Order under Section 57
Residential Tenancies Act, 2006

File Number: LTB-T-065960-23

In the matter of: 412, 16 HARRISON GARDEN BLVD
NORTH YORK ON M2N7J6

Between: Aungon nag Radon — Tenant

And

Camran Dowlatshahi — Landlord

Aungon nag Radon (the 'Tenant') applied for an order determining that Camran Dowlatshahi (the 'Landlord') gave a notice of termination in bad faith.

This application was heard by videoconference on June 19, 2024 and December 23, 2025.

The Landlord, Landlord’s legal representative Sathiyapriya Kalaimathian, the Tenant’s legal representative Kimberley Covey, and the Tenant attended the hearing.

Determinations:

1. As explained below, the Tenant did not prove the allegations contained in the application on a balance of probabilities. Therefore, the application is dismissed.

Testimony of Aungon nag Radon

2. The Tenant testified that he moved into the unit on July 1, 2020, after relocating for work during the COVID-19 pandemic. He was looking for a two-bedroom condo that offered an easy commute to downtown Toronto and chose the rental unit because of its convenient location and community. The agreed rent was $2,050.00 per month.

3. On July 1, 2022, the Landlord offered a lease extension with a slight increase to $2,075.00. Later, on May 17, 2023, the Landlord emailed the Tenant proposing an 8% rent increase and attached a lease extension letter raising the rent to $2,250.00 The Tenant refused to sign the document. The lease extension letter was entered into evidence.

4. On May 23, 2023, after the Tenant refused to sign the lease extension letter, the Landlord sent the Tenant a letter by email titled Termination of Lease Letter. The letter reads as follows:

The May 23, 2023 email was entered into evidence.

5. The Tenant testified that he understood the law regarding rent increases but did not know what an N12 notice was at the time. He considered the Landlord’s email dated May 23, 2023, to be a notice of termination and decided to leave because of it.

6. After receiving the email, he began searching for alternative housing but could not find anything in the $2,050.00 range in the same neighborhood. Faced with the possibility of homelessness, he felt he had two options: rent another property at a much higher price or purchase a home. He spoke to a realtor on May 31, 2023, and ultimately moved out at the end of July 2023.

7. The Tenant testified that after he vacated the rental unit, he came to learn it was never sold, instead, it was listed for rent at $2,750.00 on August 8, 2023, and leased on August 18, 2023.

8. The Tenant testified that he relied on realtors during this process, which created a financial burden, and that he was afraid of becoming homeless when he received the notice. He submitted an Uber receipt for $41.04 for travel to Ajax on July 30 and an invoice for moving expenses totaling $1,256.56. Both receipts were entered into evidence. The Tenant seeks his out-of-pocket expenses and general damages.

9. In cross-examination, the Tenant acknowledged that the May 23, 2023 email was not an official N12 notice and reiterated that he did not know what an N12 was at the time. He explained that while he understood rent increase rules, he was unaware of the N12 process and did not know about the Landlord and Tenant Board until after he vacated. He admitted that he could have researched his options but instead relied on the email as a termination notice.

10. The Tenant also testified that the Landlord did not force him to leave the rental unit, but the Tenant submitted that the email made him feel he had no choice. He confirmed that the Landlord had not asked him to move out before May 23, 2023, and that while the email mentioned compensation, he did not accept it.

11. The Tenant agreed that the Landlord initially offered him a chance to stay another year at an increased rent, which he declined. He moved out in late July after purchasing a property in late June for $915,101, closing on July 26, 2023. He stated that buying was not his original intention when he moved to Ontario, but given high rental prices, purchasing made more sense. He signed an agreement with a realtor on May 31, 2023, and explained that he compared rental costs to mortgage payments and found them similar. He acknowledged that his mortgage is $3,779.38 per month, exceeding $4,000.00 with additional costs, but testified that comparable rentals were in the $3,000.00 range, and he preferred to pay more for ownership rather than commit to a lease at that price.

12. Finally, in cross-examination the Tenant was asked if he had always planned to buy a property. The Tenant denied that he had already planned to buy a property before receiving the May 23, 2023 email and reiterated that he made the decision quickly because rental prices were high and purchasing seemed the better option.

Testimony of Kevin Kim

13. The witness testified that he has worked as a realtor for 17 years and was the Landlord's realtor during the relevant time involving the Tenant. He was hired to sell the rental unit once the Tenant vacated. He explained that the housing market was performing poorly, noting that even after lowering the price, the property did not sell.

