



Order under Section 135 Residential Tenancies Act, 2006

Citation: Im v Zhang, 2026 ONLTB 14395

Date: 2026-03-13

File Number: LTB-T-057620-25

In the matter of: 16 PERCY STOVER DR
MARKHAM ON L6C0V9

Between: Dongbeom Im
Haemin Lee
Hyeon Lim
Tenants

And

Chuchu Zhang
Landlord

Dongbeom Im, Haemin Lee and Hyeon Lim (the 'Tenant') applied for an order determining that Chuchu Zhang (the 'Landlord') collected or retained money illegally (T1 Application).

The Tenant applied for an order determining that the Landlord failed to meet the Landlord's maintenance obligations under the *Residential Tenancies Act, 2006* (the 'Act') or failed to comply with health, safety, housing, or maintenance standards (T6 Application).

An Adjudicative Case Conference was held by videoconference on February 10, 2026. The Tenant, Haemin Lee, and interpreter, Y. Nan, attended the case conference.

The Landlord was not present or represented at the case conference although properly served with notice by the LTB. There was no record of a request to adjourn. As a result, the case conference proceeded to a hearing with only the Tenants' evidence.

The Tenants withdrew the T6 application because it was resolved with the Landlord.

Determinations:

1. As explained below, the Tenant proved the allegations contained in the application on a balance of probabilities. Therefore, the Landlord must pay to the Tenant, \$2,048.00 for the cost of filing the application, and an illegal deposit.
2. The tenancy commenced on April 15, 2022, and ended on July 8, 2025.

Illegal Rent

3. The Tenants alleged that the Landlord collected rent in excess of the amount allowed by the *Residential Tenancies Act, 2006* (the 'Act'). In September 2023, the parties signed a new tenancy agreement in which the Landlord increased the rent from \$2,700.00 to \$2,800.00 monthly.
4. The Tenants paid the increased rent from September 2023 to July 2025.
5. Sections 110, 116 (1), 120 (1) and 121 (1) of the Act provides:

Landlord's duty, rent increases

110 No landlord shall increase the rent charged to a tenant for a rental unit, except in accordance with this Part.

Notice of rent increase required

116 (1) A landlord shall not increase the rent charged to a tenant for a rental unit without first giving the tenant at least 90 days written notice of the landlord's intention to do so.

Guideline increase

120 (1) No landlord may increase the rent charged to a tenant, or to an assignee under section 95, during the term of their tenancy by more than the guideline, except in accordance with section 126 or 127 or an agreement under section 121 or 123

6. By entering a new tenancy agreement with the Tenant, the Landlord ran afoul of section 110 and tried to circumvent several provisions of the Act regarding:
 - a. the requirement that a notice be served before an increase in rent is taken, and
 - b. the requirement that the rent increase is in accordance with the guideline.
7. In *Honsberger v. Grant Lake Forest Resources Ltd.*, 2019 ONCA 44, the court held that Landlords cannot avoid the rent increase rules by entering into new or renewed lease agreements with existing tenants. If parties choose to enter into a new tenancy agreement at the expiry of their existing fixed term agreement, the same rent increase rules must apply.
8. Therefore, the rent increase from \$2,700.00 to \$2,800.00 in September 2023, was unlawful.
9. Section 135. 1 (1) of the Act provides that an unlawful rent increase may not be void if the Tenant paid the increased amount for at least 12 consecutive months:

Rent increase deemed not void

135.1 (1) An increase in rent that would otherwise be void under subsection 116 (4) is deemed not to be void if the tenant has paid the increased rent in respect of each rental period for at least 12 consecutive months.

Non-application

(2) Subsection (1) does not apply with respect to an increase in rent if the tenant has, within one year after the date the increase was first charged, made an application in which the validity of the rent increase is in issue.

10. According to the above section, the illegal rent increase of \$100.00 monthly, from \$2,700.00 to \$2,800.00 would not be void if the Tenant paid it for at least 12 consecutive months.
11. The evidence in this case demonstrates that the Tenant paid \$2,800.00 to the Landlord for over 12 months from September 2023 to July 2025, and no application was filed disputing the validity of the rent increase prior. Therefore, the rent increase is not void, and \$2,800.00 became the lawful rent.

Illegal Charge

12. The Landlord collected a damage deposit of \$2,000.00 from the Tenants in contravention of the Act which provides in section 105 (1) that the only security deposit that a Landlord may collect is a rent deposit.
13. Therefore, the Landlord must return to the Tenant, \$2,000.00 collected as a damage deposit.
14. The Tenant incurred a nonrefundable cost of \$48.00 for filing the application and that amount will be reimbursed by the Landlord.

It is ordered that:

1. The Landlord shall pay the Tenant \$2,048.00. This amount represents:
 - \$2,000.00 for the illegal charge collected and
 - \$48.00 for cost of filing the application.
2. The Landlord shall pay the Tenant the full amount owing by March 24, 2026.
3. If the Landlord does not pay the Tenant the full amount owing by March 24, 2026, the Landlord will owe interest. This will be simple interest calculated from March 25, 2026, at 4.00% annually on the balance outstanding.
4. The Tenant has the right, at any time, to collect the full amount owing or any balance outstanding under this order.

March 13, 2026
Date Issued

Jitewa Edu
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.