



**Order under Section 21.2 of the
Statutory Powers Procedure Act
and the Residential Tenancies Act, 2006**

Citation: 2807633 Ontario Inc. v Falletta, 2026 ONLTB 8249

Date: 2026-01-29

File Number: LTB-L-065618-25-RV2

In the matter of: 29, 549 LAKESHORE DR
NORTH BAY ON P1A2E5

Between: 2807633 Ontario Inc. Landlord

And

Stephano Falletta Tenant

Review Order

2807633 Ontario Inc. (the 'Landlord') applied for an order to terminate the tenancy and evict Stephano Falletta (the 'Tenant') because the Tenant did not pay the rent that the Tenant owes.

The application was resolved by order LTB-L-065618-25 issued on October 16, 2025.

On November 6, 2025 the Tenant requested a review of the order and that the order be stayed until the request to review the order is resolved.

On November 7, 2025 interim order LTB-L-065618-25-RV-IN was issued, staying the order issued on October 16, 2025.

The request to review was heard by videoconference on December 2, 2025, and was granted by review order LTB-L-065618-25-RV issued on December 11, 2025. The review order directed that the Landlord's application be heard *de novo* (anew).

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

The Landlord's agent, Salman Kazi ('SK'), the Landlord's witness, Manley Barkhouse ('MB'), the Tenant, and the Tenant's legal representative, Sophia Jennings ('SJ'), attended the hearing.

Determinations:Preliminary Issue

1. In response to the Landlord's application about rent arrears, the Tenant raised an issue under section 82 of the Act. The issue raised by the Tenant was that the Landlord tried to charge the Tenant \$100.00 per month for parking, and this was determined in another LTB proceeding (LTB-T-084538-24) to be an illegal charge, because parking was already included in the rent. The Landlord then removed parking as a facility included in the rent, but only reduced the rent by \$25.00. The remedy the Tenant sought relative to this issue was a determination that the monthly rent should have been reduced by \$100.00 per month instead of only \$25.00 (see DOC-7036067).
2. I considered this as a preliminary issue because of the potential implications of the determination on the validity of the N4 notice on which the application is based.
3. On April 10, 2025 order LTB-T-084538-24 was issued. In this order, it was determined that at the outset of the tenancy, parking was included in the rent. The Landlord, after purchasing the property, unilaterally imposed a parking fee of \$100.00, effectively increasing the monthly rent by \$100.00. This was found to be an illegal charge, and the Landlord was ordered to return \$900.00 to the Tenant to compensate him for the amounts he had paid for the illegal charge. The order also stated that the Landlord was entitled to discontinue parking as a service included in the rent, but would have to accordingly reduce the rent.
4. The parties agreed that as of July 2024, the lawful monthly rent was \$666.25. It was in August 2024 that the Landlord began charging the additional \$100.00 per month for parking, effectively increasing the rent – albeit unlawfully – to \$766.25.
5. Then, effective February 1, 2025, a lawful rent increase took effect. The “base rent” (not including parking) was increased by 2.5% from \$666.25 to \$682.90. This was set out in the notice of rent increase, and the parking charge was not increased.
6. On April 27, 2025 the Landlord gave the Tenant a letter stating that “free” parking was being discontinued, and the monthly rent would therefore be reduced by \$25.00, to \$657.90 (DOC-7036067).
7. Whether the Landlord properly reduced the rent in accordance with the requirements of the Act is a key issue both because the lawful rent must be determined, and because \$657.90 is the “rent charged” claimed in the N4 notice on which this application is based. If this was not in fact the lawful rent, then the N4 notice would be invalid because it would not have correctly identified the rent arrears owing and therefore would not have accurately stated what the Tenant needed to pay to void the N4 notice: see s. 59, *Residential Tenancies Act, 2006*.
8. This was not an agreement to remove parking as a facility included in the rent under section 125 of the Act, because the Tenant did not agree that it be removed. The Landlord unilaterally decided to eliminate parking as a facility included in the rent, which it was entitled to do: see s. 130, *Residential Tenancies Act, 2006*; *Lise v. CLV Group Inc.*, 2022

CanLII 49901 (ON LTB), para 7; *CET-68554-17-RV*, 2017 CanLII 93918 (ON LTB), paras 10-13.

9. The issue raised by the Tenant under section 82 of the Act is based on an application the Tenant could have made under section 130 of the Act, which states:

Reduction in services

130 (1) A tenant of a rental unit may apply to the Board for an order for a reduction of the rent charged for the rental unit due to a reduction or discontinuance in services or facilities provided in respect of the rental unit or the residential complex. 2006, c. 17, s. 130 (1).

Same, former tenant

(2) A former tenant of a rental unit may apply under this section as a tenant of the rental unit if the person was affected by the discontinuance or reduction of the services or facilities while the person was a tenant of the rental unit. 2006, c. 17, s. 130 (2).

Order re lawful rent

(3) The Board shall make findings in accordance with the prescribed rules and may order,

- (a) that the rent charged be reduced by a specified amount;
- (b) that there be a rebate to the tenant of any rent found to have been unlawfully collected by the landlord;
- (c) that the rent charged be reduced by a specified amount for a specified period if there has been a temporary reduction in a service. 2006, c. 17, s. 130 (3).

Same

(4) An order under this section reducing rent takes effect on the day that the discontinuance or reduction first occurred. 2006, c. 17, s. 130 (4).

Same, time limitation

(5) No application may be made under this section more than one year after a reduction or discontinuance in a service or facility. 2006, c. 17, s. 130 (5).

10. Parking is a defined “service” or “facility” under the Act: ss. 2(1), *Residential Tenancies Act*, 2006.
11. The Tenant seeks only a determination as to what the lawful rent was once parking was removed as a facility included in the rent.

