



Order under Section 69 Residential Tenancies Act, 2006

Citation: Qureshi v Bonello, 2026 ONLTB 52

Date: 2026-02-05

File Number: LTB-L-080871-25

In the matter of: 2074 Baseline Road West
Bowmanville ON L1C0X9

Between: Tahir Qureshi Landlord

And

John Joseph Bonello Tenant

Tahir Qureshi (the 'Landlord') applied for an order to terminate the tenancy and evict John Joseph Bonello (the 'Tenant') because the Tenant did not pay the rent that the Tenant owes.

This application was heard by videoconference on December 8, 2025.

The Landlord's Representative, A. Lodhi, the Landlord, the Tenant's Representative, M. Rayson, and the Tenant attended the hearing.

Preliminary Issue:

1. The Tenant's request for an adjournment is denied for the reasons that follow.
2. The Tenant requests an adjournment because the application was filed during the time Canada Post was on strike in September 2025. The Landlord served the Tenant on December 1, 2025, with the L1 application. The Tenant has not had time to get his evidence together and raise s.82 issues.
3. The Landlord opposes the Tenant's requests as the rent arrears are substantial.
4. The Board's records show that the Notice of Hearing was mailed by the Board on November 1, 2025, and it was returned to the Board on November 18, 2025, as 'Refused'. The Tenant claims he never received the mail from the Board, and it may have gone to a different address. The Tenant was served an additional copy of the Notice of Hearing by the Landlord on December 1, 2025, along with the L1/L9 update sheet, which the Tenant confirms he received.
5. I am not convinced that the Tenant was not served properly. The Notice of Hearing that was served by the Board was returned as refused. This indicates to me that the mail came

to the Tenant's attention, but the Tenant refused to accept it. The Tenant has had knowledge of the application since December 1, 2025, yet no request to reschedule was made prior to the hearing. The rent arrears being claimed are substantial and delaying the proceeding further would cause the Landlord undue prejudice. The Tenant is not precluded from bringing their own application to pursue their s.82 issues.

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. As of the hearing date, the Tenant was still in possession of the rental unit.
3. The lawful rent is \$3,200.00. It is due on the 15th day of each month.
4. The Tenant claims that his lawful rent is \$2,000.00 and not \$3,200.00. The Tenant testified that his rent was \$1,600.00 at the start of the tenancy prior to January 2022. After the Landlord purchased the property in January 2022, he illegally increased the Tenant's rent to \$3,200.00 in July or August 2022. The Tenant paid the increased rent from August 2022 until March 2024 when the mortgage company took over the property. The Tenant was served a letter of attornment on March 27, 2024. The Tenant reached out to Mark Catella who is a manager with the mortgage company. The Tenant asked Mark Catella if he could pay \$2,000.00 as rent since the Landlord increased his rent illegally.
5. An email dated July 23, 2024, was submitted by the Tenant to Mark Catella, stating that he had been paying Mr. Catella \$2,000.00 as rent since March 2024. It states:

“Good morning, Mark. I was paying \$1600 a month for rent. And then when Tahri bought the place he raised my rent to \$3200 a month Which is illegal, but I had no choice I had to stay there. I had no other place to go. So, I been giving you \$2000 a month I gave you \$5000 already I'm going to send you another \$2000 and then another \$1000 to make it \$8000 and then I'll send you more for August....”

6. The Tenant believes he has paid \$2,000.00 as rent for a period of more than 12 months so his rent should be lawfully \$2,000.00 per month.
7. The Landlord believes the rent is \$3,200.00 per month. The mortgage company does not have the right to change the lawful rent. The Landlord agrees that the mortgage company took over the rental unit from March 2024 to May 2025, after which the current Landlord took back possession legally. The Tenant started paying \$3,200.00 to the Landlord after May 2025 because he knows that is his lawful rent. The Landlord provided a copy of the payments received by the mortgage company when they were managing the rental unit. The Tenant paid them a total of \$14,000.00. In this application, the Landlord claims the difference between what the Tenant paid to the mortgagee in possession and what the Landlord believes was the lawful rent during that period.
8. The Tenant's request is two-fold, one that the Landlord increased his rent illegally to \$3,200.00 and two that the mortgage company reduced the rent back to \$2,000.00.

