



Order under Section 135 Residential Tenancies Act, 2006

Citation: Ghanavati v Woodly, 2026 ONLTB 23251

Date: 2026-03-19

File Number: LTB-T-075777-25

In the matter of: 11, 301 Mary Street
Hamilton Ontario L8L4W3

Between: Ali Ghanavati Tenant

And

Wayne Woodly Landlord
2047246 Ontario Inc

Ali Ghanavati (the 'Tenant') applied for an order determining that Wayne Woodly and 2047246 Ontario Inc (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on March 16, 2026.

The Landlord and the Tenant attended the hearing.

Determinations:

1. As explained below, the Tenant proved the allegations contained in the application on a balance of probabilities. Therefore, the Landlord shall pay to the Tenant \$3,200.04 on or before March 31, 2026.

Did the Landlord retain the last month's rent deposit and unused rent illegally?

2. The Tenant is requesting \$3,200.00 in return, which represents a \$1,600.00 key deposit, and \$1,600.00 in unused rent. The Tenant claims that on April 8, 2025, there was a consent to terminate the tenancy on May 1, 2025. The Landlord's position is that there was no consent to terminate the tenancy because the Tenant failed to provide an N9 notice, which is a Tenant's notice to terminate the tenancy, and therefore does not owe the Tenant any money as 60 days' notice was not provided to the Landlord.
3. The parties agree that the tenancy began December 1, 2024. The parties also agree that the tenancy was for a one-year fixed term lease, and that monthly rent was \$1,600.00. The parties disagree on the amount provided to the Landlord on November 24, 2024. The

Tenant claims it was a \$1,600.00 key deposit, the Landlord claims it is a last month's rent deposit.

4. The parties agree that the Tenant provided the Landlord \$8,000.00 on November 30, 2024, which is equal to 5 months of prepaid rent. The parties also agree that on March 30, 2025, the Tenant provided \$1,600.00 to which was for the rent for April 1, 2025.
5. Both parties submitted into evidence a series of text message exchanges that occurred between April 8, 2025, and May 10, 2025. On April 8, 2025, the Tenant sent a text message to the Landlord asking if the Landlord would consent for the Tenant to vacate at the end of "this month". The Landlord responded and confirmed with the Tenant that the Tenant's daughter will also be vacating, then the Landlord responded, "... I will be sad to see you go...", and, "Let me know when you plan to leave and I will arrange to get the keys".
6. On April 11, 2025, the Tenant sends another text message to the Landlord which says, "Morning Wayne, on May 1, my daughter will hand in the apartment to you because I leave sooner...". The Landlord responds with, "Thanks Al. Could you please provide me her phone number, we can arrange by text. Best of luck, Al." The Landlord did collect the keys from the Tenant's daughter on May 1, 2026.
7. The Tenant reached out to the Landlord on May 6, 2025, and again on May 9, 2025, requesting his deposit and last month's rent to be returned. On May 10, 2025, the Landlord responds that there is no balance owing because the Tenant was required to provide the Landlord with 60 days' notice and because the Tenant did not, there was no money owing.
8. During the testimony of the Landlord, the Landlord was asked twice if he believed he consented to the Tenant vacating on May 1, 2025. The Landlord replied that because the Tenant did not provide an N9 notice, that no formal notice was given to the Landlord and that is why he was retaining the excess rent money. The Landlord also stated that through text messages on April 8, 2025, he told the Tenant he was retaining the unused rent and last months' rent deposit because he did not provide the 60 days' notice to the Landlord.
9. Although this was a fixed term one year lease, the Landlord was agreeable to break the lease but that the Tenant was still liable for the rent up to June 30, 2025. The Landlord testified that the rental unit was not re-rented until December 1, 2025.

