



Order under Section 69 Residential Tenancies Act, 2006

Citation: Muharemovski v Arthurs, 2026 ONLTB 5076

Date: 2026-01-16

File Number: LTB-L-087760-25

In the matter of: Basement unit, 697 WINDFLOWER CRES
KITCHENER ON N2E4E4

Between: Servie Muharemovski Landlord

And

Katie Arthurs Tenant

Servie Muharemovski (the 'Landlord') applied for an order to terminate the tenancy and evict Katie Arthurs (the 'Tenant') because the Tenant did not pay the rent that the Tenant owes.

This application was heard by videoconference on January 12, 2026.

The Landlord and the Tenant attended the hearing.

Determinations:

1. The Landlord served the Tenant with a valid Notice to End Tenancy Early for Non-payment of Rent (N4 Notice). 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 was in possession of the rental unit on the date the application was filed.
3. The Tenant vacated the rental unit on November 30, 2025. Rent arrears are calculated up to the date the Tenant vacated the unit.

Lawful Rent Owing

4. The Tenant disputes the lawful rent owing. The Tenancy agreement states the lawful rent is \$1,950.00, with a one-year prompt payment discount of \$250.00.
5. The Tenant paid \$1,700.00 for the first 12 months from October 1, 2024 to October 1, 2025. The Landlord then raised the rent to \$1,950.00.
6. Prompt payment discounts are permitted in the *Residential Tenancies Act*, 2006 the ('Act') pursuant to section 111(2) of the Act. A prompt payment discount is lawful where it is no

more than 2 per cent of the rent that could otherwise be lawfully charged and the discount is in writing.

7. In this case, although the rent discount was in writing, and met the prescribed conditions, it exceeded 2 per cent and was therefore unlawful.
8. Section 12(3) of O. Reg 516/06 provides a rule for calculating the lawful rent when a prompt payment discount is greater than 2 per cent of the rent that could otherwise be lawfully charged. The lawful rent shall be calculated by dividing the discounted rent by 0.98.
9. In this case the discounted rent was \$1,700.00 (\$1,950-\$250.00). Therefore the lawful rent is \$1,734.00 (\$1,700.00*0.98). It was due on the 1st day of each month.
10. The discounted rent applies to October 1, 2024 to September 30, 2025. Because the prompt payment discount was for 1 year, it ended on September 30, 2025. Therefore the lawful rent of \$1,734.00 applied starting October 1, 2025.
11. The Tenant paid \$1,650.00 for the month of October, 2025 and nothing in November, 2025. The Tenant has not made any payments since the application was filed.
12. The rent arrears owing to November 30, 2025 are \$1,818.00.
13. The Landlord incurred costs of \$186.00 for filing the application and is entitled to reimbursement of those costs.
14. The Landlord collected a rent deposit of \$1,700.00 from the Tenant and this deposit is still being held by the Landlord. The rent deposit is applied to the arrears of rent because the tenancy terminated.
15. Interest on the rent deposit, in the amount of \$49.60 is owing to the Tenant for the period from October 1, 2024 to November 30, 2025.

It is ordered that:

1. The tenancy between the Landlord and the Tenant is terminated as of November 30, 2025, the date the Tenant moved out of the rental unit.
2. The Tenant shall pay to the Landlord \$254.40. This amount includes rent arrears owing up to the date the Tenant moved out of the rental unit and the cost of filing the application. The rent deposit and interest the Landlord owes on the rent deposit is deducted from the amount owing by the Tenant. See Schedule 1 for the calculation of the amount owing.
3. If the Tenant does not pay the Landlord the full amount owing on or before January 27, 2026, the Tenant will start to owe interest. This will be simple interest calculated from January 28, 2026 at 4.00% annually on the balance outstanding.

January 16, 2026
Date Issued

Julie Broderick
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.

Schedule 1
SUMMARY OF CALCULATIONS

A. Amount the Tenant must pay as the tenancy is terminated

Rent Owing To Move Out Date	\$1,818.00
Application Filing Fee	\$186.00
Less the amount of the last month's rent deposit	- \$1,700.00
Less the amount of the interest on the last month's rent deposit	- \$49.60
Total amount owing to the Landlord	\$254.40