



Order under Section 57 Residential Tenancies Act, 2006

Citation: Tabasi v Lu, 2026 ONLTB 13302

Date: 2026-02-13

File Number: LTB-T-013129-24

In the matter of: PH916, 28 WILLIAM CARSON CRES
NORTH YORK ON M2P2H1

Between: Leva Tabasi
Mehran Ebadi
Former Tenants

And

Hai Liang Lu
Li Yun You
Purchaser Landlords

And

Neda Rezaie
Kasra Farahvashi
Vendor Landlords

Leva Tabasi ('LT') and Mehran Ebadi ('ME', the 'Former Tenants') applied for an order determining that Neda Rezaie ('NR') and Kasra Farahvashi ('KF', the 'Vendor Landlords') and Hai Liang Lu ('HL') and Li Yun You ('LY', the 'Purchaser Landlords') gave a notice of termination in bad faith.

This application was heard by videoconference on October 16, 2024, December 18, 2025 and February 4, 2026.

The Former Tenants, the Former Tenants' legal representative, Danial Yousefian Amirkhiz, the Vendor Landlord KF, the Vendor Landlords' legal representative, Jerome Stanleigh, the Purchaser Landlords and the Purchaser Landlords' legal representative, David Weisman, attended the hearing on October 16, 2024.

The Former Tenant ME, the Former Tenants' legal representative, the Vendor Landlord KF, the Vendor Landlords' legal representative, the Purchaser Landlords and the Purchaser Landlords' legal representative attended the hearing on December 18, 2025 and February 4, 2026. The Former Tenant LT did not attend on December 18, 2025, but did attend on February 4, 2026.

Determinations:

The Vendor Landlords Gave a Notice of Termination in Bad Faith

1. As explained below, the Former Tenants proved, on a balance of probabilities, that the Vendor Landlords gave a notice of termination in bad faith.
2. There was no dispute that the Former Tenants vacated the rental unit on or about October 13, 2023 because the Vendor Landlords gave a notice of termination pursuant to subsection 49(1) of the *Residential Tenancies Act, 2006* (the 'Act'). There is also no dispute that the Purchaser Landlords did not occupy the rental unit. They instead rented the vacant rental unit to new tenants.
3. The Vendor Landlord KF confirmed that, on June 27, 2023, on the advice of their realtor, the Vendor Landlords gave the Former Tenants a Form N12 notice of termination to terminate the tenancy effective August 31, 2023. The Vendor Landlords' realtor drafted the notice of termination. The notice stated that the Vendor Landlords had entered into an agreement of purchase and sale for the rental unit, and that the Purchaser Landlords required vacant possession of the rental unit for their and their child's own residential use.
4. The Purchaser Landlord LY testified, however, that the Purchaser Landlords never intended to reside at the property. Instead, the Purchaser Landlords at all times intended to use the rental unit as an investment property to generate rental income. LY testified that the Purchaser Landlords' realtor expressed the Purchaser Landlords' intentions to the Vendor Landlords' realtor when they negotiated the agreement of purchase and sale.
5. The parties did not request a Board summons for the Vendor Landlords' realtor to participate in the proceedings. I find from the evidence that the Vendor Landlords' realtor knew that the Purchaser Landlords did not intend to use the rental unit for residential purposes. The realtor nevertheless instructed the Vendor Landlords to give the Former Tenants a notice of termination under subsection 49(1) of the Act.
6. At the hearing, KF confirmed that, on June 24, 2023, before the Vendor Landlords gave the notice of termination to the Former Tenants, the Vendor Landlords' realtor and the Purchaser Landlords' realtor agreed to remove a clause from the agreement of purchase and sale that purported to require the Purchaser Landlords to reside in the rental unit for at least one year. Removing the clause from the agreement of purchase and sale was consistent with, and gave credibility to, LY's testimony that the Purchaser Landlords intended to use the rental unit as an investment property and not as their and their child's own residence.
7. KF testified that, although the Vendor Landlords knew that the clause requiring the Purchaser Landlords to occupy the rental unit was removed from the agreement of purchase and sale, the Vendor Landlords still believed the Purchaser Landlords and their child would occupy the rental unit. KF explained that the Vendor Landlords' realtor assured the Vendor Landlords that, despite removing the clause, the Purchaser Landlords were required to occupy and reside at the rental unit pursuant to the Form N12 notice of termination. KF testified that the Vendor Landlords accepted and relied on their realtor's advice because the Vendor Landlords had employed the same realtor for a previous real estate transaction. Neither the Former Tenants, nor the Purchaser Landlords, introduced

evidence to contradict KF's testimony that the Vendor Landlords sincerely relied on their realtor's representation that the Purchaser Landlords would reside at the rental unit after the Former Tenants vacated the property.

