE NOTE

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This document is ***not*** the official version of the Act. The Act and the amendments as printed under the authority of the Queen's Printer for the province should be consulted to determine the authoritative statement of the law.

For more information concerning the history of this Act, please see the ***Table of Public Acts*.**

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CHAPTER R-13.1

RENTAL OF RESIDENTIAL PROPERTY ACT

PART I
INTERPRETATION, APPLICATION AND ADMINISTRATION

1. In this Act — Definitions

(a) "Commission" means the Island Regulatory and Appeals Commission established under section 2 of the *Island Regulatory and Appeals Commission Act* R.S.P.E.I. 1988, Cap. I-11; — Commission

(b) "co-operative housing" means a housing project that is developed, owned and operated by a company incorporated as a co-operative under the *Co-operative Associations Act* R.S.P.E.I. 1988, Cap. C-23; — co-operative housing

(c) repealed by 2008,c.20,s.72; — court

(d) "Director" means the Director of Residential Rental Property appointed under section 4; — Director

(e) "effective date" means the date this Act comes into force; — effective date

(f) "fixed term rental agreement" means a rental agreement with a predetermined expiry date; — fixed term rental agreement

(g) "lessee" means a person to whom permission is given, pursuant to a rental agreement, to occupy residential premises and includes his assigns and legal representatives; — lessee

(h) "lessor" means the owner or other person permitting the occupation, pursuant to a rental agreement, of residential premises and includes his heirs, assigns, personal representatives and successors in title; — lessor

(i) "mobile home" means a dwelling unit designed to be mobile and to be used, and that is used, as a permanent or temporary residence; — mobile home

(j) "mobile home park" means a parcel of land on which two or more mobile homes are located; — mobile home park

(k) "mobile home site" means a parcel of land rented as space for and on which a lessee, under a rental agreement, is entitled to place a mobile home; — mobile home site

(l) "non-profit housing" means a housing project that is developed, owned and operated by a company incorporated as a non-profit — non-profit housing

company under Part II of the *Companies Act* R.S.P.E.I. 1988, Cap. C-14;

regulations

(m) "regulations" means regulations made under this Act;

rent

(n) "rent" means the amount of the consideration, whether or not in money, paid, given or agreed to be paid or given by a lessee to a lessor for occupancy of residential premises and for any service, privilege or thing that the lessor may provide for the lessee, whether or not a separate charge is made therefor;

rental agreement

(o) "rental agreement" or "agreement" means an agreement, whether written or oral, express or implied, whereby a lessor confers upon a lessee the right to occupy residential premises;

residential premises

(p) "residential premises" or "premises" includes

(i) any house, dwelling, apartment, flat, tenement or other place that is occupied or may be occupied by a natural person as a residence or that part of any such place that is or may be occupied by a natural person as a residence, whether such residential premises are furnished, partly furnished or unfurnished,

(ii) land rented as a mobile home site whether or not the lessor also rents that mobile home to the lessee,

but does not include premises exempted by the regulations;

residential property

(q) "residential property" means a building in which, and includes land on which, residential premises are situated;

security deposit

(r) "security deposit" means money or any property paid or given by a lessee of residential premises to be held by or for the account of the lessor as security for the performance of an obligation or the payment of a liability of the lessee;

standard form

(s) "standard form" means the standard form of a rental agreement prescribed under section 9. 1988,c.58,s.1; 1991,c.18,s.22; 2008,c.20,s.72(82).

Application

2. This Act applies to rental agreements existing on the effective date or entered into or renewed on or after that date, notwithstanding any agreement, waiver or statement to the contrary. 1988,c.58,s.2.

Administration

3. Repealed by 1991,c.18,s.22.

Director

4. (1) Subject to the *Civil Service Act* R.S.P.E.I. 1988, Cap. C-8, the Commission may appoint a person as the Director of Residential Rental Property.

Functions

(2) In addition to the functions hereinafter specifically set out, the functions of the Director include

(a) providing information to the public to promote understanding of rights and responsibilities under this Act;
(b) advising lessors and lessees with respect to matters relating to rental agreements;
(c) receiving and investigating allegations of violations of rental agreements, or of this Act or the regulations;
(d) holding hearings, giving notice thereof to the parties, determining matters of procedure at hearings and making decisions or orders with respect to matters relating to the rights of lessors or lessees arising pursuant to this Act or otherwise;
(e) entering and inspecting residential premises, after serving an inspection order, for the purpose of carrying out his powers or duties under this Act or the regulations.

