Order under Section 69
Residential Tenancies Act, 2006
And section 21.1 of the Statutory Powers Procedures Act

Citation: Stempien v Van Der Sluis, 2025 ONLTB 92103
Date: 2025-12-02
File Number: LTB-L-048714-25, LTB-T-034206-25

In the matter of: 7125 CHATHAM CRT.
MISSISSAUGA ON L5N8R1

Between: Alicia Stempien — Landlord

And

Arjeh Van Der Sluis — Tenant

The order contained a clerical error, this amended order was issued to correct the order dated December 3, 2025. The amendments are underlined for ease of reference.

Alicia Stempien (the 'Landlord') applied for an order to terminate the tenancy and evict Arjeh Van Der Sluis (the 'Tenant') because the Tenant did not pay the rent that the Tenant owes. (L1 Application)

Arjeh van der Sluis (the 'Tenant') applied for an order determining that Alicia Christina Stempien (the 'Landlord') collected or retained money illegally. (T1 Application)

These combined applications were heard by videoconference on October 28, 2025.

The Landlord Alicia Christina Stempien, the Landlord's Legal Representative Lubna Tahir , the Tenant, the Tenant's Legal Representative Tiffany Corradetti, and the Tenant's support person Pamela O'Hagan attended the hearing.

Determinations:

1. The Landlord served the Tenant with an N4 notice of termination. The Tenant did not void the notice by paying the amount of rent arrears owing by the termination date in the N4 Notice or before the date the application was filed.
2. The Tenant contests the amount of rent being claimed by the Landlord. He alleges that the Landlord is trying to collect rent that was being charged as a result of an illegal rent increase. The Tenant filed a T1 application alleging the Landlord collected or retained money illegally.

3. In the Landlord's L1 application the Landlord claims that the monthly rent amount was $2,486.00 effective July, 2024 when the parties entered into a new lease agreement.
4. The Tenant vacated the rental unit on July 31, 2025.
5. The Landlord alleges that the rent arrears owing to July 31, 2025 are $4,086.00.
6. The Landlord incurred costs of $186.00 for the filing of the application and is asking for reimbursement of those costs.
7. There is no last month's rent deposit as it was previously applied to the last month of the tenancy being July 2025.
8. It is not disputed that the monthly rent prior to July, 2024 was $1,686.00.
9. The Tenant alleges in their T1 application that the Landlord has charged an illegal rent which they have paid resulting in an overpayment of rent of $6,314.00.
10. The Tenant incurred costs of $48.00 for the filing of their application and is asking for reimbursement of those costs.
11. The Tenant alleges that the Landlord reached out to the Tenant via email on April 10, 2024 to discuss a potential rent increase from the current $1,686.00 per month. The Landlord suggested that market rent was $3,500.00 and asked if the Tenant was willing to pay $2,450.00 per month.
12. The Tenant stated that he was fearful of being able to afford the rent increase, but he had upcoming eye surgery scheduled for later that year and was going to be on medical leave for approximately 5 months to recover. He wanted everything settled prior to his surgery and thought that he might be evicted if he didn't agree or the Landlord might sell the rental unit and he would be forced to look for a new rental unit while recovering. He reached out to his financial advisor and confirmed he would be able to make the proposed new rental amount work by dipping into his savings and retirement funds. As a result he agreed to enter into a new lease agreement scheduled to take effect on July 1, 2024.
13. The Tenant testified that he received the new lease agreement on June 23, 2024, but the new lease agreement had a monthly rent amount in the lease of $2,486.00 not the $2,450.00 as discussed with the Landlord. However, he did not raise this with the Landlord and signed the lease agreement anyway.
14. The Tenant submits that there is nothing substantially different between the original lease agreement entered into between the Tenant and the Landlord and the new lease agreement is an attempt by the Landlord to contract out of the Act to achieve an illegal above guideline rent increase.
15. The Landlord submits that her mortgage was up for renewal and would be increasing by 2.5 times and that she required the rent increase as set out on the new lease agreement to afford to retain the rental property.
16. The Landlord submits that the parties wilfully entered into the new lease agreement and the rent increase should not be deemed illegal.