8. The Vendor Landlords' reliance on their realtor's advice is not, however, a defence to the Former Tenants' claim that the Vendor Landlords gave the notice of termination in bad faith. The Vendor Landlords were required to know the Act's provisions. The Vendor Landlords were, at best, wilfully blind to the Purchaser Landlords' intentions when the Vendor Landlords gave the Former Tenants the notice of termination under subsection 49(1) of the Act. KF's stated belief that the Purchaser Landlords were required to reside in the rental unit only because the Vendor Landlords gave a notice of termination under subsection 49(1) of the Act is not reasonable. The Vendor Landlords knew, or should have known, that they were not entitled to terminate the Former Tenants' tenancy under the circumstances.
9. The Vendor Landlords therefore gave the notice of termination to the Former Tenants in bad faith.

Remedies

10. Having proven, on a balance of probabilities, that the Vendor Landlords gave the notice of termination in bad faith, the Former Tenants are entitled to a remedy described in subsection 57(3) of the Act.
11. At the hearing, the Former Tenants requested an order for the difference in rent the Former Tenants paid for one year after vacating the rental unit.
12. The Former Tenants proved, on a balance of probabilities, that they paid \$3,600.00 a month in rent at their new accommodation after vacating the rental unit. The new accommodation is in the same neighbourhood as the rental unit. Both residences include two bedrooms and a den. I find that the residences are comparable for the purposes of making a finding and ordering a remedy pursuant to subsection 57(3)1 of the Act.
13. The Former Tenants introduced a copy of their new tenancy agreement and ME testified that their new landlord cashed 12, \$3,600.00 post-dated cheques the Former Tenants gave when their new tenancy began in October 2023. Although the Former Tenants did not introduce bank statements or copies of the post-dated cheques, the written tenancy agreement was consistent with ME's testimony, and the Vendor and Purchaser Landlords did not introduce evidence to contradict the Former Tenants' evidence on this issue. I therefore find the Former Tenants' evidence of the increased in rent they were required to pay to be reliable and credible.
14. The parties did not seriously dispute that the Former Tenants paid \$3,175.00 in rent when they vacated the rental unit. ME testified under cross-examination that the Former Tenants agreed to increase their monthly rent to that amount, and that the Former Tenants paid that amount when they vacated the rental unit.
15. Based on the parties' evidence, I find the Former Tenants paid an increase of \$5,100.00 (\$425.00 x 12) in rent for the one-year period after they vacated the rental unit. The Former Tenants are entitled to this amount pursuant to subsection 57(3)1 of the Act.

16. In contrast to their request for the difference in rent they have paid, the Former Tenants did not introduce reliable evidence of out-of-pocket costs pursuant to subsection 57(3)1.2, or of non-pecuniary losses that merit an order for damages under subsection 57(3)4 of the Act.
17. The Former Tenants did not have receipts, or any other thing, to help the Board make findings pursuant to subsection 57(3)1.2 of the Act. ME could not reliably recall how much money the Former Tenants paid, for example, to move to and clean and paint their new accommodation. I also find expenses related to cleaning and painting the new accommodation too remote from the Vendor Landlords' actions to attract compensation. The Vendor Landlords are not responsible for the condition of the Former Tenants' new accommodation. There shall accordingly be no order for out-of-pocket costs.
18. The Former Tenants similarly did not introduce reliable evidence of non-pecuniary losses. ME agreed, under the Vendor Landlord's legal representative's cross-examination, that ME exaggerated an earlier assertion that the Former Tenants were required to allow potential purchasers to view the property 40 times. ME also agreed that the Former Tenants and Vendor Landlords cooperated to schedule viewings for potential purchasers. ME agreed the Former Tenants did not complain to the Vendor Landlords about any issue after receiving the notice of termination, and that there has been no change in the Former Tenants' health status since receiving the notice.
19. While I accept that there is inevitably some inconvenience when accommodating viewings by potential purchasers, I am not satisfied from the paucity of evidence that the Former Tenants suffered a loss related to the notice of termination that merits an order for damages. There was simply no evidence of compensable, non-pecuniary losses.
20. I note that, although framed in the T5 Application form as a request for an abatement of rent, the Former Tenants' evidence and submissions revealed that the true substance of their claim was for general damages under subsection 57(3)4 of the Act. Indeed, the Former Tenants' legal representative and ME confirmed that the Former Tenants contemplated an order for general damages for non-pecuniary losses related to the Vendor Landlords' conduct when the Former Tenants filed their application with the Board.
21. Even if, however, the Former Tenants had intended to request an abatement of rent, I would have still declined to order one because ME's testimony did not describe a non-trivial interference with the Former Tenants' ability to use and enjoy the rental property for all usual purposes after receiving the notice of termination. As noted in paragraph 18 of these reasons, above, ME exaggerated the impact of receiving the Vendor Landlords' notice of termination and of accommodating viewings by potential purchasers. ME's subjective description of how the Former Tenants felt about receiving the notice of termination and vacating the rental unit was therefore not reliable.
22. The Former Tenants did not introduce evidence of lost wages related to receiving the notice of termination. Moreover, like their claim for out-of-pocket cleaning and painting costs at their new accommodation, I find the Former Tenants' claim is too remote from the Vendor Landlords' act of giving the notice of termination. The Former Tenants are accordingly not entitled to alleged lost wages.

