



Order under Section 126 Residential Tenancies Act, 2006

Citation: Chow v Cohn, 2026 ONLTB 27288

Date: 2026-04-09

File Number: LTB-L-056716-23

In the matter of: 510 - 550 Queen's Quay West Street, Toronto,
Ontario, M5V 3M8

Between: George Chow Landlord

And

Julie Cohn Tenant

George Chow (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 filed with the Board on July 18, 2023, by George Chow (the 'Landlord') for an order permitting the rent charged to be increased by more than the guideline for the rental unit, Unit #510, 550 Queens Quay West, Toronto. The first effective date (FED) identified on the Application is January 1, 2024.

The Application was resolved by a written hearing.

Preliminary Matters

1. On August 13, 2025, the Board scheduled a Case Management Hearing (CMH) for this matter to take place on October 2, 2025, and issued the Landlord a Notice of Video Hearing. The Board directed the Landlord to serve a copy of the Notice of Video Hearing together with a copy of the Application on the Tenant.
2. On August 16, 2025, the Tenant advised she would be unable to attend the CMH on October 2 and asked that it be rescheduled. The Tenant further advised the Board that her availability for a rescheduled CMH was limited. Due to the Tenant's limited availability for a CMH, the Board declined to reschedule the CMH and directed the matter proceed to a hearing in writing.
3. The Board received an e-mail on August 11, 2025, from the Tenant S-I. S. authorizing H.W. to act on behalf of the Tenants T.S. and S-I.S.

4. The Board issued a Notice of Written Hearing on October 28, 2025. The Notice of Written Hearing set the following deadlines:
 - a. The Landlord was required to serve a copy of the Notice of Written Hearing on the Tenants no later than November 17, 2025; and
 - b. The Notice gave the Tenants until December 17, 2025, to make submissions in response to the Application, and provided the Landlord until January 1, 2026, to reply to any submissions filed by the Tenants.
5. Despite evidence of proper service of the Notice of Written Hearing, no submissions were received from the Tenant.

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 April 3, 2022 to October 3, 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 Expenditure

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

15. The maximum rent increase above the guideline because of capital expenditure is 0.23%.

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

- a. Replacement of Kitchen Sink Drain and Pipes.

17. The Landlord submits the work on the kitchen sink drain was completed on January 31, 2023. The Landlord provided an invoice from a plumbing contractor in the amount of \$632.80. The invoice describes the work provided as "Labour

plus material". In addition, the Landlord claims \$80.00 as "Landlord's own Labour", representing 4 hours of labour at \$20.00 per hour.

18. The Landlord submits the kitchen sink drain had been leaking since 2013 and therefore required replacement. The Landlord submits the work represents an eligible capital expenditure under s. 126(7) of the Act because it was necessary to: "restore physical integrity"; "maintain housing standard"; "maintain/restore plumbing system"; and "comply with landlord's responsibility".
19. As noted above, no submissions were made by the Tenant.
20. Based on the uncontested submissions of the Landlord with respect to the age and condition of the existing kitchen sink drain, I accept that the replacement of the sink drain was necessary to necessary to maintain the provision of a plumbing system. I therefore find that the replacement of the sink drain and pipe constitutes an eligible capital expenditure under s. 126(7)(c) of the Act.
21. I now turn to the Landlord's claim for "Landlord's own Labour". A claim for "Landlord's own Labour" requires the Board to determine the reasonable rate of pay for such labour based on the experience of the worker and their level of skill in the type of work done.¹ The Landlord provided no such evidence in this case. In addition, the invoice provided by the Landlord indicates that the amount charged by the plumbing contractor included labour, which calls into question what "labour" was provided by the Landlord.
22. In the absence of any details of the nature of the work done, or any evidence concerning the Landlord's experience in this type of work, the Board is unable to properly assess the Landlord's claims for either the number of hours worked or the hourly rate claimed. As a result, the Landlord's claim for "Landlord's own Labour" is denied.
23. Based on the invoice filed by the Landlord, I find the total cost of this expenditure was \$632.80, and the work was completed on January 31, 2023. I therefore find that the work was completed in the prescribed capital expenditure window and constitutes an eligible capital expenditure under s. 26(2) of O. Reg. 516/06 (the "Regulation").
24. The Landlord submits that the anticipated useful life of the new "kitchen sink drain and pipe" is 10 years.
25. The anticipated useful life of a capital expenditure is an important factor in the calculation of an above guideline rent increase. The permitted above guideline rent increase resulting from a capital expenditure is calculated by amortizing the cost incurred by the Landlord over the useful life of the capital expenditure at a prescribed rate of interest. Put another way, the allowed rent increase reflects

¹ LTB Interpretation Guideline 14 - Applications for Rent Increases Above the Guideline

how much the Tenant's rent needs to be increased now to permit the landlord to recover the cost of the work or item purchased over the expected life of that work or item. At the end of the useful life of the work or item, at which time the total cost incurred by the landlord has been recovered, with interest, the Tenant's rent should be reduced to reflect that the cost incurred has been fully recovered by the landlord. Schedule 1 to this Order provides a more detailed explanation of how this works.

26. Section 27 of the Regulation directs the Board to calculate the permitted rent increase based on the useful life of an item as prescribed in a Schedule appended to the Regulation. The Schedule is titled "Useful Life of Work Done or Thing Purchased" (the "Useful Life Schedule").
27. The term "Kitchen sink drain" does not appear on the Useful Life Schedule. Where an expenditure does not appear in the Useful Life Schedule, section 27 of the Regulation directs the Board to determine the useful life of the work or item with reference to items with similar characteristics that **do** appear in the Schedule.
28. I find the item on the Useful Life Schedule with the most similar characteristics to the "Kitchen Sink Drain" is "Tubs, toilets, sinks" which is item #32 on Table 13 ("Mechanical") on the Useful Life Schedule. That item has an anticipated useful life of 15 years. Therefore, I find that the useful life of the "Replacement of Kitchen Sink Drain and Pipes" is 15 years.
29. For the purposes of s. 26(6) of the Regulation, the weighted useful life for the capital expenditure allowed in this Order is 15 years.

General

30. The first effective date of the rent increase above the guideline is January 1, 2024.

It is ordered that:

1. The Landlord may increase the rent charged by 0.23% for the unit set out in the order.
2. The percentage increase set out in paragraph 1 is to be taken as follows:
 - a. The Landlord may increase the rents charged by 0.23% within the time period of January 1, 2024, to December 31, 2024.
3. The percentage increase set out in paragraph 1 may be taken in addition to the annual guideline in effect on the increase date for the unit.

4. The Landlord or the Tenant 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 9, 2026
Date Issued

James Gorham
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 1 for information about the date and amount of the rent reduction.
4. The annual guideline for 2024 is 2.5%.

Schedule 1 - 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 2024 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 the order).

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 2024 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 the order).

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.