Entry

(3) A lessor or lessee served with an inspection order pursuant to clause (2)(e) shall forthwith permit the Director entry to the residential premises in question.

Injunction

(4) Compliance with an inspection order may be enforced by injunction upon application by the Director to the court.

Powers of commissioner

(5) The Director, for the purpose of any hearing, has the powers of a commissioner under the *Public Inquiries Act* R.S.P.E.I. 1988, Cap. P-31.

Delegation

(6) The Director may delegate any of his functions under this Act, with the exception of those functions excluded by regulation.

Transitional

(7) The rentalsman appointed under section 2 of the *Rent Review Act* R.S.P.E.I. 1988, Cap. R-13 shall act as and be deemed to be the Director until another is appointed in his stead. 1988,c.58,s.4; 1991,c.18,s.22.

PART II
TERMS OF RENTAL AGREEMENT NATURE OF RELATIONSHIP

Nature of relationship

5. (1) The relationship of lessor and lessee is one of contract and a rental agreement does not confer on a lessee an interest in land.

Common law rules

(2) Subject to this Part, the common law rules respecting the effect of the breach of a material covenant by one party to a contract on the obligation to perform by the other party apply to rental agreements.

Frustration of contract

(3) The doctrine of frustration of contract applies to rental agreements. 1988,c.58,s.5.

STATUTORY CONDITIONS

Residential premises

6. Notwithstanding any agreement, waiver, declaration or other statement to the contrary, where the relationship of lessor and lessee exists in respect of residential premises by virtue of this Act or otherwise, there shall be deemed to be a rental agreement between the lessor and lessee, with the following conditions applying as between the lessor and lessee as statutory conditions governing the residential premises:

1. Condition of Premises

The lessor shall keep the premises in a good state of repair and fit for habitation during the tenancy and shall comply with any enactment respecting standards of health, safety or housing notwithstanding any state of non-repair that may have existed at the time the agreement was entered into.

2. Services

Where the lessor provides or pays for a service or facility to the lessee that is reasonably related to the lessee's continued use and enjoyment of the premises, such as heat, water, electric power, gas, appliances, garbage collection, sewers or elevators, the lessor shall not discontinue providing or paying for that service to the lessee without permission from the Director.

3. Good Behaviour

The lessee and any person admitted to the premises by the lessee shall conduct themselves in such a manner as not to interfere with the possession, occupancy or quiet enjoyment of other lessees.

4. Obligation of the Lessee

The lessee shall be responsible for the ordinary cleanliness of the interior of the premises and for the repair of damage caused by any wilful or negligent act of the lessee or of any person whom the lessee permits on the premises, but not for damage caused by normal wear and tear.

5. Subletting Premises

(1) Where a fixed term rental agreement is for a period greater than six months, the lessee may assign or sublet the premises subject to the consent of the lessor, which consent will not unreasonably be withheld or charged for unless the lessor has actually incurred expense in respect of the grant of consent, in which case he shall be entitled to recover such reasonable expenses as were actually incurred.

(2) Subsection (1) does not apply to

(a) a rental agreement in respect of residential premises that are developed under the *National Housing Act* R.S.C. 1985, Chap. N-11 or the *Housing Corporation Act* R.S.P.E.I. 1988, Cap. H-11 and are administered by or for the Government of Canada, the Government of the province, or an agency thereof;

(b) non-profit housing; or

(c) co-operative housing where the lessee is a member of the housing co-operative.

6. Entry of Premises

Except in the case of an emergency, the lessor shall not enter the premises without the consent of the lessee unless the lessor has served written notice stating the date and time of the entry to the lessee at least twenty-four hours in advance of the entry and the time stated is between the hours of 9 a.m. and 9 p.m.

7. Entry Doors

Except by mutual consent, the lessor or the lessee shall not during occupancy under the rental agreement alter or cause to be altered the lock or locking system on any door that gives entry to the premises.

8. Late Payment Penalty

Where the rental agreement contains provision for a monetary penalty for late payment of rent, the monetary penalty shall not exceed one per cent per month of the monthly rent.

