



Order under Section 69 Residential Tenancies Act, 2006

File Number: LTB-L-088392-25

In the matter of: UNIT 1630, 230 SIMCOE ST
TORONTO ON M5T0G7

Between: Hanbo Jiao Landlord

And

Edgar Pena Tenants
Jose Barrientos Manuel Ruiz

Hanbo Jiao (the 'Landlord') applied for an order to terminate the tenancy and evict Edgar Pena and Jose Barrientos Manuel Ruiz (the 'Tenants') because the Tenants did not pay the rent that the Tenants owe.

This application was heard by videoconference on January 8 and 15, 2026. The Landlord's representative, Tom Li, and Tenant Edgar Pena ('EP') attended the hearing.

Determinations:

1. The first issue to be determined is the amount of the lawful monthly rent. The Landlord takes the position that the lawful rent is \$3,100.00 while EP submits that as of September 24, 2025, the lawful rent is \$3,000.00.
2. For the reasons that follow, I am satisfied the lawful monthly rent is \$3,000.00.
3. The tenancy commenced on September 24, 2024, for a fixed term ending on September 23, 2025. The tenancy agreement named both tenants and was for a monthly rent of \$3,100.00. The tenancy agreement also required the Tenants to pay a rent deposit of \$9,300.00, or three months of rent.
4. The Tenant admitted several emails exchanged with the Landlord between July 4, 2025 and July 14, 2025. The emails establish that on July 4, 2025, EP advised the Landlord that Jose Barrientos Manuel Ruiz ('JBMR') would be moving out of the rental unit. EP requested photographs of the rental unit to assist with his search for a new roommate.

5. On July 7, 2025, the Landlord responded with several photographs of the rental unit and stated as follows:

"So for the lease agreement of next year, if Jose will leave, then you need to find another roommate ... but since you have already been living there for almost a year, I can decrease the \$100 which the monthly rent will be \$3000. If you find a new roommate, we can do the same process as last year. You can continue to pay your monthly rent, and new tenant need to bring the first plus last two months' rent ..."

6. EP responded asking the Landlord if the lease could be renewed under just his name with him taking full responsibility of the monthly rent. On July 14, 2025, the Landlord replied as follows:

"Yes, we can renew the lease under your name, so you agree the monthly rent \$3000 and you will send the fully rent for both of you?"

7. The Tenant confirmed that he would be fully responsible as the sole named tenant on the lease agreement for a monthly rent of \$3,000.00.
8. I am satisfied there was a proposal made by the Landlord for a monthly rent of \$3,000.00 and that EP agreed to this offer on July 14, 2025.
9. The Landlord's representative submitted that this agreement was conditional upon the Tenant having a roommate and a rent deposit equal to three months of rent being paid. I am not convinced this is the case.
10. There is nothing in the Landlord's written communication that indicates the offer was conditional upon EP having a roommate and a deposit equal to three months of rent being paid. Even if I were to accept this was the case, EP had a new roommate as of September 1, 2025.

11. Subsection 106(2) of the *Residential Tenancies Act, 2006* (the 'Act') provides that the amount of a rent deposit shall not be more than the lesser of the amount of rent for one period of the amount of rent for one month. Subsection 3(1) of the Act says the Act applies with respect to rental units in residential complexes, despite any Act and despite any agreement or waiver to the contrary. This provision means that landlords and tenants cannot contract out of their rights and obligations as provided for by the Act. In other words, the Landlord could not compel EP to pay a rent deposit equal to three months of rent as that was contrary to the Act. Simply put, the Landlord cannot rely on an unlawful term as a condition.

12. I do not believe the fact EP refused to sign the new written lease agreement invalidates the parties' express agreement regarding the rent reduction. I say this because tenancies in Ontario continue month-to-month under the same terms following the expiry of the fixed term unless the tenancy is lawfully terminated by a Board order, a valid notice of termination where the tenant vacates in accordance with the notice, or by agreement of the parties. On the facts before me, I do not find that there was an agreement between the parties to terminate the existing tenancy; I find that there was an agreement to amend the terms of the existing lease, with the lease continuing as modified. Rather than compel the

Tenant to sign a new lease, the Landlord ought to have amended the original lease to reflect the agreed changes.

13. Given my finding that the lawful monthly rent is \$3,000.00, the Notice to End Tenancy Early for Non-payment of Rent (N4 Notice) is invalid. As the Board does not have jurisdiction to terminate a tenancy based on an invalid notice, the Landlord's representative requested that the matter be dismissed.

It is ordered that:

1. The Landlord's application is dismissed.

January 26, 2026
Date Issued

Dawn Sullivan
Vice Chair, 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.