



Order under Section 57 Residential Tenancies Act, 2006

Citation: Loft v Grassi, 2026 ONLTB 2479

Date: 2026-02-12

File Number: LTB-T-063018-23

In the matter of: 8 Bronze Crescent
Bradford ON L3Z2Z4

Between: Leah Anne Marie Daniels
Steven Morgado Creador
Tenants

And

Catherine Grassi and Joe Grassi
Landlords

Leah Anne Marie Daniels and Steven Morgado Creador (the 'Tenants') applied for an order determining that Catherine Grassi and Joe Grassi (the 'Landlords') gave a notice of termination in bad faith.

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

The Tenant, Leah Anne Marie Daniels, the Landlords and the Landlords' Legal Representative, Elaine Page, attended the hearing.

Determinations:

1. As explained below, the Tenant did not prove the allegations contained in the application on a balance of probabilities. Therefore, the application is dismissed.
2. This application is brought pursuant to [s. 57\(1\)](#)(a) of the [Residential Tenancies Act, 2006](#) (the '[Act](#)') which reads as follows:

57 (1) The Board may make an order described in subsection (3) if, on application by a former tenant of a rental unit, the Board determines that,

(a) the landlord gave a notice of termination under section 48 in bad faith, the former tenant vacated the rental unit as a result of the notice or as a result of an application to or order made by the Board based on the notice, and no person referred to in clause 48 (1) (a), (b), (c) or (d)

occupied the rental unit within a reasonable time after the former tenant vacated the rental unit;

3. What this provision means is that to succeed on this application the Tenants must lead sufficient evidence to establish it is more likely than not that:
 - (1) The Tenants got a notice of termination under s. 48;
 - (2) They moved out of the rental unit as a result of the Landlords' notice;
 - (3) The notice was given in bad faith meaning the Landlords had no intention of moving into the rental unit; and
 - (4) The Landlords did not in fact move into the rental unit within a reasonable time after the Tenants vacated.

Facts:

4. The Landlords gave the Tenants a notice of termination under section 48 with a termination date of October 31, 2022. The reason noted on the notice for ending the tenancy was that the Landlord intended to move into the rental unit and occupy it for at least one year.
5. The Tenants moved out of the rental unit on October 31, 2022, because of the Landlords' notice.
6. The Tenants submit evidence showing that the rental unit was advertised for sale six months after they vacated.
7. In this regard, subsection 57 (5) of the Act states that it is presumed, unless the contrary is proven on a balance of probabilities, that a landlord gave a notice of termination under section 48 in bad faith, if at any time during the period described in subsection (6) the landlord,
 - (a) advertises the rental unit for rent;
 - (b) enters into a tenancy agreement in respect of the rental unit with someone other than the former tenant;....
8. The time period in subsection 57 (6) is the period that begins on the day the landlord gives the notice of termination under section 48 and (b) ends one year after the former tenant vacates the rental unit.
9. The Landlords do not dispute the rental unit was advertised for sale and ultimately sold during this prescribed period. Accordingly, the onus is on the Landlords to prove on a balance of probabilities that the notice was given in good faith.

10. The Landlords decided to end their marriage and separated as of September 30, 2022. They entered into a Separation Agreement on November 2, 2022, that stated the matrimonial home in Aurora, Ontario would be sold, and Landlord Catherine Grassi ('CG') would move into the rental unit. CG was then to pay Landlord Joe Grassi ('JG') half off the proceeds of the home as determined by a property market assessment.
11. CG moved into the rental unit on or about November 22, 2022, and provided utility bills, and government documents including her health card, drivers licence and income tax report proving that she moved into the rental unit.
12. The separation between the Landlords became acrimonious, and they could not agree on the value of the rental unit. JG applied to Superior Court of Justice for relief by way of a Partition and Sale of the Property Order.
13. The property was then evaluated by two independent appraisers and CG was unable to raise sufficient capital through a mortgage to pay JG his half of the house's assessed market value. She was forced to agree to sell the house, and the property sold on or about April 28, 2023.

Finding:

14. I find the Landlord served the Tenants with the N12 Notice of Termination in good faith. The circumstances connected with the Landlords' marital separation changed unexpectedly and significantly after the former Tenant's vacated the rental unit. The outcome was that the Landlord, CG's plan to remain and live in the rental unit ended contrary to her plans because of her inability to qualify for a mortgage to pay the Landlord, JG. These were unforeseen circumstances that could not have reasonably been considered by the Landlords when the N12 Notice was given.
15. Based on the evidence in the case and my review of the applicable sections of the Act, I find on a balance of probability that the Landlord's did not serve their N12, Notice of Termination to the Tenants in bad faith.
16. On that basis the Tenant's application must be dismissed.

It is ordered that:

1. The Tenants' application is dismissed.

February 12, 2026

Date Issued

Douglas Malanka

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.