9. Quiet Enjoyment

The lessee shall have quiet enjoyment of the residential premises, and shall not be barred from free access to them during the term of the rental agreement.

10. Delivery of Possession

Where notice of termination has been given in accordance with this Act, and all remedies in relation thereto have been exhausted, the lessee shall deliver up possession of the residential premises. 1988,c.58,s.6.

STATUTORY CONDITIONS RESPECTING MOBILE HOMES AND SITES

Mobile homes

7. In addition to the statutory conditions set out in section 6, the following statutory conditions apply in respect of an agreement to rent a mobile home site or a mobile home:

1. Other than withholding, on reasonable grounds, his consent to a subletting of the mobile home site, the lessor shall not restrict in any way the right of a lessee of a mobile home site from selling, renting or otherwise parting with the possession of a mobile home owned by the lessee.

2. The lessor shall not receive any compensation or benefit from any negotiations of the lessee to trade, sell, rent or otherwise part with possession of a mobile home situate on that site, unless provided for in a separate written agency agreement that is entered into by the lessee after the lessee has entered into the rental agreement and has moved onto the site.

3. (1) The lessor of a mobile home site shall not require a lessee to pay a fee where the lessee is moving a mobile home to or from a site.

(2) Subsection (1) does not preclude a lessor from requiring a lessee to pay any reasonable expenses or damages which the lessor has actually incurred as a result of the moving or removing.

4. (1) Except as provided in this condition, the lessor shall not restrict in any way the right of the lessee to purchase goods or services from the person of the lessee's choice.

(2) The lessor may set reasonable standards for mobile home equipment.

5. The lessor is responsible for compliance with any municipal bylaws or other enactment in respect of the common areas of the mobile home park and the services provided by the lessor to the lessee in the mobile home park.

6. The lessee is responsible for compliance with any municipal bylaws or other enactment in respect of the mobile home and the mobile home site on which it is located to the extent that the lessor is not responsible. 1988,c.58,s.7.

ENFORCEMENT OF STATUTORY OR OTHER CONDITIONS

Enforcement

8. Where a lessor or lessee fails to comply with a statutory condition or any other condition or covenant of a rental agreement, a person may make written application to the Director indicating the condition or covenant alleged to have been contravened and seeking a remedy, and the Director shall investigate the matter and may

(a) inspect the residential premises or have them inspected by an appropriate authority;

(b) prohibit the discontinuance of any services;

(c) authorize the discontinuance of any service and make an appropriate adjustment to the rent;
(d) authorize the subletting or assigning of the rental agreement;
(d.1) make a finding that an amount of rent is owed or that a security deposit, or part thereof, should be forfeited or returned;
(d.2) order that an amount found to be owed be paid;
(d.3) order that possession of the residential premises be surrendered to the lessor and directing the sheriff to put the lessor in possession;
(e) authorize the termination of the rental agreement in accordance with section 11;
(e.1) make an order respecting the disposal of abandoned or apparently abandoned personal property including the appropriate disposition of any proceeds realized from an authorized sale; or
(f) make such other decision or order as he considers necessary to ensure compliance with, or to remedy a violation of, this Act or the rental agreement. 1988,c.58,s.8; 1990,c.53,s.1; 1998,c.100,s.1.

Filing of order in Supreme Court

8.1 (1) Where the Director has made an order and no appeal has been taken within the time specified in subsection 25(1), the lessor or lessee may file the order in the court.

Effect of filing

(2) Where an order is filed pursuant to subsection (1), it may be enforced as if it were an order of the court. 1990,c.53,s.2.

STANDARD FORM OF RENTAL AGREEMENT

Standard form

9. (1) The Lieutenant Governor in Council may make regulations prescribing the standard form of rental agreement.

Written rental agreements

(2) A lessor and lessee who enter into a written rental agreement or renew a written rental agreement and who do not sign the standard form are deemed to have done so and all the provisions of this Act and the standard form apply.

Oral rental agreements

(3) A lessor and lessee who have an oral rental agreement and do not sign a standard form are deemed to have done so and all the provisions of this Act and the standard form apply.

Additional terms of rental agreement

(4) In addition to the statutory conditions, a lessor and lessee may provide in a rental agreement for other benefits and obligations that do not conflict with this Act or the provisions of the standard form.

Idem

(5) An additional benefit or obligation is void unless it appears on both the lessor's and lessee's copy of the rental agreement.

