



Order under Section 126 Residential Tenancies Act, 2006

Citation: Lalonde v Roach, 2026 ONLTB 7415

File Number: LTB-L-078027-22

In the matter of: 318 Dolph Street South, Cambridge, Ontario, N3H 2C2

Between: Louise Lalonde Landlord
Mojumdar Holdings Inc.

and

Refer to attached Schedule 2 Tenants

Louise Lalonde and Mojumdar Holdings Inc. (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 a written hearing. No submissions were received from the Tenants.

Preliminary Matters

Request to Amend First Effective Date

1. Prior to the commencement of the written hearing, the Landlord requested the Board's permission to amend the first effective date from January 1, 2023 to April 1, 2023.
2. In accordance with Rule 15 of the Board's Rules of Procedure, in determining whether to grant the request to amend, the Board must consider whether the amendment was requested as soon as the need was known, any prejudice a party may experience, and whether the amendment was necessary. Having regard for all the circumstances, I find it appropriate to grant the Landlord's amendment request.

Change in Ownership

3. Prior to the commencement of the written hearing, the Board received a submission from the Landlord advising that the residential complex was sold on January 24, 2025, and that they are no longer the owner of the rental property. The Board issued a Member Endorsement Form on September 23, 2025,

requesting clarification from the purchaser/Potential Party whether they wish to proceed with this application as the Landlord.

4. In their reply to the Member Endorsement, the new Landlord confirmed they wish to proceed with this application and rely on the submissions made by the former Landlord.
5. Accordingly, the application was heard on its merits.

It is determined that:

6. I find that the Landlord has justified a rent increase above the guideline because the Landlord incurred an eligible capital expenditure for the residential complex or one or more of the rental units in it.

THE DEFINITION OF CAPITAL EXPENDITURE

7. The Landlord must lead evidence to establish that each of the capital expenditures claimed meets the definition of "capital expenditure" as set out in s. 18(1) of the regulation. It says:

"capital expenditure" means an expenditure for an extraordinary or significant renovation, repair, replacement or new addition, the expected benefit of which extends for at least five years including,

- a. an expenditure with respect to a leased asset if the lease qualifies as determined under subsection (2), and
- b. an expenditure that the landlord is required to pay on work undertaken by a municipality, local board or public utility, other than work undertaken because of the landlord's failure to do it,

but does not include,

- c. routine or ordinary work undertaken on a regular basis or undertaken to maintain a capital asset in its operating state, such as cleaning and janitorial services, elevator servicing, general building maintenance, grounds-keeping and appliance repairs, or
- d. work that is substantially cosmetic in nature or is designed to enhance the level of prestige or luxury offered by a unit or residential complex;

"ELIGIBLE" CAPITAL EXPENDITURES

8. In addition to meeting the definition of capital expenditure, each of the Landlord's claimed items must be an "eligible" capital expenditure.

9. Subsections 126(7) and (8) of the Act say:

(7) Subject to subsections (8) and (9) and except under the prescribed circumstances, a capital expenditure is an eligible capital expenditure for the purposes of this section if,

- a. it is necessary to protect or restore the physical integrity of the residential complex or part of it;
- b. it is necessary to comply with subsection 20 (1) or clauses 161 (a) to (e);
- c. it is necessary to maintain the provision of a plumbing, heating, mechanical, electrical, ventilation or air conditioning system;
- d. it provides access for persons with disabilities;
- e. it promotes energy or water conservation; or
- f. it maintains or improves the security of the residential complex or part of it.

(8) A capital expenditure to replace a system or thing is not an eligible capital expenditure for the purposes of this section if the system or thing that was replaced did not require major repair or replacement, unless the replacement of the system or thing promotes,

- g. access for persons with disabilities;
- h. energy or water conservation; or
- i. security of the residential complex or part of it.

