



Order under Section 115 / 135 Residential Tenancies Act, 2006

Citation: Chummar (formerly Patel) v Dhoul, 2026 ONLTB 25305

Date: 2026-04-01

File Number: LTB-T-042416-23

In the matter of: 60 Honeyview Trail
Brampton Ontario L6P4A3

Between: Nancy Chummar (formerly Patel) Tenant

And

Jaspal Dhoul Landlord

Nancy Chummar (formerly Patel) (the 'Tenant') applied for an order determining that Jaspal Dhoul (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on March 23, 2026.

The Landlord and the Tenant attended the hearing. The Landlord was assisted by their Agent, Manmohan Bhullar.

Determinations:

1. At the outset of the hearing the Board's one-year limitation period in accordance with section 29(2) of the Act was explained.

No application may be made under subsection (1) more than one year after the day the alleged conduct giving rise to the application occurred.

2. In *Toronto Community Housing Corporation v. Allan Vlahovich*, 2010 ONSC 1686 (CanLII) the Divisional Court affirmed that the Board may not order a remedy beyond the one-year limitation period.

Accordingly, we conclude that the Board erred in law in allowing an abatement of rent prior to the one-year period preceding the making of the application.

3. As explained below, the Tenant proved the allegations contained in the application on a balance of probabilities. Therefore, the Landlord must pay compensation to the Tenant.

Illegal Rent

4. The Landlord collected rent in excess of the amount allowed by the *Residential Tenancies Act, 2006* (the 'Act').
5. The Landlord and the Tenant entered into a new fixed term lease agreement at the end of each term since the Tenant moved into the rental unit. Each new fixed term lease raised the lawful rent by more than the amount authorized by the Province of Ontario.
6. The Landlord argued that the increases were voluntarily agreed upon by the parties and therefore should be deemed valid. They referred to DOC-2632219 an email exchange where the Landlord requested an amount above the lawful rent permitted. They acknowledged it was greater than the lawful amount, but that their expenses had gone up and asked the Tenant to agree to a higher amount, which they did.
7. In my view this is a very example of the imbalance of power between a landlord and a tenant. The tenant is faced with an unlawful increase or risk being evicted. In *White v. Upper Thames River Conservation Authority*, 2022 ONCA 146, the Court of Appeal stated that the Act is remedial legislation designed to redress the imbalance of power and remove lease from ordinary contract law principles.

The Act is remedial legislation designed to redress the imbalance of power between landlords and tenants. It removes leases from the ordinary contract law principles that would otherwise govern and establishes extensive statutory rights for tenants.

8. It is trite law that the Courts have consistently found that the Act is remedial legislation with a tenant protection focus that must be interpreted liberally to realize those objectives.
9. Subsection 4(1) of the Act provides that any provision in a lease agreement that is inconsistent with the Act is void.

4 (1) Subject to subsection 12.1 (11) and section 194, a provision in a tenancy agreement that is inconsistent with this Act or the regulations is void.

10. It was undisputed that the Tenant paid \$2100.00 for the 12 months ending November 30, 2021. As of December 1, 2021, the Tenant was paying \$2,225.00 in rent.
11. In 2021, the lawful rent increase in 2022 was 0%. As a result, there should not have been a rent increase.
12. It was undisputed that the Tenant paid \$2,225.00 for the 12 months ending November 30, 2022. As of December 1, 2022, the rent was increased to \$2,300.00.
13. In 2022, the lawful rent increase in 2022 was 1.2%. As a result, the lawful rent increase in this tenancy ought to have been \$26.70 and not \$75.00.
14. Subsection 135(1) of the Act provides that if a rent increase has been paid for at least 12 consecutive months is 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.

15. The effect of this subsection is that the unlawful rent increase in 2021 is not void.

16. Subsection 135(2) of the Act provides that subsection 135(1) does not apply where an application challenging the rent increases has been filed.

(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.

17. This application was filed May 22, 2023. This means that the issue of the lawful rent increase for the 12 months prior is in dispute.