<u>Analysis</u>

17. I find that the Landlord's N4 notice of termination is invalid, and I also find that the Tenant does not owe the Landlord any arrears and that the Landlord has collected rent more than the amount allowed by the Act and must pay the Tenant the illegally collected rent as sought in the Tenant's T1 Application, for the reasons that follow.

18. Section 3(1) of the *Residential Tenancies Act,* 2006 (the 'Act') states:

> This Act, except Part V.1, applies with respect to rental units in residential complexes, despite any other Act and despite any agreement or waiver to the contrary.

19. The attempt to enter into a new lease agreement is an attempt to contract out of the Act, whether intentional or not. The new lease agreement attempts to circumvent the provisions of the Act, in particular Section 110 of the Act which states that no landlord shall increase the rent charged to a tenant for a rental unit, except in accordance with the Act's rent increase rules.

20. Section 116 of the Act states that a landlord shall not increase the rent charged to a tenant for a rental unit without first giving the tenant at least 90 days written notice of the landlord's intention to do so using a Board approved form.

21. In this case the Landlord increased the rent from $1,686.00 to $2,486.00, without first serving the required Notice of Rent Increase (NORI).

22. In addition, even if the Landlord had given the Tenant a NORI, the increase would still have been illegal because the landlord was limited to the 2024 guideline increase of 2.5%.

23. Subsection 120(1) of the Act provides:

> No landlord may increase rent charged to a tenant or to an assignee under section 85, during the term of their tenancy by more than the guideline, except in accordance with section 126 or 127 or an agreement under section 121 or 123.

24. There was no evidence of any of the exceptions identified in section 120 under sections 121, 123, 126 or 127 applied – i.e. there were no Board orders permitting above guideline increases and there were no agreements entered into due to the provision of increased services or because of additional capital expenditures undertaken.

25. The fact that the Tenants signed a new lease containing the illegal rent increase does not make it lawful. The Court of Appeal for Ontario addressed this very issue in *Honsberger v. Grant Lake Forest Resources Ltd*., 2019 ONCA 44. The Court found that while parties are free to enter into a new tenancy agreement at the expiry of their existing fixed term agreement, the landlord must also provide a written notice of rental increase in accordance with the RTA in order to increase the rent in the new tenancy agreement.

26. The rental amount of $2,486.00 as contained in the new lease agreement is an illegal rent increase. The lawful monthly rent is $1,686.00.

27. The lawful rent the Landlord was entitled to for the period of July, 2024 to July, 2025 is $20,232.00 being 13 months at $1,686.00 less the last month's rent deposit that was previously held by the Landlord.

28. In accordance with the ledger submitted and agreed upon by the parties. The Tenant has paid the Landlord $26,546.00 for the period of July 2024 to July 2025 as follows: $2,486.00 per month from July 2024 to April 2025, $1686.00 for May, $0.00 for June and $0.00 for July.

29. As the rent increase was unlawful, I find the Landlord collected $6,314.00 of rent in excess of the amount permitted under the Act from the Tenant.

30. The Tenant's application was filed within the one year time frame as set out under section 135(4) of the Act.

31. As the Tenant was successful in their application, they are entitled to the cost of the filing fee.

It is ordered that:

L1 Application

1. The Landlord's application is dismissed.

T1 Application

2. The total amount the Landlord shall pay to the Tenant is $6,362.00. This amount represents:

   - $6,314.00 or excess rent collected.
   - $48.00 for the cost of filing the application

3. The Landlord shall pay the Tenant the full amount owing by

4. If the Landlord does not pay the Tenant the full amount owing on or before December 14, 2025, the ~~Tenant~~ Landlord will start to owe interest. This will be simple interest calculated from December 15, 2025 at 4.00% annually on the balance outstanding.

December 3, 2025
Date Issued

January 14, 2026
Date Order Amended

Sean Ramage
Member, Landlord and Tenant Board

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