THE 18-MONTH WINDOW

10. Pursuant to s. 26(2) of the regulation a rent increase shall not be ordered in respect of a capital expenditure unless the work was completed during the 18-month period ending 90 days before the effective date of the first intended rent increase referred to in the application. In this case the 18-month window is from July 1, 2021 to January 1, 2023.
11. The expenditure must also be "incurred" which essentially means the work must have been paid for prior to the application being filed. This is not an issue with respect to any of the items claimed in this application.

THE USEFUL LIFE

12. If the expenditure meets the requirements set out above, then the Board must establish the useful life of the work done in order to calculate the allowable increase.

13. Section 27 of the regulation says:

27. (1) The useful life of work done or a thing purchased shall be determined from the Schedule subject to the following rules:

- a. Where the useful life set out in Column 3 of the Tables in the Schedule is less than 10 years, the useful life of work done or a thing purchased shall be deemed to be 10 years.
- b. If, when a thing is purchased, it has previously been used, the useful life of the thing shall be determined taking into account the length of time of that previous use.
- c. If the work done or thing purchased does not appear in the Schedule, the useful life of the work or thing shall be determined with reference to items with similar characteristics that do appear in the Schedule.
- d. Despite paragraphs 2 and 3, for the purposes of making a finding under this section, the useful life of work done or a thing purchased shall not be determined to be less than 10 years.

(2) If the useful life of work done or a thing purchased cannot be determined under subsection (1) because the work or thing does not appear in the Schedule and no item with similar characteristics appears in the Schedule, the useful life of the work or thing shall be what is generally accepted as the useful life of such work or thing but in no case shall the useful life be determined to be less than 10 years.

Capital Expenditures

14. The Landlord justified a rent increase above the guideline because of capital expenditures.

15. The rent increase above the guideline because of capital expenditure is not the same for all of the affected units. The maximum rent increase above the guideline is 1.74%, but the increase is lower for Tenants who have moved into their units more recently or who are not affected by some of the capital expenditures. See Schedule 3 for the unit specific increases.

16. The Landlord's application is for the following capital expenditures:

- a. Water Heater;
- b. Water Softener;
- c. Bank of Mailbox Replacement;
- d. Install Exterior Lights;
- e. Fire and Life Safety Deficiencies and Repairs;
- f. Removal of Trees and City Permit; and
- g. Interior Lights in Entrance and Stairways.

Capital Expenditure #1 – Water Heater

17. The Landlord submits that the water heater project was necessary to maintain the provision of the heating systems at the residential complex. The scope of work involved replacing the original water heater. The Landlord submits that this item is “eligible” under subsection 126(7)(c) because it is necessary to maintain the provision of a plumbing, heating, mechanical, electrical, ventilation or air conditioning system. The cost claimed in this capital expenditure is \$3,648.77.

Units Affected

18. The Landlord has indicated that the capital expenditure does not affect units 1, 5 and 6. This means that the remaining 3 units covered on the application would bear all the cost for the items.

19. The rules set out in section 26 of the *O. Reg. 516/06* apply to the Board in making findings relating to capital expenditures. Subsection 26(6)(1) states:

For each rental unit that is subject to the application, the percentage rent increase that is justified by capital expenditures shall be determined in accordance with the following rules.

1. Determine which capital expenditures affect the unit. [Emphasis added].

20. The invoice associated with this project indicates that the scope of work involved removing the existing water heater and the supply and installation of a new vented water heater. In the absence of further information from the Landlord, it appears as though the water heater serves all the units in the complex.

Therefore, I find that, on a balance of probabilities, the water heater serves all units, and I find it appropriate to include all the units in calculating the above guideline increase. The apportioned increase granted will only apply to those units covered by the application.

21. I am satisfied that the water heater project meets the definition of capital expenditure contained in subsection 18(1) of the *O. Reg 516/06* as it was a significant replacement, the expected benefit of which extends for at least five years. It also meets the test for eligibility under subsection 126(7)(c) because it is necessary to maintain the provision of a plumbing, heating, mechanical, electrical, ventilation or air conditioning system.

