Order under Section 87
Residential Tenancies Act, 2006

Citation: Bay Street Residential Inc. v Nangia, 2026 ONLTB 13534
Date: 2026-02-11
File Number: LTB-L-040916-25

In the matter of: 2505, 570 BAY ST
TORONTO ON M5G0B2

Between: Concert Realty Services Ltd
on behalf of Bay Street Residential Inc. — Landlord

And

Rijul Nangia
Shiva Chaudhary
Ajay Sehgal — Former Tenants

Concert Realty Services Ltd on behalf of Bay Street Residential Inc. (the 'Landlord') applied for an order requiring Rijul Nangia, Shiva Chaudhary and Ajay Sehgal (the 'Former Tenants') to pay the rent and daily compensation that the Former Tenants owe.

This application was heard by videoconference on January 28, 2026.

The Landlord’s agents Winston Samuels and Anjela Kalendjian attended the hearing. The Former Tenants and the Former Tenants’ representative Sathiyapriya Kalaimathian also attended.

Determinations:

1. As explained below, the Landlord proved some of the allegations contained in the application on a balance of probabilities. Therefore, the Former Tenants shall compensate the Landlord in the amount of $2,678.33.
2. I am satisfied that the Landlord served the Former Tenants with the application and Notice of Hearing at least 30 days before the hearing in accordance with Rule 3.3 of the LTB's Rules of Procedure.
3. The application was filed within one year after the Former Tenants ceased to be in possession of the rental unit.

Request to be removed as respondents

4. As a preliminary issue, the respondents Shiva Chaudhary and Ajay Sehgal asked to be removed from the application on the basis that they were guarantors and not tenants. On this point, the Landlord’s agents denied ever being aware that Shiva Chaudhary and Ajay Sehgal intended to be guarantors. All three respondents signed a lease which names them as tenants, and a copy of this lease was entered as an exhibit.

5. Both Mr. Chaudhary and Mr. Sehgal testified that they never had any direct communications with the Landlord about their intentions to act as guarantors, and that they never lived in the rental unit.

6. Mr. Sehgal also stated that he only signed the tenancy agreement as a favour, in order for Mr. Nangia to financially qualify as a tenant.

7. The only communication that any of the respondents had with the Landlord about their true intentions for Mr. Chaudhary and Mr. Sehgal to act as guarantors was when, according to Mr. Nangia, he mentioned this to an unnamed employee at the building’s concierge desk.

8. On a balance of probabilities, I find that all three respondents are tenants. The respondents signed a lease in the capacity of being tenants and never communicated their privately held intentions to the Landlord. The Former Tenants cannot unilaterally change their relationship to the tenancy without the Landlord being in agreement. Merely mentioning their intentions to an unnamed employee did not serve to amend their lease.

Calculation of lawful rent

9. This tenancy commenced on October 1, 2024 for a one year term.

10. The monthly rent was $2,540.00, due on the first day of the month.

11. The Landlord also offered the Former Tenants one rent-free period for the month of November 2024. This rent-free period is reflected in an addendum to the lease which is signed between the Landlord and Rijul Nangia. The terms of this addendum state that the tenant is being provided with one rent-free period, but that “if the tenant breaches the lease…any promotion or rent discount given…shall be immediately reimbursed”.

12. I do not consider this addendum to be legally binding on the Former Tenants because it was not an agreement which all three of them signed. I am persuaded that only Mr. Nangia was aware of its terms. This is because the central lease, which was signed by all three Former Tenants, states a contrary intention. On page 4, section 7, the lease states that there are no rental discounts being offered.

13. Nonetheless, one rent-free period was still provided to the Former Tenants for the month of November 2024. As such, I consider this to be a discount which is not reflected in a written agreement.

14. The offering of a discount can sometimes affect the calculation of lawful rent. However, in this case, based on section 111(3) of the *Residential Tenancies Act,* 2006 (the ‘Act’) and

O. Reg. 516/06: General section 12(2) and section 12(6)(2) the lawful rent remains unchanged, and is $2,540.00 per month.

Arrears owing

15. Around April of 2025 Mr. Nangia wrote to the Landlord asking to terminate the lease early. The Landlord refused. The Former Tenants subsequently moved out of the rental unit early on May 1, 2025.

16. The parties agree that the Former Tenants paid rent for April 2025.

17. The Landlord seeks arrears of rent for May 2025.

18. Arrears of rent are owing for June 2025, through the Landlord seeks to apply the last month's rent deposit to this month.

19. The Landlord does not seek arrears of rent for July 2025.

20. With respect to whether the Landlord mitigated their losses pursuant to section 88(4) of the Act, the Landlord's agents testified that they were able to re-rent the unit as of July 15, 2025 after consistently showing prospective tenants a model unit but that no one was interested until this date. I am satisfied on a balance of probabilities that the Landlord took steps to mitigate their losses.

21. The Landlord also seeks to "claw back" rent for November 2024 on the basis that the Former Tenants breached the lease by leaving early. Given my finding that the addendum is unenforceable, this aspect of the Landlord's claim is dismissed.

22. The Former Tenants have not made any additional payments since the application was filed.

23. The Former Tenants obligation to pay rent ended on July 14, 2025, based on the Former Tenants not lawfully terminating the lease, and it being re-rented the next day.

24. However, they are only ordered to compensate the Landlord for the months of May 2025 and June 2025, less the last month's rent deposit and interest owing on it. This is because the Landlord has waived seeking rent for July 2025.

25. The rent arrears and daily compensation owing to June 30, 2025 are $5,080.00.

26. The Landlord incurred costs of $186.00 for filing the application and is entitled to reimbursement of those costs.

Rent deposit and interest

27. The Landlord collected a rent deposit of $2,540.00 from the Former Tenants and this deposit is still being held by the Landlord. The amount of the rent deposit and interest on the rent deposit is applied to the amount the Former Tenants are required to pay.

28. Interest on the rent deposit, in the amount of $47.67 is owing to the Former Tenants for the period from September 30, 2024 to June 30, 2025.

It is ordered that:

1. The Former Tenants shall pay to the Landlord $5,080.00, which represents rent and compensation owing up to June 30, 2025.
2. The Former Tenants shall pay to the Landlord $186.00 for the cost of filing the application.
3. The Landlord owes $2,587.67 which is the amount of the rent deposit and interest on the rent deposit, and this is deducted from the amount owing by the Former Tenants.
4. The total amount the Former Tenants owe the Landlord is $2,678.33*. See Schedule 1 for the calculation of the amount owing.
5. If the Former Tenants do not pay the Landlord the full amount owing on or before February 22, 2026, the Former Tenants will start to owe interest. This will be simple interest calculated from February 23, 2026 at 4.00% annually on the balance outstanding.

February 11, 2026
Date Issued

Madeline Ntoukas
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.

* Refer to the attached Summary of Calculations.

Schedule 1
SUMMARY OF CALCULATIONS

Amount the Former Tenants must pay the Landlord:

Rent and Compensation Owing for May 2025 and June 2025	$5,080.00
Application Filing Fee	$186.00
Less the amount of the last month's rent deposit	- $2,540.00
Less the amount of the interest on the last month's rent deposit	- $47.67
Total amount owing to the Landlord	$2,678.33