



Order under Section 135 Residential Tenancies Act, 2006

File Number: LTB-T-053623-25

In the matter of: 1, 115 guiguess avenue
ottawa ON K1N7C8

Between: Yasmine Hallak Tenant

And

Greg Capello Landlord

Yasmine Hallak (the 'Tenant') applied for an order determining that Greg Capello (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on February 17, 2026.

Only the Tenant attended the hearing.

the Landlord was not present or represented at the hearing although properly served with notice of this hearing by the LTB. There was no record of a request to adjourn the hearing. As a result, the hearing proceeded with only the Tenant's evidence.

Determinations:

1. As explained below, the Tenant proved the allegations contained in the application on a balance of probabilities. Therefore, the Landlord must pay to the Tenant \$ 1,995.00.

Rent deposit not applied to last month of tenancy

2. The Landlord did not use the Tenant's rent deposit to pay for the last rental period of the tenancy and did not return the deposit to the Tenant. This is prohibited by the *Residential Tenancies Act, 2006* (the 'Act'). The Tenant testified that the tenancy commenced on July 1, 2024, at a monthly rent of \$1,995.00. At the start of the tenancy, the Tenant paid a total deposit of \$3,990.00 by e-transfer, representing the first and last month's rent.
3. The Tenant stated that in or around May or June 2025, discussions took place regarding extending the tenancy. The Tenant acknowledged that she did not provide sufficient notice to terminate the tenancy in accordance with the statutory requirements. As a result, she proposed to the Landlord that she would locate a replacement tenant to take over the unit and enter into a new lease agreement. The Tenant testified that the Landlord agreed to

this arrangement. The Tenant stated that she subsequently located a new tenant who was accepted by the Landlord. The new tenant moved into the rental unit shortly after the Tenant vacated.

4. The Tenant testified that she gave written notice by email on June 1, 2025, advising that she intended to terminate the tenancy effective June 30, 2025. Despite this, the Tenant vacated the rental unit earlier, on June 24, 2025. The Tenant testified that she paid rent in full for the month of June 2025 by Interac e-transfer. The Tenant further testified that the Landlord continued to hold the last month's rent deposit and did not apply it to any rental period. The Tenant stated that the Landlord initially advised that the deposit would be returned after he attended the unit to inspect it.
5. The Tenant stated that approximately one week after vacating, she had not received the deposit and followed up with the Landlord. In response, the Landlord alleged that a bed in the unit had been damaged and indicated that he would not return the deposit. The Tenant stated that she advised the Landlord that the last month's rent deposit could not be used for damages under the law. After this communication, the Landlord stopped responding to her messages.
6. The Tenant referred to documentary evidence, including emails dated June 25 to June 30, 2025, which confirm the communications between the parties regarding the return of the deposit and the Landlord's allegation of damage. The Tenant seeks the return of \$1,995.00 representing the last month's rent deposit, as well as reimbursement of the \$48.00 application filing fee.

Analysis

7. This application is brought under section 135 of the Act, which permits the Board to order the return of money that has been unlawfully collected or retained. Under section 106 of the Act, a landlord may only collect a rent deposit to be applied to the last month of rent. The Act does not permit a landlord to retain a rent deposit for the purpose of covering damages or repair costs. The undisputed evidence before the Board is that the Tenant paid rent for June 2025 in full. As such, the last month's rent deposit was not applied to any rental period.
8. The Board accepts the Tenant's uncontested evidence that a new tenant moved into the unit shortly after she vacated and that the Landlord received rent for July 2025. Therefore, the Landlord did not suffer any loss of rental income. The Landlord's position, as reflected in the Tenant's documentary evidence, is that the deposit was retained due to alleged damage to a bed. However, even if damage occurred, the Act is clear that a rent deposit cannot be applied toward damages. The proper recourse for a landlord seeking compensation for damage is to file a separate application with the Board.
9. The Board finds that the Landlord collected rent for June 2025 and retained the last month's rent deposit without applying it to rent. This constitutes an unlawful retention of money under the Act. Accordingly, the Tenant is entitled to the return of the last month's rent deposit.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is \$2,043.00. This amount represents:
 - \$1,995.00 for the last month's rent deposit.
 - \$48.00 for the cost of filing the application.
2. The Landlord shall pay the Tenant the full amount owing by April 18, 2026.
3. If the Landlord does not pay the Tenant the full amount owing by April 18, 2026, the Landlord will owe interest. This will be simple interest calculated from April 19, 2026, at 4.00% annually on the balance outstanding.

April 7, 2026
Date Issued

Nathan Korenberg
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.