22. The cost of this capital expenditure is \$3,648.77.

23. The useful life of this capital expenditure is 25 years.

Capital Expenditure #2 – Water Softener

24. The Landlord submits that the water softener project was necessary to maintain the provision of the plumbing systems at the residential complex. The scope of work involved installing a high efficiency water softener. The Landlord submits that this item is “eligible” subsection 126(7)(c) because it is necessary to maintain the provision of a plumbing, heating, mechanical, electrical, ventilation or air conditioning system. The cost claimed in this capital expenditure is \$2,202.37.

Units Affected

25. As above, the Landlord has indicated that the capital expenditure does not affect units 1, 5 and 6. This means that the remaining 3 units covered on the application would bear all the cost for the items.

26. Similar to the water heater, it appears as though the water softener serves all units in the complex. In the absence of evidence to the contrary, I find that, on a balance of probabilities, the water heater benefits all units. Therefore, I find it appropriate to include all the units in calculating the above guideline increase. The apportioned increase granted will only apply to those units covered by the application.

27. I am satisfied that the water softener project meets the definition of capital expenditure contained in subsection 18(1) of the O.Reg 516/06 as it was a significant replacement, the expected benefit of which extends for at least five years. It also meets the test for eligibility under subsection 126(7)(c) because it is necessary to maintain the provision of a plumbing, heating, mechanical, electrical, ventilation or air conditioning system.

28. The cost of this capital expenditure is \$2,202.37.

29. The useful life of this capital expenditure is 15 years.

Capital Expenditure #3 – Bank of Mailbox Replacement

30. The Landlord submits that the bank of mailbox replacement was necessary as the “bank of mailboxes were very old/damaged, would not open/close property”. The scope of work involved removing the original mailbox and installing a “Cendrex Surface Vertical Postal Box with Front Opening Panel – 6 Doors”. The Landlord submits that these items are “eligible” under subsection 126(7)(a) as it is necessary to protect or restore the physical integrity of the residential complex or part of it. The cost claimed in this capital expenditure is \$2,056.04.

Units Affected

31. The Landlord has indicated that this capital expenditure does not affect units 1, 5 and 6. This means that the remaining 3 units covered on the application would bear all the cost for the items.
32. As above, the Board is required to determine which units are affected by the capital expenditure. The invoice submitted by the Landlord indicates that the mailbox installed was a six-door unit. While it is not explicitly stated, the six-door configuration suggests that the mailbox is intended to serve all six units. In the absence of further clarification from the Landlord, and considering the configuration of the mailbox, I find that, on a balance of probabilities, each unit received a new mailbox. Therefore, I find it appropriate to include all the units in calculating the above guideline increase. The apportioned increase granted will only apply to those units covered by the application.
33. Having regard for the work undertaken, I am satisfied the bank of mailbox replacement meets the definition of capital expenditure contained in subsection 18(1) of the O.Reg 516/06 as it was a significant replacement, the expected benefit of which extends for at least five years. It also meets the test for eligibility under subsection 126(7)(b) as the work was necessary to comply with subsection 20(1).
34. The cost of this capital expenditure is \$2,056.04.
35. The useful life of this capital expenditure is 15 years.

Capital Expenditure #4 – Install Exterior Lights

36. The Landlord submits that the exterior lights improve the security of the complex. The scope of work involved the supply and installation of 2 outdoor light fixtures, one timer, and other fixtures. The Landlord submits that this item is “eligible” under subsection 126(7)(f) because it was necessary to maintain or improve the security of the residential complex. The cost claimed in this capital expenditure is \$3,072.65.

Units Affected

37. The Landlord has indicated that the capital expenditures does not affect unit 6. This means that the remaining 5 units covered on the application would bear all the cost for the items.
38. Given that the exterior lights improve the security of the entire complex, I find that all units benefit, and it is appropriate to include all the units in calculating the above guideline increase. The apportioned increase granted will only apply to those units covered by the application.