Alteration

(6) Any alteration or deletion from provisions the standard form is required to contain is void.

Items included in standard form

(7) The standard form prescribed under subsection (1) shall include

(a) the names of the parties;

(b) the address or a description of the location of the residential property;

(c) the term of the agreement;

(d) the rent payable under the agreement;

(e) whether or not a security deposit is required;

(f) the statutory conditions; and

(g) the terms under which the agreement may be terminated. 1988,c.58,s.9.

SECURITY DEPOSITS

Maximum security deposit

10. (1) The lessor may, upon entering into a rental agreement, request from a lessee a security deposit not exceeding

(a) in the case of a rental agreement where the rent is paid weekly, the equivalent of the rent per week;

(b) in any other case, the equivalent of the rent per month

that is or would be required to be paid for the residential premises.

Trust

(2) Subject to subsection (5), a security deposit or the proceeds thereof shall be held in trust by the lessor and, if in money, shall be deposited in a trust account at a chartered bank, trust company or credit union within the province.

Rate of interest

(3) The lessor shall credit interest to the lessee on the full amount or value of the security deposit

(a) at the rate of six per cent per annum before April 20, 1981;

(b) from April 20, 1981 until the effective date, at the rate of ten per cent per annum;

(c) from the effective date until the end of the calendar year 1988, at the rate of interest payable on provincial deposit receipts on the effective date, less two per cent;

(d) for each year thereafter, at the rate of interest payable on provincial deposit receipts on the first business day of each year, less two per cent,

during the time the security deposit is held by the lessor.

Return of security deposit

(4) Subject to subsection (5), the security deposit, together with the interest set out in subsection (3) shall be returned to the lessee within ten days of the date on which the lessee delivers up possession of the residential premises.

Retention from deposit to cover damage

(5) The lessor may retain all or part of a security deposit and interest thereon where he believes the lessee is liable to the lessor for damage to the residential premises caused by a breach of statutory condition 4, or

for outstanding rent, provided that the lessor, within ten days of the date on which the lessee delivers up possession of the residential premises or such longer period as the Director may permit, serves the lessee with a notice of intention to retain security deposit in the form prescribed by regulation.

Balance to be returned

(6) Where the lessor retains part of a security deposit under subsection (5), he shall return the remainder of the security deposit with interest to the lessee with the notice referred to in that subsection.

Application for determination by Director

(7) A lessee served with a notice under subsection (5) may, within fifteen days of the date of service or such longer period as the Director may permit, apply to the Director in the form prescribed by regulation for a determination on the disposition of the security deposit, in which case he shall serve a copy of the application on the lessor.

Retention in absence of application

(8) Where no application is made by the lessee pursuant to subsection (7), the lessor may retain the security deposit or such portion thereof as claimed in his notice.

Delivery of deposit

(9) Where the lessee makes an application pursuant to subsection (7), the lessor shall, not later than five days after service on him of the application, deliver to the Director the amount of the security deposit and accumulated interest which he has retained and, if he fails to do so, the Director may issue an order directing him to do so within such time as may be specified in the order.

Determination

(10) The Director shall investigate all applications made pursuant to subsection (7) and make such determination with respect to them in such manner as he deems appropriate and just.

Reports

(11) The lessor shall file with the Director such reports as may be required by regulations with respect to security deposits held in trust.

Obligations of new lessor

(12) A person who acquires the interest of a lessor in residential premises, whether by purchase, mortgage sale or otherwise, has the rights and is subject to the obligations of the previous lessor with respect to a security deposit paid to the previous lessor. 1988,c.58,s.10; 1990,c.53,s.3; 1998,c.100,s.2.

PART III
TERMINATION OF RENTAL AGREEMENT

NOTICE BY LESSEE

Notice of termination

11. (1) A lessee may terminate a rental agreement by serving on the lessor a notice of termination which complies with section 18.

Service of notice by lessee

(2) Where premises are let under a fixed term rental agreement,

(a) a notice of termination shall be served by the lessee not less than sixty days before the expiry of the term; and

(b) service pursuant to clause (a), terminates the rental agreement as of the last day of the term.

Idem

(2.1) Where premises are let by rental agreement from month to month or week to week,

(a) a notice of termination shall be served by the lessee on or before the due date for the payment of rent; and

(b) service pursuant to clause (a) terminates the rental agreement on the day preceding the day that would otherwise be the next rental payment due date following the date referred to in clause (a).