9. Section 136 of the *Residential Tenancies Act, 2006* (the 'Act') addresses the issue of illegal rent increase from \$2,000.00 to \$3,200.00:

Rent deemed lawful

136 (1) Rent charged one or more years earlier shall be deemed to be lawful rent unless an application has been made within one year after the date that amount was first charged and the lawfulness of the rent charged is in issue in the application. 2006, c. 17, s. 136 (1).

Increase deemed lawful

(2) An increase in rent shall be deemed to be lawful unless an application has been made within one year after the date the increase was first charged, and the lawfulness of the rent increase is in issue in the application.

10. Part V of the *Mortgages Act*, RSO 1990, c M.40, addresses situations where a mortgagor becomes a "*mortgagee in possession*" due to the owner's default. Subsection 47(1) deems a mortgagee in possession of a tenanted rental property to be the landlord under the tenancy agreement. Subsection 47(2) specifies that the previous landlord ceases to be the landlord during this period. Section 49 absolves Tenant from paying rent to the former landlord upon receiving a notice of attornment.
11. I find that the '*mortgagee in possession*' steps into the shoes of a Landlord and the Act applies to the relationship of the Landlord and the Tenant. Since covenants run with the land, the lease terms remain the same. If the '*mortgagee in possession*' and the Tenant do create new terms of lease like reduction in rent, it needs to be documented in writing which is not the case here. The Tenant did submit an email that he sent stating that he has been paying \$2,000.00 to the mortgage company but it does not reflect there was an agreement between the parties to change the terms of the lease. The Tenant paying \$2,000.00 and the '*mortgagee in possession*' accepting the money sent does not show an agreement to change the lease terms.
12. The Tenant was paying \$3,200.00 for more than 12 consecutive months and no application had been made to the Board, before the '*mortgagee in possession*' took over the rental unit, the lawful rent at the time was \$3,200.00. There is no evidence to show that there was an agreement to change the lawful rent to \$2,000.00 and also no evidence to show that the Tenant paid the reduced rent for 12 consecutive months to make it lawful rent. In fact, the Tenant only paid \$14,000.00 between the periods of March 27, 2024, to May 2025 when the Landlord took possession back. Therefore, I find the lawful rent continues to be \$3,200.00 per month.
13. Based on the Monthly rent, the daily rent/compensation is \$105.21. This amount is calculated as follows: \$3,200.00 x 12, divided by 365 days.
14. The Tenant has paid \$3,700.00 to the Landlord since the application was filed.
15. The rent arrears owing to December 14, 2025, are \$36,500.00.
16. The Tenant believes he only owes one month's rent as he has paid all his rent except for November 2025 at \$2,000.00 a month. The Tenant sent proof of payments made. The order for arrears includes the difference in rent charged and collected while there was a mortgagee in possession plus the rent owing for November 2025.

17. The Landlord incurred costs of \$186.00 for filing the application and is entitled to reimbursement of those costs.
18. There is no last month's rent deposit.
19. The parties agreed that the Landlord will pay the Tenant \$2,900.43 to compensate the Tenant for a plumber's invoice that the Tenant paid in November 2025 to address a plumbing issue in the rental unit. The Tenant is out of pocket for the same. The Landlord agreed to compensate the Tenant for the amount of the invoice. I consider this to be an issue that the Tenant essentially raised under section 82 of the Act, which was resolved on consent. The amount of the compensation will be deducted from the arrears owing by the Tenant.

Relief from eviction

20. I have considered all of the disclosed circumstances in accordance with subsection 83(2) of the Act, including whether the Landlord attempted to negotiate a repayment agreement with the Tenant and find that it would be unfair to grant relief from eviction pursuant to subsection 83(1) of the Act.
21. The Tenant testified that he is a seasonal worker, and income is not steady during winter months. The Tenant also has dogs which prevents him from moving as rentals are hard to find. The Tenant is looking for a payment plan to resolve the arrears or five months to move.
22. I find that the tenancy is not viable for the Tenant. The Tenant has not paid rent in a while and the rent arrears are substantial. The Tenant cannot continue to live at the rental unit when the arrears are so high, and the Tenant does not have the resources to pay them off. A five-month delay would be highly prejudicial to the Landlord. The Tenant has been granted a delay due to the holiday season and the delay in issuing this order. There is no reason to grant a further delay.

