



**Amended Order  
Order under Section 69  
Residential Tenancies Act, 2006  
and Section 21.1 of the Statutory Powers Procedure Act**

**Citation:** Otto v Clayton, 2026 ONLTB 7608

**Date:** 2026-01-22

**File Number:** LTB-L-087778-25-AM

**In the matter of:** 811, 150 EAST LIBERTY STREET  
TORONTO ON M6K3R5

**Between:** Carson Otto Landlord  
Carla Carmichael

**And**

Nathaniel Clayton Tenant

**This amended order is issued to correct a clerical error at paragraph 7 of the order section in the original order issued on January 22, 2026.**

Carson Otto and Carla Carmichael (the 'Landlord') applied for an order to terminate the tenancy and evict Nathaniel Clayton (the 'Tenant') because the Tenant did not pay the rent that the Tenant owes. **(L1 Application)**

The Landlord also applied for an order to terminate the tenancy and evict Nathaniel Clayton (the 'Tenant') because:

- the Tenant, another occupant of the rental unit or someone the Tenant permitted in the residential complex has wilfully or negligently caused damage to the premises;
- the Tenant or another occupant of the rental unit has committed an illegal act or has carried out, or permitted someone to carry out an illegal trade, business or occupation in the rental unit or the residential complex.

**(L2 Application)**

The Landlord also applied for an order requiring the Tenant to pay the Landlord's reasonable out-of-pocket costs the Landlord has incurred or will incur to repair or replace undue damage to property. The damage was caused wilfully or negligently by the Tenant, another occupant of the rental unit or someone the Tenant permitted in the residential complex. **(L2 Application)**

This application was heard by videoconference on January 20, 2026.

The Landlord and the Tenant attended the hearing.

### L1 Application Determinations:

1. The Tenant has not paid the total rent the Tenant was required to pay for the period from July 15, 2025 to October 17, 2025. Because of the arrears the Landlord served the Tenant with a valid Notice to End Tenancy Early for Non-payment of Rent (N4 Notice).
2. 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.
3. As of the hearing date, the Tenant was still in possession of the rental unit.
4. The lawful rent is \$3,400.00. It is due on the 15th day of each month.
5. Based on the Monthly rent, the daily rent/compensation is \$111.78. This amount is calculated as follows: \$3,400.00 x 12, divided by 365 days.
6. The Tenant has paid \$1,000.00 to the Landlord since the application was filed.
7. The rent arrears owing to February 14, 2026 are \$19,400.00. The Tenant does not dispute the amount owing.
8. The Landlord is entitled to \$100.00 to reimburse the Landlord for administration charges the Landlord incurred as a result of 10 cheque given by or on behalf of the Tenant which was returned NSF.
9. The Landlord incurred costs of \$186.00 for filing the application and is entitled to reimbursement of those costs.
10. The Landlord collected a rent deposit of \$3,400.00 from the Tenant and this deposit is still being held by the Landlord. The rent deposit can only be applied to the last rental period of the tenancy if the tenancy is terminated.
11. Interest on the rent deposit, in the amount of \$30.91 is owing to the Tenant for the period from August 16, 2025 to January 20, 2026.

### L2 Application Determinations:

1. As explained below, the Landlord has proven on a balance of probabilities the grounds for termination of the tenancy and the claim for compensation in the application. Therefore, **the Tenancy is terminated as of February 2, 2026.**
2. The Tenant was in possession of the rental unit on the date the application was filed.

#### N5 Notice of Termination: Sprinkler System

3. On August 29, 2025, the Landlord gave the Tenant an N5 notice of termination on August 29, 2026 (the 'N5 Notice'). The notice of termination contains the allegation that the Tenant caused damage to the sprinkler system by turning it off.

4. The Landlord testified that the Tenant tampered with the sprinkler valve, turning it off himself, causing a building alarm and placing the entire floor at risk of fire.
5. The Tenant did not dispute turning off the system in his rental unit. He did so because he believed it was leaking and wanted to prevent possible flood damage, and because as a fire technician he had the ability to do so. He agrees he did not contact the Landlord or building authority to seek permission to do so. The system was in fact not leaking, but the water source was a flood caused by the condo unit upstairs.
6. The Landlord testified that the condo corporation requires the system to be managed and serviced by a professional. He is personally liable for any tampering. He was required to hire which required him to hire Tobram Fire Protection to certify the valve was turned back on safely. This cost him \$703.43, which was charged to him, and could not be charged directly to the Tenant.
7. The void period for this N5 Notice is August 30, 2025 – September 6, 2025. During that time the Tenant did not pay the Landlord the amount owing, therefore, the Tenant did not void the N5 notice of termination in accordance with section 64(3) of the *Residential Tenancies Act, 2006* (Act).
8. However, I find that what the Landlord alleged as damage was substantial interference with the Landlord's rights privileges and interests. Section 212 gives me the discretion to determine substantial compliance in this case. Even though the incorrect box was checked on the Landlord's application form, the evidence before demonstrates the Tenant was aware of what the Landlord was claiming and had sufficient opportunity to participate in the hearing and respond to the allegations. There was no significant prejudice to the Tenant. Accordingly, treating the N5 as a substantial interference claim in this case, and not a damages claim, is not procedurally unfair to the Tenant.
9. The Landlord proved on a balance of probabilities that the Tenant has substantially interfered with the reasonable enjoyment or lawful right, privilege or interest of the Landlord or another tenant in the condo complex by turning off the sprinkler system.
10. I find the Landlord has incurred direct reasonable cost of \$703.44 to turn the system back on and have it safety certified and is entitled to reimbursement of that cost.