Agreements deemed to be monthly

(3) For the purposes of subsection (2), where the premises are let for periods that are greater than a week and less than a month, they shall be deemed to be let from month to month. 1988,c.58,s.11; 1998,c.6,s.1.

GROUNDS FOR TERMINATION BY LESSOR

Termination by lessor

12. A lessor shall not terminate a rental agreement, whether of fixed or indeterminate duration, other than for a cause set out in section 13, 14 or 15. 1988,c.58,s.12.

Failure to pay rent

13. (1) Where a lessee fails to pay rent in accordance with the rental agreement, the lessor may, on any day following the day the rent was due, serve the lessee with a notice of termination to be effective not earlier than twenty days after the date it is served.

Payment of rent after notice

(2) A lessee may, within ten days of being served with a notice of termination under subsection (1) deliver to the lessor all the rent due as of that date, whereupon the notice shall be void.

Persistent late payment

(3) Where a lessee is persistently or habitually late in the payment of rent the lessor may apply to the Director for such order, including termination of the rental agreement as the Director considers just.

Application

(4) This section applies in place of all other remedies, statutory or otherwise, for failure to pay rent. 1988,c.58,s.13.

Grounds for termination

14. (1) The lessor may also serve a notice of termination upon the lessee where

(a) statutory condition 3 or 4, or any other term of rental agreement has been breached, other than failure to pay rent;

(b) occupancy by the lessee has resulted in the residential property or residential premises being damaged to an extent that exceeds reasonable wear and tear, and the lessee has failed within a

reasonable time after the damage occurred to take the necessary steps to repair the damage;

(c) the lessee has failed to give, within thirty days after the date he entered into a rental agreement, the security deposit requested pursuant to section 10;

(d) the lessee has knowingly misrepresented the residential property or residential premises to a prospective lessee or purchaser of the residential property or residential premises;

(e) the safety or other lawful right or interest of the lessor or other lessee in the residential property has been seriously impaired by an act or omission of the lessee or a person permitted in or on the residential property or residential premises by him;

(f) the number of persons permanently occupying the residential premises violates public health or fire safety standards prescribed by any Act or regulations;

(g) the residential premises must be vacated to comply with an order by a provincial, regional or municipal government authority respecting zoning, health, safety, building or fire prevention standards;

(h) the lessee has purported to assign or sublet the residential premises in violation of this Act;

(i) the rental agreement is for a fixed term with an option to renew and the lessee has not exercised the option.

Service

(2) Subject to subsection (3), a notice of termination pursuant to subsection (1) shall

(a) in the case of a month to month or fixed term rental agreement, be served not less than one month before the date on which it is to be effective;

(b) in the case of a week to week rental agreement, be served not less than one week before the date on which it is to be effective.

Application for early termination

(3) Where notice has been given for any of the reasons set out in subsection (1), the Director may, upon the application of the lessor, order that the termination be effective earlier than the date provided for in subsection (2).

Hearing

(4) An application made by a lessor pursuant to subsection (3) shall be heard at the same time as any application made by the lessee pursuant to subsection 16(1).

Copy

(5) The lessor shall serve the lessee with a copy of an application of the lessor under subsection (3). 1988,c.58,s.14; 1990,c.53,s.4.

Personal use, renovations, etc.

15. (1) Where the lessor in good faith seeks to

(a) have possession of the premises for occupation by himself, his spouse, children or parents, or the parents of his spouse;
(b) convert the premises to a use other than residential use;
(c) renovate the premises where the nature of the renovations are advised to the lessee and are such that the renovations cannot be carried out while the lessee occupies the premises;
(d) demolish the premises,

the lessor may serve the lessee with a notice of termination to be effective not less than two months after it is served.

Notice of termination where purchaser seeks vacant possession

(1.1) Where
(a) the lessor is the owner of residential premises comprising not more than two rental units;
(b) the lessor enters into an agreement of sale of the residential premises to a purchaser; and
(c) the purchaser has sworn an affidavit that he wishes to have possession of the premises for occupation by himself, his spouse, children or parents or the parents of his spouse,

the lessor may serve the lessee with a notice of termination to be effective not less than two months after it is served and the notice shall be accompanied by a copy of the affidavit referred to in clause (c).

