



Order under Section 126 Residential Tenancies Act, 2006

File Number: LTB-L-021081-25

In the matter of: 37 Morgan Avenue
Toronto, Ontario, M8Y 2Z9

Between: Alicia Stempien Landlord

And

Refer to attached Schedule 2 Tenants

Alicia Stempien (the 'Landlord') applied for an order permitting the rent charged to be increased by more than the guideline for one or more of the rental units in the residential complex.

This application was resolved by written hearing. The Board received submissions from the Tenant, Donalt Gjokaj – Upper Unit (Top Floor). A reply to the Tenant's submission was received from the Landlord.

Municipal Taxes and Charges

It is determined that:

1. The Landlord justified a rent increase above the guideline because of an extraordinary increase in the cost for municipal taxes and charges. I find that the increase in the municipal taxes and charges is "extraordinary" because the percentage increase between the reference year and the base year is greater than the guideline rent increase plus 50% of the guideline (section 28 of O. Reg. 516/06).
2. The maximum rent increase above the guideline because of an extraordinary increase in the cost for municipal taxes and charges is 0.60%. This increase is to be taken in the first year.
3. The first effective date of the rent increase above the guideline is June 9, 2025.
4. I have accepted the Landlord's amended application filed with the Board on August 5, 2025.
5. The Board received submissions from Donalt Gjokaj. The submissions were taken into consideration to the extent we can under the legislation. The Landlord's reply was also taken into consideration.

Details about the Calculated Increase

6. The Tenant residing in the Upper Unit (Top Floor), made submissions about what they believe the Landlord's calculated increase is, namely a \$500 per month increase. They submit that there is a discrepancy in costs between the total increase in taxes and the amount the Landlord seeks to recover. The Tenant submits their own calculation setting out what they believe the above guideline increase should be, noting a \$15.94 per month increase. I note this represents a roughly 0.80% increase.
7. The Tenant submits that the Landlord only sought to increase the rent for 2 units despite there being 3 units at the residential complex. They submit that the third unit has only resided there for nine months and pays a rent of approximately \$2,300 per month. They submit that the increase must be allocated amongst all rental units in the residential complex.
8. In reply, the Landlord, submits that due to taxes steadily increasing over a period of years, that they "proposed" a new rent of \$2,500 each for the Upper Unit – rented at \$1,998.75 and the Main Unit – rented at \$1,891.25. I note this would represent an increase of over 30%.
9. The Landlord submits that one of the relevant factors to the Board's determination in this matter is that the Landlord has "shown a history of absorbing those costs for several years without seeking an earlier adjustment".
10. The Landlord's decision to not pursue rent increases that it may have been permitted to take in the past is not relevant to my decision here. Nor is the fact that unit rents may be below market rent. It is the prerogative of the Landlord to pursue an above guideline increase by applying to the Board. Their decision not to do so has no bearing on this decision.
11. The Landlord's application, Schedule 1 – Part A – Municipal Taxes and Charges reflects that the municipal taxes and charges costs affect all units in the complex, and the Landlord noted that there are three units in the complex. The Landlord submits through their reply submissions that the Basement Unit was vacant when the application was filed with the Board. For the sake of clarity, when the Board undertakes the calculation of the increase, an average rent for vacant units is determined by considering all rents in the residential complex pursuant to s. 21(2), O. Reg. 516/06. In keeping with the intent of the Act, any increase is calculated on the total rent revenue of all the units in the residential complex and then each unit is allocated a portion of the increase. Only those units that the Landlord identifies as "affected" will actually receive the increase.

12. While the parties may have done their own calculation setting out what they believe the above guideline increase should be, the Board considers whether there was an extraordinary increase in municipal taxes, as described in this Order above, and calculates the increase in accordance with the Rules set out under s. 29 of O. Reg. 516/06.

It is ordered that:

1. The Landlord may increase the rents charged by 0.60% for the units set out in Schedule 1.
2. The percentage increase set out in paragraph 1 is to be taken within the time period of June 9, 2025, to June 8, 2026.
3. The percentage increase set out in paragraph 1 may be taken in addition to the annual guideline in effect on the increase date for the unit.
4. The Landlord or the Tenants shall pay to the other any sum of money that is owed as a result of this order within 60 days of the date of this order.

March 13, 2026
Date Issued

Luciella Longo
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.

Important Notes:

1. The Landlord may increase the rent charged by the ordered increase within the time period specified if at least 12 months have passed since the last rent increase or since the Tenants moved in, and if the Landlord has given the Tenants at least 90 days proper Notice of Rent Increase.
2. If the Landlord has given a Notice of Rent Increase for a rent increase that is less than the ordered increase, the Landlord may only take the rent increase set out in the Notice.
3. The annual guideline for 2025 is 2.50% and for 2026 is 2.10%.

Schedule 1 - Units affected by this Order:

Top Floor

Main Floor

Schedule 2 - Tenants who are Affected by this Order:

Gjokaj, Donalt

Manalac, Liza Mae