14. He stated that the average time to complete a purchase in that market was approximately three months, but in this case, there were only seven showings, reflecting how slow the market was. The witness emphasized that the initial plan was to sell the property, not to re-rent it, and that the Landlord never checked the rental market value until deciding to lease after the sale attempts failed.

15. The witness further testified that the Landlord's intention was not to make money but simply to find a suitable tenant after the decision to lease was made. He added that the Landlord was cautious and did not accept the first applicant, wanting to ensure the right tenant was chosen.

16. During cross-examination, the witness agreed that it is possible to close a sale within two months but reiterated that the original idea was never to re-rent. He confirmed that the property was listed for sale while the Tenant still occupied it and that after the Tenant vacated, it was rented.

17. When asked about the difference between selling a property with a tenant versus vacant, the witness explained that the property was only on the market for eight days after it became vacant and still received no inquiries between August 1 and August 8, 2023. He also noted that showings were stopped during the last 10 days of the Tenant's occupancy to avoid interfering with the Tenant's move.

Testimony of Camran Dowlatshahi

18. The Landlord testified that he had never issued an N12 notice to the Tenant at any point during the tenancy. The relationship between the parties was positive throughout the two-year period, with no reported difficulties or disputes.

19. In April 2023, the Tenant verbally informed the Landlord that they were actively looking to purchase a property. Subsequently, on May 23, 2023, the Landlord sent an email to the Tenant advising them that rising expenses had become unsustainable and suggested that the Tenant vacate the unit by July 31, 2023 to allow the Landlord to sell. The Landlord clarified that they did not consider the email equivalent to an N12 notice.

20. The Landlord testified that he believes the Tenant was not forced to leave, rather they moved out because they successfully purchased a home.

21. The Landlord submitted that although the property was listed for sale for 70 days, it did not sell. Ultimately, he re-rented the rental unit at an increased rate of $500.00 per month, as selling was not feasible. The Landlord acknowledged that they were unaware of any requirement to complete a sale before asking the Tenant to vacate.

Analysis

22. Subsection 57(1)(b) of the *Residential Tenancies Act, 2006* (the 'Act') requires the Tenant to prove each of the following on a balance of probabilities:

    - The Landlord gave the Tenant an N12 notice of termination under section 49 of the Act;
    - The Tenant vacated the rental unit as a result of the N12 notice of termination;
    - No person referred to in subsection 49(1) or 49(2) of the Act occupied the rental unit within a reasonable time after the Tenant vacated; and
    - The Landlord served the N12 notice of termination in bad faith.

23. The first element of the test requires that the Landlord served the Tenant with an N12 Notice. Although the Tenant did not expressly advance this argument, their position effectively suggested that the email dated May 23, 2023 was substantially compliant with the requirements of an N12 Notice under either section 48 or section 49 of the Act.

24. Section 202 of the Act states:

    202 (1) In making findings on an application, the Board shall ascertain the real substance of all transactions and activities relating to a residential complex or a rental unit and the good faith of the participants and in doing so,

    (a) may disregard the outward form of a transaction or the separate corporate existence of participants; and

    (b) may have regard to the pattern of activities relating to the residential complex or the rental unit

25. Section 212 of the Act states:

    212 (1) Substantial compliance with this Act respecting the contents of forms, notices or documents is sufficient.

26. After reviewing the email dated May 23, 2023, together with the parties' evidence, I find that the email is not analogous to an N12 Notice. Consistent with the reasoning in *CET-76967-18-AM (Re)* and *LTB-T-009456-23*, the email does not contain the essential elements required under section 48 or section 49 of the Act. While the May 23, 2023 email indicates that the Landlord intended to sell the rental unit, it does not specify a definitive date for the sale or a date on which possession would be required for residential occupancy by the Landlord or a purchaser.

27. It would be unreasonable to conclude that an email merely expressing an intention to sell the property satisfies the statutory requirements for an N12 Notice or supports a bad faith claim under section 57 of the Act. Considering sections 202 and 212 of the Act, I find that the Tenant has not established that they received an N12 Notice in compliance with section 48 or section 49.

28. As I have determined that the Landlord did not serve the Tenant with an N12 Notice as required in section 57(1)(b), the Tenant's T5 application must be dismissed.

It is ordered that:

1. The T5 application is dismissed.

<u>January 9, 2026</u>
Date Issued

Brett Lockwood
Member, Landlord and Tenant Board

15 Grosvenor Street, Ground Floor
Toronto ON M7A 2G6

If you have any questions about this order, call 416-645-8080 or toll free at 1-888-332-3234.