Mobile home sites

(2) Notwithstanding subsection (1), where a lessor serves a notice of termination under this section respecting a mobile home site, other than where the lessee is renting a mobile home and the mobile home site under a single rental agreement, the period of notice shall not be less than six months.

Early termination by lessee

(3) Where a lessor serves a lessee notice of termination under this section, the lessee may, at any time during the period of notice
(a) give to the lessor at least ten days written notice of a termination date earlier than that specified by the lessor; and
(b) pay the lessor, on the date he gives notice of termination under clause (a), the proportionate amount of rent due up to the date the earlier termination is specified to be effective, or, where the rent has been paid in advance, claim and receive from the lessor reimbursement of that proportionate amount. 1988,c.58,s.15; 1990,c.53,s.5.

PROCEDURE

Application to set aside notice

16. (1) A lessee who has received notice of termination for any of the reasons set out in section 13, 14 or 15 may apply to the Director for an order setting aside the notice.

(2) An application under subsection (1) shall be made by a lessee not later than ten days after being served with the notice. *Idem*

(3) Where the lessee does not bring an application to set aside the notice, he shall be deemed to have accepted the termination on the effective date of the notice. *Idem*

(4) The lessee shall serve the lessor with a copy of an application of the lessee under subsection (1). 1988,c.58,s.16; 1990,c.53,s.6. Copy

17. (1) Except as provided in subsection (2), a fixed term rental agreement which has not been terminated pursuant to section 11, 13, 14 or 15 shall be deemed upon its expiration to be converted to a month to month rental agreement. Expiration of fixed term agreement

(2) With respect to premises licensed under the *Tourism Industry Act* R.S.P.E.I. 1988, Cap. T-3.3, a fixed term rental agreement for a continuous period of one month or more which has not been terminated pursuant to section 11, 13, 14, or 15, shall be deemed to be terminated on the expiry date. 1988,c.58,s.17; 1998,c.100,s.3. Deemed termination

18. (1) A lessor and lessee shall give notice to terminate in writing in the form prescribed by regulation. Form of notice

(2) A notice to terminate Content of notice

(a) shall be signed by the person giving the notice, or his agent;

(b) shall identify the premises in respect of which the notice is given;

(c) shall state the date on which the notice is to be effective; and

(d) where notice is given by the lessor, shall state the reasons for the termination. 1988,c.58,s.18.

OVERHOLDING LESSEES

19. (1) A lessor is entitled to compensation for the use and occupation of premises after the rental agreement has been terminated by notice. Overholding lessee

(2) The burden of proof that the notice has been waived or the rental agreement has been reinstated or a new rental agreement created is upon the person so claiming. 1988,c.58,s.19. Burden of proof

PART IV
RENT INCREASES

20. Sections 21 and 23 do not apply to Application

(a) residential premises that are developed and financed under the *National Housing Act* or the *Housing Corporation Act* and are

administered by or for the Government of Canada, the Government of the province, or an agency thereof;
(b) non-profit housing; or
(c) co-operative housing where the lessee is a member of the housing co-operative. 1988,c.58,s.20.

Frequency of rent increase

21. The rent payable for residential premises shall not be increased until twelve months have elapsed since the date of any previous increase or, in the case of residential premises not previously rented, the date on which rent was first charged. 1988,c.58,s.21.

Notice of rent increase

22. Every notice of increase of rent for residential premises shall
(a) be in writing in the form prescribed by regulation; and
(b) be served on the lessee
(i) in the case of a weekly agreement, at least three weeks before the date on which it is to take effect,
(ii) in the case of a monthly agreement, at least three months before the date on which it is to take effect. 1988,c.58,s.22.

Permitted increase

23. (1) Except as provided in subsection (3) and notwithstanding the terms of any rental agreement, the amount of any rent increase between January 1 and December 31 of any year shall not exceed the percentage amount which is established by an order of the Commission and published in the Gazette.

Representations

(2) The Director shall invite written representations from lessors and lessees to assist in establishing the annual prescribed percentage rent increase.

Application for additional increase

(3) Where the lessor seeks a rent increase greater than the amount permitted by subsection (1), the lessor shall apply to the Director for approval of the proposed increase not later than ten days after notifying the lessee.