*N6 Notice of Termination – Airbnb Business*

11. On August 29, 2025, the Landlord gave the Tenant an N6 notice of termination ('N6 Notice'). The notice of termination contains the following allegations that the Tenant operated an Airbnb in the rental unit.
12. The Landlord testified that on August 25, 2026 the property manager of the condo corporation notified them an Airbnb was being operated from the rental unit. The Landlord found the Airbnb listing and confirmed it was the same unit.
13. Short term leasing is not permitted in this condominium. The Tenancy agreement at Page 38, paragraph 14 excludes any subletting without consent of the Landlord, and I agree with

the Landlord that this would include operation of an Airbnb business. The Tenant did not obtain consent from the Landlord.

14. The Tenant also charged an amount which would have been well in excess of the monthly rent. The Landlord testified an Airbnb poses a safety risk to other occupants of the building by allowing non-vetted persons into the building.
15. The Tenant did not dispute that he posted an Airbnb listing. He testified he did so to try and earn money to pay the rent because he was struggling financially. Although he claims that he just listed the rental unit and had never received any renter, the advertisement states that he is '9 years hosting'.

Relief From Eviction (L1 and L2 Applications)

16. I have considered all of the disclosed circumstances in accordance with subsection 83(2) of the *Residential Tenancies Act, 2006* (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.
17. The Tenant has lived alone in the condo rental unit for a relatively short period since August, 2024. Although the Tenant was unemployed since mid-August, he has recently gained employment again and can afford market rent but is not in a position to pay the arrears in a reasonable period of time. He has no debt, except for potential HST and income taxes soon to be owing from his self-employment business in 2025. Given his income, I find the Tenant could easily find alternate accommodations quickly.
18. The Landlord provided evidence that he served the Tenant with a new N6 Notice in January, because it has recently been discovered the Tenant has been cloning key entry fobs in order to rent the parking spaces of other condo owners to the general public. Although it was suspected in August of 2025 that the Tenant's key fob was being cloned to be used in Airbnb, it was made a certainty when more than one member of the public complained to the condo corporation management about their parking space rental. A contract was produced between the renter and 'Nathaniel C' for a parking spot that was not associated with the Tenant's rental unit.
19. The Tenant did not dispute that he is renting other people's parking spaces to members of the public but asserts that he was trying to earn sufficient funds to pay the monthly rent. However, the fraudulent nature of these actions, the disregard for the rights and interest of the Landlord and other condo owners to their parking spaces and their safety demands the tenancy be terminated, aggravates the Airbnb situation and the sprinkler system shut off. Even after the notices of termination were served, the Tenant continued to engage in behaviour that was illegal and breached the rights of the Landlord and other occupants of the residential complex.. I am of the view that a conditional order or a delay in termination would be unfair in the circumstances.

20. As the Tenancy is being terminated pursuant to the L2 application, which is a non-voidable order, the Tenant cannot continue the tenancy by paying all of the arrears owing pursuant to the L1 application.

**It is ordered that:**

1. The Tenancy between the Landlord and the Tenant is terminated. The Tenant must move out of the rental unit on or before February 2, 2026.
2. If the unit is not vacated on or before February 2, 2026, then starting February 3, 2026, the Landlord may file this order with the Court Enforcement Office (Sheriff) so that the eviction may be enforced.
3. 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 3, 2026.
4. The Tenant shall pay to the Landlord **\$14,229.21**. This amount includes rent arrears owing up to the date of the hearing, the cost of filing the application and unpaid NSF charges. The rent deposit and interest the Landlord owes on the rent deposit are deducted from the amount owing by the Tenant. *See Schedule 1 for the calculation of the amount owing.*
5. The Tenant shall also pay the Landlord \$703.44 for reimbursement of substantial interference costs.
6. The Tenant shall also pay the Landlord compensation of \$111.78 per day for the use of the unit starting February 2, 2026.
7. If the ~~Landlord~~ **Tenant** does not pay the ~~Tenant~~ **Landlord** the full amount owing on or before February 2, 2026, the ~~Landlord~~ **Tenant** will start to owe interest. This will be simple interest calculated from February 3, 2026 at 4.00% annually on the balance outstanding.

**January 22, 2026**

**Date Issued**

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Julie Broderick

Member, Landlord and Tenant Board

**February 19, 2026**

**Date Amended**

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 of the Tenant expires on August 3, 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 if the tenancy is terminated**

|                                                                                                                     |                       |
|---------------------------------------------------------------------------------------------------------------------|-----------------------|
| Rent Owing To Hearing Date                                                                                          | \$17,670.68           |
| Application Filing Fee                                                                                              | \$186.00              |
| NSF Charges                                                                                                         | \$100.00              |
| Costs – Substantial Interference                                                                                    | \$703.44              |
| <b>Less</b> the amount the Tenant paid to the Landlord since the application was filed                              | - \$1,000.00          |
| <b>Less</b> the amount of the last month's rent deposit                                                             | - \$3,400.00          |
| <b>Less</b> the amount of the interest on the last month's rent deposit                                             | - \$30.91             |
| <b>Total amount owing to the Landlord</b>                                                                           | <b>\$14,229.21</b>    |
| <b>Plus</b> daily compensation owing for each day of occupation starting January 21, 2026                           | \$111.78<br>(per day) |
| **Ongoing daily compensation continues to accumulate until the total amount owing (excluding costs) is \$50,000.00. |                       |