Order under Section 69
Residential Tenancies Act, 2006

File Number: LTB-L-001136-26

In the matter of: 306, 560 BIRCHMOUNT RD
Toronto ON M1K1P5

Between: Medallion Corporation — Landlord

And

Robert Samuels
Bibi Samuels — Tenants

Medallion Corporation (the 'Landlord') applied for an order to terminate the tenancy and evict Robert Samuels and Bibi Samuels (the 'Tenants') because the Tenants did not pay the rent that the Tenants owe.

This application was heard by videoconference on March 11, 2026.

The Landlord's Legal Representative, S. M. Korman, the Landlord's Agent, Manuela Hyka, and the Tenants attended the hearing.

Determinations:

<u>Lawful rent</u>

1. The Tenants disputed the lawful monthly rent of $1,696.07 and the rent arrears owing to March 31, 2026 of $5,645.54 as claimed by the Landlord in this application. The Tenants disagree with the Landlord's calculation of the annual rent increases going back to 2016. The Tenants assert that as a result they have overpaid rent and do not owe any rent arrears.
2. The Tenants did not dispute that Notices of Rent Increases were provided by the Landlord, they just dispute the calculations in those notices. There was also no dispute that the Tenants have not challenged the lawful rent before today's date. Section 136 of the *Residential Tenancies Act, 2006* provides that:

> (1) Rent charged one or more years earlier shall be deemed to be lawful rent unless an application has been made within one year after the date that amount was first charged and the lawfulness of the rent charged is in issue in the application.

> (2) An increase in rent shall be deemed to be lawful unless an application has been made within one year after the date the increase was first charged and the lawfulness of the rent increase is in issue in the application.

3. Essentially, section 136 of the Act provides that a challenge to the lawful rent must be made within one year of the date it was first charged or that rent is deemed lawful. Since, the Tenants only challenged the lawfulness of the rent today in this application, only the current lawful rent can be challenged as that was charged within the one year preceding period. There was no dispute that the Landlord served a Notice of Rent Increase (NORI) in May 2025 to take effect on September 1, 2025, a copy was provided into evidence by the Landlord (DOC-7500811pgs34-35). That notice provided that the rent will increase to $1,702.69, being $41.51, representing 2.5 percent, despite the Landlord only

4. The Landlord also provided a copy of the Tenants' ledger into evidence (DOC-7500811pgs3-15). The ledger commences on December 1, 2016 with a monthly rent of $1,379.49 and ends on March 1, 2026 with a monthly rent of $1,696.07. Based on the Landlord's ledger the amount of $1,696.07 has been charged to the Tenant since September 1, 2025, this amount is less than the amount claimed in the 2025 NORI.

5. The Tenants also challenged the two charges that are separated out on the ledger, one being for parking and the other being for A/C utility charge, and stated that these charges were included in the rent when the tenancy commenced in 2009. In support of their assertion, the Tenants provided a copy of order TEL-06667-10 issued on September 15, 2010 into evidence (DOC-7507302) which determined the lawful monthly rent to be $1,250.00 including parking.

6. The Landlord's Agent stated that in May 2021, the Tenants transferred their outdoor parking spot to an indoor one, which at the time cost $10.00 more. The Landlord's Agent also stated at that time the Tenants also added another indoor parking space, which was a separate charge. In support of their testimony, a copy of a Parking Agreement was provided into evidence (DOC7500811pgs40-42). The Parking Agreement confirmed that the Tenants transferred parking from spot #12 outdoor to spot#31 indoor, which costs $60.00, but there only had to pay $10.00 being the difference between outdoor and indoor parking at the time. This Agreement with these terms is signed by one of the Tenants, Bibi Samuels.

7. The Landlord's Legal Representative submitted that the A/C charge was permissible in the tenancy agreement and shown as a separate charge on the ledger as early as December 1, 2016, when the rent was $1,379.49 which was paid by the Tenants. The rental ledger confirmed that the Tenants paid this separate charge all of 2016, 2017, and up to August 2018. Other than the Tenants asserting all utilities were included in the rent and that this is a separate charge, they did not provide any evidence to contradict the Landlord's assertion that they could charge for A/C appliance under the tenancy agreement and the addition of an A/C occurred after the tenancy commenced.

8. Based on the evidence before me, I was satisfied that the current lawful rent is $1,696.07 as claimed by the Landlord. The Tenants did not provide any challenge to the calculation of the NORI for 2025 and maintained that the issues began in 2016.

9. With respect to the separate charges on the ledger for parking and A/C, I was satisfied that these are permissible additional charges by the Landlord. There was no dispute that the Tenants changed their parking spot in 2021 from outdoor to indoor. An indoor spot costs more and the Landlord only charged the Tenants the difference, being $10.00. This service is included in the rental amount and therefore subject to the lawful annual increases. There was no dispute that the Tenants have kept this parking spot, hence the separate charge on the ledger. I was satisfied that although the Tenants maintain parking was included in their tenancy agreement, I find that this meant the parking spot that they had at the time. When the Tenants upgraded their spot to an indoor garage spot, they were notified of the additional charge and agreed to it in the Parking Agreement.