Application for review by lessee

(4) Where the lessor seeks a rent increase equal to or less than the percentage amount permitted by subsection (1), the lessee may apply to the Director, not later than ten days after being served with the notice of rent increase, to have the Director review the rent increase being sought.

Form

(5) An application pursuant to subsection (3) or (4) shall be made on the form prescribed by regulation and a copy of the application shall be served on the other party.

Notice of hearing

(6) Upon receipt of an application pursuant to subsection (3) or (4), the Director shall within ten days give written notice to the lessor and lessee of the date, time, and place which he has fixed for a hearing of the application.

(7) The lessor and lessee shall supply any information requested by the Director for the purpose of assessing the application, and all information provided to the Director shall be available to both parties, who shall preserve confidentiality with respect to it. Information

(8) At the hearing both parties are entitled to appear and be heard and the Director shall consider the following factors: Factors considered

(a) whether the increase in rent is necessary in order to prevent the lessor sustaining a financial loss in the operation of the building in which the premises are situate;

(b) increased operating costs or capital expenditures as advised by the lessor;

(c) the expectation of the lessor to have a reasonable return on his capital investment;

(d) such other matters as may be prescribed by the regulations.

(9) After hearing and considering the application the Director may Decision

(a) approve the rent increase;

(b) approve a rent increase of such lower amount as he may specify, and shall give written notice of his decision, and the reasons therefor, to all parties within thirty days of the date of the hearing.

(10) Where an application has been made pursuant to subsection (3) or (4), the lessor shall not charge or collect a rent increase pending the outcome of that application. 1988,c.58,s.23; 1991,c.18,s.22. Increase frozen pending decision

PART V
APPEALS TO RESIDENTIAL RENTAL PROPERTY BOARDS

24. Repealed by 1991,c.18,s.22. Rental Boards

25. (1) Any party to a decision or order of the Director, if the party has appeared or been represented at the hearing before the Director, may appeal therefrom by serving on the Commission, within twenty days after receipt of the decision or order of the Director, a notice of appeal in the form prescribed by regulation. Appeal

(2) Appeals made to the Commission shall be heard by it within thirty days of receipt of the appeal. Hearing

(3) Where an appeal is not made under subsection (1), the parties are deemed to have accepted the decision of the Director and the decision is final. 1988,c.58,s.25; 1990,c.53,s.7; 1991,c.34,s.1,2; 1991,c.18,s.22. Decision binding if no appeal

26. (1) An appeal to the Commission shall be by way of a re-hearing, and the Commission may receive and accept such evidence and information Procedure

on oath or affidavit as in its discretion it considers fit and make such decision or order as the Director is authorized to make under this Act.

Appeal to Supreme Court

(2) A lessor or lessee may, within fifteen days of the decision of the Commission, appeal to the court on a question of law only.

Rules

(3) The rules of court governing appeals apply to an appeal under subsection (2).

Filing of order in Supreme Court

(4) Where the Commission has confirmed, reversed or varied an order of the Director and no appeal has been taken within the time specified in subsection (2), the lessor or lessee may file the order in the court.

Effect of filing

(5) Where an order is filed pursuant to subsection (4), it may be enforced as if it were an order of the court. 1988,c.58,s.26; 1990,c.53,s.8; 1991,c.18,s.22.

PART VI
GENERAL

Abolition of distress

27. The remedy of distress is abolished and no lessor shall distrain for default in the payment of rent. 1988,c.58,s.27.

Property left by lessee

28. (1) The lessee is not entitled to leave personal property in the residential premises after the rental agreement has terminated.

Application for an order

(2) Where a lessee has abandoned or apparently abandoned personal property in the residential premises after the rental agreement has terminated, the lessor may apply in the form prescribed by regulation to the Director for an order with respect to disposal of the property.

Idem

(3) An application pursuant to subsection (2) may be made *ex parte*, and shall set out the facts from which abandonment is inferred, and a detailed list of the abandoned property.

Order

(4) The Director, in an application pursuant to subsection (2), may make such order as he deems just and fit in the circumstances.

Payment to lessor

(5) Where, as part of an order, the disposal of the personal property involves the sale of that property, the Director may authorize a payment to the lessor out of the proceeds of the sale to cover the reasonable costs incurred by the lessor in moving, storing and selling the personal property.

