



Order under Section 69 Residential Tenancies Act, 2006

Citation: 2831069 ONTARIO INC. v PENMAN, 2026 ONLTB 26333

Date: 2026-03-31

File Number: LTB-L-004194-26

In the matter of: 193 11 LINE N
ORO-MEDONTE ON L0L1T0

Between: 2831069 ONTARIO INC. Landlord

And

JEFFREY EDWARD PENMAN Tenant

2831069 ONTARIO INC. (the 'Landlord') applied for an order to terminate the tenancy and evict JEFFREY EDWARD PENMAN (the 'Tenant') because the Tenant did not pay the rent that the Tenant owes.

This application was heard by videoconference on March 19, 2026.

The Landlord's Legal Representative, Ahmad Hamid Asrar, the Tenant, and the Tenant's support person, Grant Williamson, attended the hearing.

Determinations:

1. The Landlord served the Tenant with a 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.
2. As of the hearing date, the Tenant was still in possession of the rental unit.
3. There were some inconsistencies noted in the rent charged in the N4 Notice. The Landlord's Legal Representative submitted a copy of the lease agreement at the hearing which states that the rent is "an amount equal to the monthly carrying charges of the Buyer's financing costs of \$600,000.00 at the Buyer's lender's prime rate plus 0.5%" which at the time the agreement was signed on March 17, 2023 was \$3,500.00. The parties confirmed that the Landlord purchased the property from the Tenant and leased back a portion to him.
4. The Landlord's Legal Representative confirmed that the rent would thus fluctuate on a monthly basis, contrary to the rules governing rent in the *Residential Tenancies Act, 2006* ('Act'). Rent cannot be increased more than once every twelve months, per s. 119 of the

Act, subject to certain exceptions in the Act which do not apply in this case, and any reductions in rent must also be in accordance with the Act. In addition, the Tenant was not served with any Notice of Rent Increase as required under s. 116 of the Act. The rent would also be increased significantly higher than the guideline amount permitted under s. 120 of the Act. Despite the agreement signed between the parties, s. 3 of the Act sets out that the parties cannot contract out of the Act. Consequently, as the substance of the N4 Notice does not comply with the Act, the notice is deemed to be invalid.

5. The issue here is that there was no consensus regarding the lawful rent throughout the three years of this tenancy. Paragraph 3 of the lease agreement also states that the rent is due on the 1st day of each month, however, the parties agreed rent is actually due on the 15th day of each month but did not provide a date when the change was implemented. Rent would also constantly fluctuate, which meant the Landlord could not prove the amount of lawful arrears owing. Therefore, the application must be dismissed.
6. However, the parties did agree on the following facts in order to ensure clarity regarding this tenancy moving forward:
 - i) The lawful rent is \$3,013.00, effective May 15, 2024; and
 - ii) The rent is due on the 15th day of each month.

It is ordered that:

1. The application is dismissed.

March 31, 2026

Date Issued

Fotoula Hatzantonis

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.