39. I am satisfied the exterior lights meets the definition of capital expenditure contained in subsection 18(1) of the *O.Reg 516/06* as it was a significant addition, the expected benefit of which extends for at least five years. It also meets the test for eligibility under subsection 126(7)(f) of the *Act* because it maintains or improves the security of the residential complex.

40. The cost of this this capital expenditure is \$3,072.65.

41. The useful life of this capital expenditure is 15 years.

Capital Expenditure #5 – Fire and Life Safety Deficiencies and Repairs

42. The Landlord submits that the fire and life safety deficiencies and repairs were necessary to comply with the fire code. The scope of work involved deficiency repairs to the fire alarm, extinguishers, and unit smoke alarms. The Landlord submits that this item is “eligible” under subsection 126(7)(b) as the work was necessary to comply with subsection 20(1). The cost claimed in this capital expenditure is \$819.25.

Units Affected

43. The Landlord has indicated that the capital expenditures does not affect unit 6. This means that the remaining 5 units covered on the application would bear all the cost for the items.

44. Given that the entire complex must comply with the fire code, I find that all units benefit, and it is appropriate to include all the units in calculating the above guideline increase. The apportioned increase granted will only apply to those units covered by the application.

45. I am satisfied the fire and life safety deficiencies and repairs meet the definition of capital expenditure contained in subsection 18(1) of the *O.Reg 516/06* as it was a significant replacement, the expected benefit of which extends for at least five years. It also meets the test for eligibility under subsections 126(7)(b) as the work was necessary to comply with subsection 20(1).

46. The cost of this this capital expenditure is \$819.25.

47. The useful life of this capital expenditure is 15 years.

Capital Expenditure #6 – Removal of Trees and City Permit

48. The Landlord submits that the removal of trees and city permit was necessary “due to roof encroachment, concern for roof and windows during storms when branches break away”. The scope of work involved cutting down two trees, stump grinding, trimming, and clean up. The Landlord submits that these items are “eligible” under subsection 126(7)(a) as it is necessary to protect or restore

the physical integrity of the residential complex or part of it. The cost claimed in this capital expenditure is \$8,145.35.

Units Affected

49. The Landlord has indicated that this capital expenditure does not affect unit 6. It is the Landlord's position that the work was required "due to roof encroachment, concern for roof and windows during storms", and is eligible under subsection 126(7)(a) as it is necessary to protect or restore the physical integrity of the residential complex.

50. Pursuant to Section 18 of the Act:

"physical integrity" means the integrity of all parts of a structure, including the foundation, that support loads or that provide a weather envelope and includes, without restricting the generality of the foregoing, the integrity of,

(a) the roof, exterior walls, exterior doors and exterior windows,
[emphasis added]

(b) elements contiguous with the structure that contribute to the weather envelope of the structure

51. Given that roof and windows are specifically included in the definition of "physical integrity" under Section 18 of the Act, I am satisfied that the work is eligible as it was necessary to protect or restore the physical integrity of the residential complex. However, I disagree with the Landlord's position that unit 6 does not benefit from the capital expenditure. While roof damage or a broken window might not directly affect a Tenant's specific unit, the overall work contributes to the physical integrity and weather of the entire complex. Therefore, I find that in keeping with the scheme of the Residential Tenancies Act, 2006 (the 'Act'), it is appropriate to include all the units in calculating the above guideline increase. The apportioned increase granted will only apply to those units covered by the application.

52. Having regard for the work undertaken, I am satisfied the removal of trees and city permit meets the definition of capital expenditure contained in subsection 18(1) of the O.Reg 516/06 as it was a significant repair, the expected benefit of which extends for at least five years. It also meets the test for eligibility under subsection 126(7)(a) of the Act because it was to protect or restore the physical integrity of the residential complex or part of it.