Trust

(6) The Director shall hold any proceeds remaining from the sale, after authorized expenditures, in trust to the credit of the former lessee and, if the former lessee does not claim the remaining proceeds within two years of the sale, the Director shall forward the unclaimed proceeds to the

Department of Finance as part of the Province of Prince Edward Island's Operating Fund.

Good faith purchaser

(7) A purchaser in good faith of an item of personal property sold under the provisions of this section shall, subject to the *Personal Property Security Act* R.S.P.E.I. 1988, Cap. P-3.1 be deemed to have acquired good title to the property, free and clear of any other interest.

No liability

(8) Where a person removes, sells or otherwise disposes of personal property under this section in accordance with an order of the Director, neither that person nor the Director nor any person acting on behalf of the Director shall be liable in any action taken by the owner of the personal property in respect of the removal, storage or disposition of the property. 1988,c.58,s.28; 1998,c.100,s.4; 2010,c.31,s.3; 2012,c.17,s.2; 2015,c.28,s.3.

Mitigation

29. If the lessee abandons the premises or terminates the rental agreement otherwise than in accordance with this Act, the lessor shall mitigate any damages that may be caused by the abandonment or termination to the extent that a party to a contract is required by law to mitigate damages. 1988,c.58,s.29.

Delivery of copy of rental agreement

30. (1) Where a rental agreement in writing is executed by a lessee, the lessor shall ensure that a fully executed duplicate original copy of the agreement is delivered to the lessee at the time of signing or within twenty-one days after the lessee signed the agreement.

Failure to deliver, effect of

(2) Where subsection (1) is not complied with, only the provisions of this Act and the standard form rental agreement are binding upon the lessee, and the lessee is not bound by any additional terms contained in the written agreement unless and until it is served on him in accordance with subsection (1).

Existing agreements

(3) Where a written rental agreement has been entered into before the effective date and the lessee has not been supplied with a copy of the agreement, the lessor shall, within twenty-one days of the effective date deliver a copy of the agreement to the lessee in compliance with subsection (1). 1988,c.58,s.30.

Information to be supplied to lessee

31. (1) The lessor shall at the time of entering into the rental agreement provide the lessee with the following information in writing:

(a) the name and address of the lessor;

(b) the name and telephone number of the person responsible for the premises.

Multiple units, notice to be posted

(2) Where the lessor rents more than one residential premises in the same building and retains possession of part for the use of all lessees in

common, the lessor shall post and maintain posted in the common area a notice giving the information required by subsection (1). 1988,c.58,s.31.

Time limitations, effect of appeal

32. Where an appeal is made under this Act the time limited for giving any notice or doing any other thing under this Act is suspended from the day on which the appeal is filed and commences to run again from the day on which the decision on the appeal is made. 1988,c.58,s.32.

Service of notices

33. (1) Any notice, process or document to be served by or on a lessor, lessee or the Director or the Commission is sufficiently served if

(a) delivered personally; or

(b) sent by ordinary, certified or registered mail

(i) to the lessor at the address given under section 31,

(ii) to the lessee at the address of the premises,

(iii) to the Director at the address of his office;

(iv) to the Commission at the address of its office.

Substituted service

(2) Where a notice cannot be delivered personally to a lessee by reason of his absence from the premises or by reason of his evading service, the notice may be served on the lessee

(a) by serving it on any adult person who apparently resides with the lessee;

(b) by posting it in a conspicuous place upon some part of the premises or a door leading thereto; or

(c) by sending it by ordinary, certified or registered mail to the lessee at the address where he resides.

Idem

(3) Where a document is delivered by ordinary mail, it is deemed to have been delivered on the third day after the date of mailing. 1988,c.58,s.33; 1991,c.18,s.22.

Offences

34. Any person who violates or fails to comply with any order, direction or other requirement of a Commission or the Director or contravenes any provision of this Act, or any lessor who takes action against a lessee because of resort by the lessee to any governmental authority in respect of the residential premises or because the lessee attempts to enforce or secure his rights under this Act, is guilty of an offence punishable on summary conviction and is liable to a fine of not more than two thousand dollars. 1988,c.58,s.34; 1991,c.18,s.22.

Regulations

35. The Lieutenant Governor in Council may make regulations. 1991,c.18,s.22.

Injunctions

36. Repealed by 1990,c.53,s.9.

Repeals

37. Repeals. 1988,c,58,s.37.