18. Subsection 136.1 (3) provides that during the rent freeze period a Landlord may not raise the rent. The rent freeze period began on January 1, 2021, and ended on December 31, 2021.

19. As a result, the 2021 rent increase was unlawful. This unlawful increase is saved by subsection 135.1(1) because the Tenant paid this amount for 12 months.

20. The Tenant paid this unlawful rent for a period of 12 months until the next rent increase. and therefore, this unlawful increase is also saved by subsection 135.1(1).

21. As of December 1, 2022, the Tenant began to pay \$2,300.00. This is an unlawful rent increase as noted above. The Tenant submitted this application within 12 months and therefore this unlawful rent increase is not saved.

22. As a result, the unlawful increase shall be refunded to the Tenant. This amounts to 7 months (December 1, 2022, until June 30, 2023) X \$75.00 = 525.00 shall be repaid to the Tenant.

23. The Divisional Court in *Guilbeault v. Williams*, 2026 ONSC 1539, the courts confirmed that the unlawful rent increases are saved in accordance with the Act because the Tenant paid those amounts for 12 months.

Read in isolation, the decision of the presiding Member is contrary to the finding in *Price* and therefore would be incorrect in law. But there has been subsequent legislative intervention. In 2020, s. 135.1 was added to the LTA. Subsection (1) specifies that “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”. Subsection (2) then states that subsection (1) does not apply 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”. **As a consequence, the legislature has effectively overruled the finding in *Price* and in doing so has underscored the legislative intention that tenants may**

not seek to challenge an increase to their rent after they have paid it for more than a year. See *Sapershteyn et al v. 1821317 Ontario Limited et al*, 2023 ONSC 5977 (Div Ct.)

(emphasis added)

24. It is unfortunate that given the remedial tenant protection focus of the Act, that these legislative changes effectively permit an unscrupulous landlord to raise the rent by an unlawful amount, and even without giving proper notice are now saved if the Tenant does not challenge the unlawful rent increases at the Board. As seen in this case, even the rent freeze of 2021 did not prevent this shameless landlord from obtaining an unlawful rent increase.

Interest on Rent Deposit owing

25. It was undisputed that the Landlord failed to pay the Tenant interest on the last month's rent deposit, as required by subsection 106(6) of the Act.

(6) A landlord of a rental unit **shall pay interest** to the tenant annually on the amount of the rent deposit at a rate equal to the guideline determined under section 120 that is in effect at the time payment becomes due.

(emphasis added)

26. The landlord argued that they should not be responsible for their failure to pay interest on the rent deposit because the Tenant did not deduct the interest from the lawful rent pursuant to subsection 106(9) of the Act.

(9) Where the landlord has failed to make the payment required by subsection (6) when it comes due, the tenant **may deduct** the amount of the payment from a subsequent rent payment.

(emphasis added)

27. I disagree with the Landlord in this regard. It is mandatory as seen by use of the word *shall*, for the Landlord to pay interest, and is discretionary for the tenant as seen by use of the word *may* to deduct from rent. This means that the Tenant did not have to deduct the unpaid interest from rent and again referring to the remedial tenant protection focus of the Act, the Tenant has not waived or lost their right to interest on the rent deposit just because they did not deduct it from the lawful rent.

28. Therefore, the Landlord shall be ordered to pay interest on the rent deposit from the day it was collected until the Tenant vacated the rental unit, calculated in the amount of \$160.82.

29. The Tenant paid an application fee of \$53.00 and is entitled to those costs.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is \$738.82. This amount represents:
 - \$525.00 for excess rent collected.
 - \$160.82 for interest on the last month's rent deposit.
 - \$53.00 for the cost of filing the application.
2. The Landlord shall pay the Tenant the full amount owing by April 12, 2026.
3. If the Landlord does not pay the Tenant the full amount owing by April 12, 2026, the Landlord will owe interest. This will be simple interest calculated from April 13, 2026, at 4.00% annually on the balance outstanding.

April 1, 2026
Date Issued

Robert Patchett
Vice Chair, 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.