It is ordered that:

1. The tenancy between the Landlord and the Tenant is terminated unless the Tenant voids this order.
2. **The Tenant may void this order and continue the tenancy by paying to the Landlord or to the LTB in trust:**
 - \$40,185.57 if the payment is made on or before February 14, 2026. See Schedule 1 for the calculation of the amount owing.

OR

 - \$43,385.57 if the payment is made on or before February 16, 2026. See Schedule 1 for the calculation of the amount owing.
3. The Tenant may also make a motion at the LTB to void this order under section 74(11) of the Act, if the Tenant has paid the full amount owing as ordered plus any additional rent

that became due after February 16, 2026, but before the Court Enforcement Office (Sheriff) enforces the eviction. The Tenant may only make this motion once during the tenancy.

4. **If the Tenant does not pay the amount required to void this order the Tenant must move out of the rental unit on or before February 16, 2026.**
5. If the Tenant does not void the order, the Tenant shall pay to the Landlord \$33,110.61. This amount includes rent arrears owing up to the date of the hearing and the cost of filing the application. See Schedule 1 for the calculation of the amount owing.
6. The Tenant shall also pay the Landlord compensation of \$105.21 per day for the use of the unit starting December 9, 2025, until the date the Tenant moves out of the unit.
7. If the Tenant does not pay the Landlord the full amount owing on or before February 16, 2026, the Tenant will start to owe interest. This will be simple interest calculated from February 17, 2026, at 4.00% annually on the balance outstanding.
8. If the unit is not vacated on or before February 16, 2026, then starting February 17, 2026, the Landlord may file this order with the Court Enforcement Office (Sheriff) so that the eviction may be enforced.
9. Upon receipt of this order, the Court Enforcement Office (Sheriff) is directed to give vacant possession of the unit to the Landlord on or after February 17, 2026.

February 5, 2026

Date Issued

Sheena Brar

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.

In accordance with section 81 of the Act, the part of this order relating to the eviction expires on August 17, 2026, if the order has not been filed on or before this date with the Court Enforcement Office (Sheriff) that has territorial jurisdiction where the rental unit is located.

Schedule 1
SUMMARY OF CALCULATIONS

A. Amount the Tenant must pay to void the eviction order and continue the tenancy if the payment is made on or before February 14, 2026

Rent Owing To February 14, 2026	\$46,600.00
Application Filing Fee	\$186.00
Less the amount the Tenant paid to the Landlord since the application was filed	- \$3,700.00
Less the amount the Landlord owes the Tenant for plumber's invoice	- \$2,900.43
Total the Tenant must pay to continue the tenancy	\$40,185.57

B. Amount the Tenant must pay to void the eviction order and continue the tenancy if the payment is made on or before February 16, 2026

Rent Owing To March 14, 2026	\$49,800.00
Application Filing Fee	\$186.00
Less the amount the Tenant paid to the Landlord since the application was filed	- \$3,700.00
Less the amount the Landlord owes the Tenant for plumber's invoice	- \$2,900.43
Total the Tenant must pay to continue the tenancy	\$43,385.57

C. Amount the Tenant must pay if the tenancy is terminated

Rent Owing To Hearing Date	\$39,525.04
Application Filing Fee	\$186.00
Less the amount the Tenant paid to the Landlord since the application was filed	- \$3,700.00
Less the amount the Landlord owes the Tenant for plumber's invoice	- \$2,900.43
Total amount owing to the Landlord	\$33,110.61
Plus daily compensation owing for each day of occupation starting December 9, 2025	\$105.21 (per day)
**Ongoing daily compensation continues to accumulate until the total amount owing (excluding costs) is \$50,000.00.	