10. The evidence before me was insufficient to find that the Tenants were not responsible for the A/C charge in their tenancy agreement, the Tenants acknowledged that they have an A/C unit, they did not provide any evidence that this was the case at the commencement of the tenancy. Therefore, I find it more likely than not that this was an added appliance which the tenancy agreement permits the Landlord to charge a fee.

11. The Tenants also asserted that in 2019, the Landlord served a NORI for an Above Guideline Increase (AGI) of 4.8 percent, which the Tenants state they paid, but the LTB only ordered a 4.3 percent increase, so the Tenants believe they overpaid for that period as well. The Landlord provided a detailed ledger showing the charges and payments by the Tenants, and a running balance. The Tenants did not point out any discrepancies in this ledger. Given this, I was satisfied that all the Tenants payments were appropriately credited to their account.

<u>L1 application</u>

12. The Landlord served the Tenants 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.

13. As of the hearing date, the Tenants were still in possession of the rental unit.

14. The lawful rent is $1,696.07. It is due on the 1st day of each month.

15. Based on the Monthly rent, the daily rent/compensation is $55.76. This amount is calculated as follows: $1,696.07 x 12, divided by 365 days.

16. The Tenants have paid $4,696.98 to the Landlord since the application was filed.

17. The rent arrears owing to March 31, 2026 are $5,645.54.

18. The Landlord is entitled to $20.00 to reimburse the Landlord for administration charges the Landlord incurred as a result of a cheque given by or on behalf of the Tenants which was returned NSF. Although, the Tenants initially disputed this charge, the Landlord’s Legal Representative pointed it out to them on the ledger under cross-examination and there seemed to be no dispute.

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

20. The Landlord collected a rent deposit of $1,708.80 from the Tenants 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.

21. Interest on the rent deposit, in the amount of $18.88 is owing to the Tenants for the period from September 1, 2025 to March 11, 2026.

<u>Relief From Eviction</u>

22. I have considered all of the disclosed circumstances in accordance with subsection 83(2) of the Act, and find that it would not be unfair to grant relief from eviction subject to the conditions set out in this order pursuant to subsection 83(1)(a) and 204(1) of the Act.

23. The Landlord’s Legal Representative requested a standard eleven day eviction order, but would agree to a delay to April 30, 2026 given the Landlord is holding a last month’s rent deposit. He submitted that the Tenants stated income and expenses do not make this tenancy viable.

24. The Tenants stated that they are a one income family, as one of them is retired and receiving CPP and the other works full-time. They confirmed that their adult son resides with them in the unit, and that he is working, however, his income mostly goes to his expenses. They requested to continue the tenancy and offered to pay an additional $100.00 per month toward the rent arrears and if they had to pay the arrears off quicker they could do so within one year.

25. This is a long term tenancy. As per the ledger, the rent arrears have accumulated gradually over time between 2023 and now due to underpayment or missing monthly payments. The rent arrears currently stand at $5,645.54 which is significant and if only $100.00 a month is paid, it would take almost five years to clear. This timeframe would not be fair to the Landlord.

26. However, since the rent arrears have been accumulating for three years without action by the Landlord, the Tenants stated income, and given that this is a long term tenancy, I was satisfied that a three year repayment plan would not be unfair in these circumstances. If the Tenants fail to make any of the payments in this order in full or on time, the Landlord can apply to the LTB without notice to the Tenants for an order to terminate the tenancy, evict the Tenants, and payment of the outstanding arrears, NSF fees and costs.

It is ordered that:

1. The Tenants shall pay to the Landlord $5,851.54 for arrears of rent up to March 31, 2026, an NSF administration fee, and costs.

2. The Tenants shall pay to the Landlord the amount set out in paragraph 1 in accordance with the following schedule:

- $165.00 on or before the 1st day of each month for the period of April 1, 2026 to February 28, 2029; and
- $76.54 on or before March 1, 2029.

3. The Tenants shall also pay to the Landlord new rent on time and in full as it comes due and owing on the 1st day of each month for the period April 1, 2026 to March 31, 2029, or until the arrears are paid in full, whichever date is earliest.

4. If the Tenants fail to make any one of the payments in accordance with this order, the outstanding balance of any arrears of rent and costs to be paid by the Tenants to the Landlord pursuant to paragraph 1 of this order shall become immediately due and owing and the Landlord may, without notice to the Tenants, apply to the LTB within 30 days of the Tenants' breach pursuant to section 78 of the Act for an order terminating the tenancy and evicting the Tenants and requiring that the Tenants pay any new arrears, NSF fees and related charges that became owing after March 31, 2026.

March 18, 2026
Date Issued

Lisa Del Vecchio
Member, 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.