53. The cost of this capital expenditure is \$8,145.35.

54. The useful life of this capital expenditure is 20 years.

Capital Expenditure #7 – Interior Lights in Entrance and Stairways

55. The Landlord submits that the interior lights in entrance and stairways work was necessary as the “fixtures needed replacement and rewiring with timer”. The scope of work involved installing 3 flush mount lights”. The Landlord submits that these items are “eligible” under subsection 126(7)(a) as it is necessary to protect or restore the physical integrity of the residential complex or part of it. The cost claimed in this capital expenditure is \$242.88.
56. As set out above, it is the Landlord’s position that the work is eligible under subsection 126(7)(a) as it is necessary to protect or restore the physical integrity of the residential complex. While I accept the Landlord’s assertion that the work was necessary as the “fixtures needed replacement and rewiring with timer”, I disagree that the work contributes to the physical integrity of the complex. Furthermore, pursuant to subsection 18(1) of O. Reg. 516/06, a “capital expenditure” refers to an extraordinary or significant renovation, repair, replacement, or new addition with a benefit lasting at least five years. Therefore, the Landlord must establish that replacing the light fixtures qualifies as an extraordinary or significant repair. Having considered the nature, scope, and cost of the work, I am not satisfied that the replacement meets this threshold of significant or extraordinary. Accordingly, this portion of the claim is denied.
57. The weighted useful life for the capital expenditures is as specified on Schedule 3.

Municipal Taxes and Charges

58. The Landlord justified a rent increase above the guideline because of an extraordinary increase in the cost for municipal taxes and charges.
59. The maximum rent increase above the guideline because of an extraordinary increase in the cost for municipal taxes and charges is 0.01%. This increase is to be taken in the first year.
60. Pursuant to s.126(1) of the Act, a landlord may apply to the Board for an order permitting the rent charged to be increased by more than the guideline for any or all of the rental units in a residential complex where there is an extraordinary increase in the cost for municipal taxes for the residential complex.
61. An “extraordinary increase” in municipal taxes occurs when the increase from the reference year to the base year is greater than the annual rent increase guideline plus 50 per cent of the guideline. (See s. 28(1) of O. Reg 516/06 under the Act)
62. Pursuant to s. 19(1) of O. Reg 516/06, in this application 2022 is the “base year” and 2021 is the “reference year”. The Landlord’s evidence establishes that the municipal taxes in 2021 were \$6,940.04, and in 2022 they were \$7,210.60. This represents an increase of \$270.56. Expressed as a percentage this is an increase of 3.90%.

63. Pursuant to s. 28(2) of O. Reg 516/06, the guideline in effect when the first effective date for the rent increase is to occur is used to determine if the increase is extraordinary". The first effective date on the Landlords' application is April 1, 2023. The annual guideline in 2023 was 2.5%.
64. The 2023 guideline plus 50% is 3.75%. The increase in the Landlord's municipal taxes and charges was 3.90%. As the increase in municipal taxes that occurred between 2019 and 2020 was greater than 1.75%, it meets the definition of an "extraordinary increase" in s. 28(1) O. Reg 516/06. This means Landlord is entitled to an above guideline rent increase for municipal taxes.
65. The formula for calculating the actual above guideline rent increase the Landlord is entitled to is set out in Section 29 of O. Reg 516/06. The relevant parts of s. 29 read as follows:
1. Adjust the reference year costs for municipal taxes and charges by the guideline plus 50 per cent of the guideline determined in accordance with subsection 28 (2).
 5. Subtract the reference year costs for municipal taxes and charges, as adjusted under paragraph 1, from the base year costs for municipal taxes and charges, as adjusted under paragraphs 2, 3 and 4.
 6. Multiply the amount determined in paragraph 5 by the factor determined under section 21.
66. Subparagraph 29(2)(6) above refers to a "factor" determined under s. 21. The s. 21 factor is determined by dividing the total rents for the rental units in the residential complex that are subject to the application and are affected by the operating cost by the total rents of the rental units in the residential complex.
67. Applying this formula to the facts before me, the rent increase above the guideline because of an extraordinary increase in the cost for municipal taxes and charges is 0.01%.

