



Order under Section 69 Residential Tenancies Act, 2006

Citation: SODHI v SHAKER, 2026 ONLTB 11316

Date: 2026-02-27

File Number: LTB-L-097309-25

In the matter of: UPSTAIRS, 3732 BAYSWATER CRES
MISSISSAUGA ON L4T2G5

Between: SUNDEEP SODHI Landlord

And

MAHMOUD RIHAWI SHAKER Tenant

SUNDEEP SODHI (the 'Landlord') applied for an order to terminate the tenancy and evict MAHMOUD RIHAWI SHAKER (the 'Tenant') because the Tenant did not pay the rent that the Tenant owes.

This application was heard by videoconference on January 29, 2026. The Landlord, Represented by David Ciobataru, and the Tenant's Representative, Taff Butters, attended the hearing.

Determinations:

Post-Hearing Submissions

1. The parties were given time to provide post-hearing submissions. Both parties made submissions, and these submissions were considered in my decision.

Landlord's L1 Application

2. The application before the Board is for arrears of rent. However, the parties disagree on whether the Tenant was permitted to deduct a rent discount from the monthly rent.
3. For the following reasons, I find, on a balance of probabilities, that the Landlord has met their onus of proof. Therefore, the tenancy shall terminate effective March 27, 2026.

Background

4. The tenancy began on May 1, 2021. The Tenant lives in the upper floor(s) of the rental unit with his two young children. The lease indicates the lawful monthly rent was

\$1,750.00 for the base rent plus 70% of the utilities fixed at \$300.00, for total of \$2,050.00 (Doc-6815677).

5. On October 31, 2025, the Tenant filed for personal bankruptcy. At the time the Tenant filed bankruptcy, he owed the Landlord approximately \$15,000.00 (LTB-L-084002-25).
6. The Landlord alleges fresh arrears against the Tenant for the period commencing November 1, 2025. The Tenant states that the alleged fresh arrears are as a result of the Tenant taking a lawful rent discount which was permitted by the addendum to the Tenant's lease (Doc-7252873). The addendum includes the following:

"ARREARS: Rent AND Utilities are considered late if Not paid on the first day of each month AND Reimbursements to the Landlord are considered late if Not paid immediately. Tenants agree to pay the Landlord an additional Fifty Canadian Dollars (CDN \$50.00) on the 1st of each month of any payments not paid in full with an additional Two percent (2%) for any outstanding amount each pending day after. Tenants acknowledge the acceptance by the Landlord of arrears or compensation after notice of termination of the Lease has been given; shall not operate as a waiver of the notice, or as a reinstatement of the Lease, or as a creation of a new Lease.

5. **RENT DISCOUNT:** Lawful rent will be discounted as follows:

Tenant shall receive Fifty Canadian Dollars (CDN \$50.00) + 10% utility discount IF rent is paid on-or-before the 1st of each month.

Tenant shall receive Twenty-Five Canadian Dollar (CDN \$25.00) discount IF rent is paid between the 2nd to 7th of each month.

Tenant shall receive Twelve Canadian Dollar (CDN \$12.00) discount IF rent is paid between the 8th to 15th of each month.

Tenant shall receive Six Canadian Dollar (CDN \$6.00) discount IF rent is paid between the 16th to 23rd of each month.

Tenant shall receive Zero Canadian Dollar (CDN \$0.00) discount IF rent is paid between the 24th to 31st or after of each month.

7. The questions the Board must decide are:
 - i. Does the prompt payment discount comply with the prescribed discounts in the *Residential Tenancies Act* ('the Act') or Regulations?
 - ii. What is the lawful monthly rent?; Is the Tenant entitled to apply the rent discount?
 - iii. Does the N4 correctly set out the rent?

Prompt Payment Discount

8. Prompt payment discounts are permitted in ss.111(2.1), which states that the lawful rent is not affected by a discount in rent at the beginning of, or during, a tenancy of up to 2 per cent of the rent that could otherwise be lawfully charged for a rental period if the discount is provided for paying rent on or before the date it is due and the discount meets the prescribed conditions. The prescribed conditions in s.10(0.1) of O.Reg. 416/06 for this type of discount are simply that the discount must be provided for in a written or oral agreement.
9. The Landlord's evidence is that rent may be discounted by \$50.00 each month for prompt payment. The rent was \$1,750.00 at the time the lease began. Therefore, the discount is 2.85% of the rent. When combined with the 10% discount on the fixed electricity costs, which adds \$30.00 each month ($\$300.00 \times 10\%$), the discount would rise to 3.9%.
10. Further, the discount was in the form of an agreement by the Landlord to waive a collection of a portion of the lawful rent. Therefore, the discount conforms to the prescribed discounts found in O.Reg. 11(1)(1).

Utilities

11. The lease lists the basic rent as \$1,750.00 and includes \$300.00 as a separate fixed monthly cost for utilities.
12. Per ss. 2 of the Act, rent can include any consideration paid or required to be paid by a tenant to a landlord in exchange for the right to occupy a rental unit and can include services and facilities, privileges, accommodations or things that the landlord provides whether or not a separate charge is made for the services or facilities, privileges, or things.
13. Services and facilities, as described in s.2(1) of the Act, include utilities and related services. The amount for utilities, \$300.00 per month, is a fixed monthly expense. As such, I find that the utility charge forms part of the monthly rent and has been properly included as rent in the Tenant's lease.