Analysis

10. A tenancy can terminate in any of one of three ways: a notice of termination, an agreement to terminate whereby all parties must agree, or by an order from the Board. Pursuant to section 37 of the *Residential Tenancies Act* ('the Act'), a tenancy can only be terminated in accordance with the Act.
11. There is no question that the tenancy did not terminate by Board order. There is no question that the Tenant did not provide the Landlord with the N9 which is a tenant's notice to terminate the tenancy, nor was there an N11 signed by both parties, which is a notice to terminate the tenancy on consent of all parties. However, in accordance with section 37(3) of the Act, a notice of termination need not be given if a landlord and a tenant have agreed to terminate the tenancy.

12. In my view, based on the evidence provide through the written communication between both parties is akin to the parties executing an N11. I am satisfied that the parties reached a clear agreement to terminate the tenancy. A valid agreement requires mutual understanding or a “meeting of the minds” regarding the termination date. In this instance, both parties explicitly agreed that the tenancy would end on May 1, 2025.
13. The Landlord indicated in his testimony that on April 8, 2025, he told the Tenant he would be responsible for retaining the unused rent and last months’ rent deposit because he did not provide the 60 days’ notice to the Landlord. This is not what the evidence showed. The evidence showed through text messages provided that the Landlord told the Tenant this after he vacated on May 10, 2025. When asked the question to the Landlord twice if he consented to the termination date of May 1, 2025, the Landlord was evasive in his answers. I do not find the Landlord credible in this part of his testimony.
14. Therefore, the tenancy terminated lawfully on May 1, 2025. In accordance with section 134(1.1) of the Act, the Tenant is obligated to pay rent up to the date the Tenant and the Landlord consented to the date of termination which was May 1, 2025.
15. In accordance with s. 134 of the Act, the Landlord is not entitled to retain any funds purporting to be rent. Therefore, I find that the Landlord must return any unused rent to the Tenant.
16. The Tenant says that the \$1,600.00 that was given to the Landlord on November 24, 2025, was for a key deposit. The Landlord says it was a last month’s rent deposit. According to the lease agreement, a “security deposit” was collected. It is the Tenant’s position that a key deposit is an illegal charge under the Act. Section 17 of the General Regulation under the Act (O. Reg. 516/06) provides a list of exemptions under s. 134 of the Act which includes, “payment for a refundable key, remote entry device or card deposit, not greater than the expected direct replacement costs”.
17. I prefer the evidence of the Landlord to the Tenant that the deposit collected on November 24, 2024, was for a last month’s rent deposit. Although a key deposit is permissible under the Act, asking for a \$1,600.00 key deposit seems unlikely. Therefore, the \$1,600.00 that was collected by the Landlord shall be considered the last month’s rent deposit.
18. In accordance with section 106(10) of the Act, the last month’s rent deposit shall be applied to the last month of tenancy. Therefore, the last month’s rent shall be applied for the rent from April 1, 2025, to April 30, 2025.
19. The Landlord also collected an excess of rent in the amount of \$1,600.00 that was received on November 30, 2025, that shall be returned to the Tenant. Since the Tenant vacated on May 1, 2025, one day’s rent shall be deducted from that amount. The per diem amount is \$52.60 which shall be deducted from the unused portion of rent ($\$1,600.00 \times 12/365 = \52.60 per diem).
20. As such, the Landlord shall pay to the Tenant \$1,547.40 in unused rent, and \$1,600.00 in the last month’s rent deposit, which totals \$3,147.40.
21. The Tenant paid \$53.00 for the application filing fee and that amount shall be reimbursed.

22. This order contains all of the reasons for the decision within it. No further reasons shall be issued.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is \$3,200.04. This amount represents:
 - \$1,547.40 for excess rent collected; and
 - \$1,600.00 for the last month's rent deposit.
 - \$53.00 for the application filing fee.
2. The Landlord shall pay the Tenant the full amount owing by March 30, 2026.
3. If the Landlord does not pay the Tenant the full amount owing by March 30, 2026, the Landlord will owe interest. This will be simple interest calculated from March 31, 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 19, 2026
Date Issued

Paula West Oreskovich
Member, Landlord and Tenant Board

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If you have any questions about this order, call 416-645-8080 or toll free at 1-888-332-3234.