General

68. The Certificate of Service filed by the Landlord on June 19, 2025, indicates that some rental units listed in the application were not served with the application and notice of hearing. The LTB shall therefore amend the application by removing these rental units. As a result, this order for a rent increase above the guideline under section 126 of the Act does not apply to the following units: 1 and 6.
69. The first effective date of the rent increase above the guideline is April 1, 2023.

It is ordered that:

1. The Landlord may increase the rents charged by the percentage increases and within the time periods set out in Schedule 3.
2. The percentage increase set out in Schedule 3 may be taken in addition to the annual guideline in effect on the increase date for the unit.
3. The Landlord or the Tenant(s) shall pay to the other any sum of money that is owed as a result of this order within 90 days of the date of this order.

April 1, 2026
Date Issued

Andrew Laurich
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 tenant moved in, and if the landlord has given the tenant at least 90 days proper Notice of Rent Increase. Any part of the ordered increase that is not taken within the time period specified cannot be added to subsequent rent increases in subsequent time periods.
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. If the Tenant's rent is increased pursuant to the percentage increase ordered for capital expenditures and the same Tenant remains in the unit after the expiration of the weighted useful life for capital expenditures, then the rent will be reduced. Refer to Schedule 4 for information about the date and amount of the rent reduction.
4. The annual guideline for 2023 is 2.5% and for 2024 is 2.5%.

Schedule 1 - Units affected by this Order:

2
3
4
5

Schedule 2 - Tenants who are Affected by this Order:

Burke, Antony
Ferguson, Andrea
Reidl, Julie
Roach, Jason

Schedule 3 - Ordered Rent Increase Above the Guideline**First Effective Date of Rent Increase in this Order is April 1, 2023**

The Landlord may increase the rent charged for the units affected by this order by the total percentages set out below and within the time periods set out below. These percentage increases may be taken in addition to the annual guideline in effect on the increase date for the unit.

For the period, April 1, 2023, to March 31, 2024.					
Rental Unit Address Name	% inc for Taxes	% inc for Cap Exp (Max 3%)	Total Increase (Excludes Guideline)	Weighted Useful Life	Total % for Cap Exp
2, 318 Dolph Street South	0.01%	0.59%	0.60%	15	0.59%
3, 318 Dolph Street South	0.01%	1.74%	1.75%	19	1.74%
4, 318 Dolph Street South	0.01%	1.74%	1.75%	19	1.74%
5, 318 Dolph Street South	0.01%	0.59%	0.60%	15	0.59%

Schedule 4 - Rent Reduction related to Capital Expenditures

A. Date of Rent Reduction

If the Tenant's rent is increased based on capital expenditures during the period 2023 then:

The date of the rent reduction will be the day before:

- the date of the Tenant's first rent increase under this order, plus
- the number of years for the weighted useful life for capital expenditures for the unit (set out in Schedule 3).

Example:

If the Tenant's rent was increased on June 1, 2021 and the weighted useful life for capital expenditures is 10 years, then the rent will be reduced on May 31, 2031.

If the Tenant's rent was *not* increased based on capital expenditures during the period 2023 but was increased during the later periods set out in the order then:

The date of the rent reduction will be the day before:

- the First Effective Date of Rent Increase in this order, plus
- the number of years for the weighted useful life for capital expenditures for the unit (set out in Schedule 3).

Example:

If the first effective date of increase in this order is April 1, 2021 and the weighted useful life for capital expenditures is 10 years, then the rent will be reduced on March 31, 2031.

B. Amount of Rent Reduction

If the Tenant's rent is increased by the total percentage increase set out in this order then:

The rent must be reduced by the total percentage increase set out in this order for capital expenditures.

If the Tenant's rent is *not* increased by the total percentage increase set out in this order then:

The rent must be reduced by an amount determined in accordance with the prescribed rules which may be equal to or less than the total percentage increase set out in this order for capital expenditures.