Lawful Monthly Rent / Tenant Entitled to Take Discount

14. The Landlord argues that on a prior occasion before the Board, the parties had agreed that the lawful monthly rent was \$2,200.12, and this is reflected in Order LTB-L-102833-25 issued February 3, 2026.
15. Given my findings above, and the findings in LTB-L-102833-25, I agree with the Landlord's submissions that the lawful monthly rent is \$2,200.12.
16. However, the Tenant submits that his rent is subject to the discount provisions as found in the Tenant's lease addendum.

18. The discount is a “prompt payment” discount. In my view, the prompt payment discount can no longer be claimed because by virtue of the arrears subject to the bankruptcy. Thus, I find the N4 correctly sets out the rent due and owing and the Tenant is not entitled to continue to claim the prompt payment discount.
19. The Tenant submits that the principle of *contra proferentem* should apply in these circumstances, because nothing in the provisions of the lease addendum explain what happens when a tenant defaults on the payment of the lawful monthly rent on an earlier occasion. The Tenant argues that this ambiguity in the lease must be construed against the interests of the party who drafted it.
20. However, there is nothing in the legislation or the *Board's Rules* which dictates how a landlord may choose to cancel a discount or enforce his rights to limit a tenant's ability to continue to claim the prompt payment discount. As such, I find the Landlord was entitled to give the Tenant an N4 notice of termination for the shortfall in the rent payments.
21. 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.
22. As of the hearing date, the Tenant was still in possession of the rental unit.
23. The lawful rent is \$2,200.12. It is due on the 1st day of each month.
24. Based on the Monthly rent, the daily rent/compensation is \$72.33. This amount is calculated as follows: \$2,200.12 x 12, divided by 365 days.
25. The Tenant has paid \$4,300.38 to the Landlord since the application was filed.
26. The rent arrears owing to February 28, 2026, are \$1,727.79.
27. The Landlord incurred costs of \$186.00 for filing the application and is entitled to reimbursement of those costs.
28. The Landlord collected a rent deposit of \$2,200.12 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.
29. Interest on the rent deposit, in the amount of \$34.68 is owing to the Tenant for the period from May 1, 2025, to January 29, 2026.
30. I have considered all of the disclosed circumstances in accordance with subsection 83(2) of the *Residential Tenancies Act, 2006* (the 'Act'), and find that it would not be unfair to postpone the eviction until March 27, 2026, pursuant to subsection 83(1)(b) of the Act. The Landlord submits that a further conditional order is highly prejudicial. He owns only two rental units, and the Tenant's bankruptcy filing has had a serious negative impact on his ability to manage his finances.
31. The Tenant seeks a repayment plan to address the arrears which have accumulated since the bankruptcy was filed which stayed the prior proceedings. He has lived in the rental unit for just short of two years with his small children and is a full-time student. He pleads the

overall quantum of arrears is low and can comfortably afford \$100.00 a month towards the arrears.

32. I am not persuaded that a conditional order is appropriate in the circumstances. First, the Tenant has declared bankruptcy which has hampered the Landlord's ability to collect nearly \$15,000.00 in rental arrears. Second, I am not of the view that \$100.00 monthly, which would result in a nearly two-year repayment plan, is reasonable given the circumstances. In my view, the prejudice to the Landlord is greater than that of the Tenant.
33. However, I find a short delay in termination to March 27, 2026, gives the Tenant time to find alternative accommodations and takes into consideration his parenting responsibilities.
34. This order contains all of the reasons within it. No further reasons shall issue.

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:**
 - \$4,113.84 if the payment is made on or before March 27, 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 March 27, 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 March 27, 2026.**
5. As of the date of the hearing, the amount of the rent deposit and interest the Landlord owes on the rent deposit exceeds the arrears of rent, compensation and the cost of filing the application the Landlord is entitled to by \$2,623.75. See Schedule 1 for the calculation of the amount owing. However, the Landlord is authorized to deduct from the amount owing to the Tenant \$72.33 per day for compensation for the use of the unit starting January 30, 2026, until the date the Tenant moves out of the unit.
6. The Landlord or the Tenant shall pay to the other any sum of money that is owed as a result of this order.
7. If the unit is not vacated on or before March 27, 2026, then starting March 28, 2026, the Landlord may file this order with the Court Enforcement Office (Sheriff) so that the eviction may be enforced.
8. 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 March 28, 2026.

February 27, 2026
Date Issued

Jane Dean
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 September 28, 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 March 27, 2026

Rent Owing To March 31, 2026	\$10,428.41
Application Filing Fee	\$186.00
Less the amount the Tenant paid to the Landlord since the application was filed	- \$6,500.57
Total the Tenant must pay to continue the tenancy	\$4,113.84

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

Rent Owing To Hearing Date	\$5,925.62
Application Filing Fee	\$186.00
Less the amount the Tenant paid to the Landlord since the application was filed	- \$4,300.38
Less the amount of the last month's rent deposit	- \$2,200.12
Less the amount of the interest on the last month's rent deposit	- \$34.68
Total amount owing to the Landlord	\$(423.56)
Plus daily compensation owing for each day of occupation starting January 30, 2026	\$72.33 (per day)
**Ongoing daily compensation continues to accumulate until the total amount owing (excluding costs) is \$50,000.00.	