23. The Former Tenants did not request an order for an administrative fine and did not ask to amend their application to include it as a remedy. The issue did not arise during the proceedings, and the parties were accordingly not afforded an adequate opportunity to address whether it was appropriate to order an administrative fine. Although the Vendor Landlords gave the notice of termination in bad faith, under the circumstances I find it is not appropriate to impose an administrative fine.

The Vendor Landlords Shall Pay the Remedy

24. At the hearing, I invited the parties to make submissions on subsection 57(3) of the Act, which permits the Board to impose an order against a “landlord”, which term is defined in subsection 2(1) of the Act. Since other sections of the Act, such as sections 29 and 57, refer to a “former tenant”, I asked the parties whether the “landlord” in subsection 57(3) of the Act – without mention of the landlord’s status as either the current or former landlord – includes the former landlord who sold the property.
25. In *Elkins v. Van Wissen*, 2023 ONCA 789 (C.A.), the Court of Appeal for Ontario held that the Board must consider both the vendor landlord's and the purchaser landlord's good faith when deciding an application relating to a notice of termination given under subsection 49(1) of the Act. As the Former Tenants’ legal representative noted at the hearing, the Court of Appeal for Ontario ruled at paragraph 52 that, “After making both those determinations, *the Board must then consider what orders to make in respect of the landlord and the purchaser.*” [Emphasis added.]
26. Although subsection 57(3) of the Act does not specifically refer to former landlords, I find from the Court of Appeal for Ontario’s ruling in *Elkins* that the Board may order a remedy against a former vendor landlord in cases where the vendor landlord is proven to have given the notice of termination under subsection 49(1) of the Act in bad faith. To find otherwise, and to require the purchaser landlord to pay the remedy and potentially then seek to recover the amount from the liable vendor purchaser through another court of competent jurisdiction, would be an inefficient use of valuable adjudicative resources.
27. In this case, I find the Vendor Landlords gave the notice of termination in bad faith, and they shall accordingly be ordered to pay the Former Tenants the difference in rent they have paid for one year. I do not find that the Purchaser Landlords acted in bad faith: the evidence shows that the Purchaser Landlords informed the Vendor Landlords’ realtor that they intended to use the rental unit for investment – and not residential – purposes.

Costs

28. On November 22, 2024, the Board issued interim order LTB-T-013129-24-IN. The interim order required the Vendor Landlords to pay \$300.00 in costs arising from the October 14, 2024 afternoon hearing to the Former Tenants and to the Purchaser Landlords. The parties’ legal representatives advised me on February 4, 2026 that the Board was unable to hear the application on October 14, 2024, because the presiding Member heard another matter first and because the Vendor Landlords’ legal representative was required to participate in a religious observance that afternoon/early evening. The representatives consented to an order for costs at the October 14, 2024 hearing, relying on the presiding Member to exercise his discretion when determining the amount to be paid.

29. I find it is appropriate in the circumstances to cancel the November 22, 2024 interim order for costs against the Vendor Landlords. The Vendor Landlords were not responsible for the Board's decision to call another matter on the hearing docket before turning to the Former Tenants' application. Additionally, since the Board provides "services" as mentioned in section 1 of the *Human Rights Code*, the Board was required to accommodate the Vendor Landlords' legal representative's religious holiday. It was therefore appropriate to adjourn the proceeding on October 14, 2024 without ordering costs against a party.
30. In his closing submissions, the Purchaser Landlords' legal representative requested an order for costs against the Former Tenants. I ruled at the February 4, 2026 hearing that the Former Tenants filed their application with the Board in good faith and that none of the parties or legal representatives unduly prolonged the proceedings or otherwise acted unreasonably. Having substantially succeeded with their application, I decline to order costs against the Former Tenants.
31. The Vendor Landlords shall, however, be ordered to pay the Former Tenants' cost to file this application with the Board, pursuant to Rule 23.1 of the Board's Rules of Procedure.
32. All the reasons for this order are contained herein, and no further reasons shall be given.

It is ordered that:

1. The total amount the Vendor Landlords shall pay the Former Tenants is \$5,148.00. This amount represents: \$5,100.00 for increased rent the Former Tenants have paid for the one-year period after vacating the rental unit; and \$48.00 for the cost of filing the application.
2. The Vendor Landlords shall pay the Former Tenants the full amount owing by February 24, 2026.
3. If the Vendor Landlords do not pay the Former Tenants the full amount owing by February 24, 2026, the Vendor Landlords will owe interest. This will be simple interest calculated from February 25, 2026 at 4.00% annually on the balance outstanding.
4. The Former Tenants have the right, at any time, to collect the full amount owing or any balance outstanding under this order.
5. Paragraphs 4 and 5 on page 3 of Interim Board order LTB-T-013129-24-IN, issued on November 22, 2024, are cancelled. The Vendor Landlords shall not pay the Former Tenants or the Purchaser Landlords costs arising from the October 14, 2024 Board proceeding.

February 13, 2026

Date Issued

Harry Cho

Vice Chair, Landlord and Tenant Board

15 Grosvenor Street, Ground Floor

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