12. To determine whether the \$25.00 reduction was appropriate, I must consider section 39 of *General*, O. Reg. 516/06, which states:

Rules relating to reduction in services

39. (1) The rules set out in this section apply in respect of making findings relating to a reduction of the rent charged under [section 130](#) of the [Act](#) based on a discontinuance or reduction in services or facilities. O. Reg. 516/06, s. 39 (1).

(1.1) In a circumstance in which [clause 137 \(3\)](#) (c) or [138 \(1\)](#) (b) of the [Act](#) requires a landlord to reduce the rent for a rental unit, the rent reduction rules that are prescribed for the purposes of clause 137 (3) (c) or 138 (1) (b) of the Act apply instead of the requirements set out in subsections (2) to (7). O. Reg. 395/10, s. 2.

(2) If a service or facility is discontinued and the discontinuance was reasonable in the circumstances, the rent shall be reduced by an amount that is equal to what would be a reasonable charge for the service or facility based on the cost of the service or facility to the landlord or, if the cost cannot be determined or if there is no cost, on the value of the service or facility, including the cost to the tenant or former tenant of replacing the discontinued service or facility. O. Reg. 516/06, s. 39 (2).

(3) If a service or facility is discontinued and the discontinuance was not reasonable in the circumstances, the rent shall be reduced by an amount that takes into account the following matters:

1. The value of the service or facility, including the cost to the tenant or former tenant of replacing the discontinued service or facility.
2. The effect of the discontinuance on the tenant or former tenant. O. Reg. 516/06, s. 39 (3).

(4) The amount of the rent reduction determined under subsection (3) shall not be less than the amount of the reduction that would have been required under subsection (2) had the discontinuance been reasonable. O. Reg. 516/06, s. 39 (4).

(5) Despite subsections (2), (3) and (4), if a service or facility was previously provided to the tenant or former tenant under an agreement under [section 123](#) of the [Act](#), [section 132](#) of the [Tenant Protection Act, 1997](#), [section 46](#) of the [Rent Control Act, 1992](#) or subsection 96 (4) of the [Residential Rent Regulation Act](#), the reduction in rent on discontinuing the service or facility shall be equal to,

- (a) the most recent amount of the separate charge for the service or facility; or

(b) where there is no separate charge, the increase in rent that the landlord took when the service or facility was first provided, adjusted by the percentage increase in rent being charged for the rental unit from the date the service or facility was first provided to the date the landlord discontinued the service or facility. O. Reg. 516/06, s. 39 (5).

(6) If a service or facility is reduced, the amount of the reduction of rent shall be a reasonable proportion, based on the degree of the reduction of the service or facility, of the amount of the reduction in rent that would have been determined under subsections (2) to (5) had the service or facility been discontinued. O. Reg. 516/06, s. 39 (6).

(7) If the discontinuance or reduction is temporary and its duration is reasonable, taking into account the effect on the tenant or former tenant, there shall be no reduction of rent. O. Reg. 516/06, s. 39 (7).

13. The Landlord took the position that the discontinuance itself was reasonable in the circumstances, because parking is limited in the area where the Tenant parked and he had contractual obligations to other tenants to park in this area. He said there are about 20 rental units, but only 10-12 parking space in this area.
14. This evidence was not contested or contradicted by the Tenant. While it may seem unfair from the Tenant's perspective that the parking space he used was discontinued as a facility included in his rent, in my view, it was reasonable in the circumstances for the Landlord to make a business decision to discontinue parking as a facility included in the Tenant's rent.
15. This was not a reduction in the facility, nor was it temporary. It was a permanent discontinuance. This means the rent reduction has to be considered in accordance with ss. 39(2), *General*, O. Reg. 516/06.
16. There was no evidence presented as to the cost to the Landlord of providing the parking space. I must therefore consider the value of the facility, including the cost to the Tenant of replacing it. There was no cogent evidence as to what the ongoing monthly cost to the Tenant would be to replace this space, except that the Landlord said he offered the Tenant another space, farther away from the unit for \$25.00 per month.
17. The best evidence of the value of the parking space that was discontinued is that the Landlord initially attempted to charge the Tenant \$100.00 per month to park there, and when it was determined he could not do so, he discontinued the Tenant's right to park there altogether. Putting this value on the parking space is consistent with the Landlord's evidence of a shortage of parking spaces in this area, suggesting that demand exceeds supply.
18. The best evidence of a replacement cost may have been \$25.00, but this is only one factor to consider in determining the value. The replacement offered by the Landlord was farther away from the unit, and so not directly comparable. The Tenant also said that he has

asthma, which is one reason why he wanted the closer parking space, and that this discontinuance made his life substantially more difficult.

19. In my view, for the reasons described above, the appropriate value to assign to the discontinued parking space is \$100.00.
20. This means that the lawful monthly rent ought to have been reduced from \$682.90 to \$582.90 (instead of \$657.90).
21. Upon the discontinuance of parking as a facility included in the rent, the lawful monthly rent was therefore \$582.90.
22. As set out above, in the N4 notice on which the application is based, the monthly rent charged for July 2025 was \$657.90. This was not correct. The total amount owing and the amount the Tenant had to pay to void the notice was also therefore incorrect, rendering the N4 notice invalid. The LTB therefore does not have jurisdiction to make an order terminating the tenancy on this application.
23. Rather than request to amend the application to seek an order for payment of rent arrears only, the Landlord requested to withdraw the application, and I consented to the request.

It is ordered that:

1. The lawful monthly rent as of May 2025 was \$582.90.
2. The Landlord's application about rent arrears is withdrawn.

January 29, 2026
Date Issued

Mark Melchers
Member, Landlord and Tenant Board

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