



Order under Section 69 Residential Tenancies Act, 2006

Citation: Crown Crest Corporation v Beaton, 2026 ONLTB 28110

Date: 2026-04-16

File Number: LTB-L-108878-25

In the matter of: 1A, 3581 LAKE SHORE BLVD W
ETOBICOKE ON M8W1P5

Between: Crown Crest Corporation Landlord

And

Jeffry Beaton Tenants
James Fredrick Beaton

Crown Crest Corporation (the 'Landlord') applied for an order to terminate the tenancy and evict Jeffry Beaton and James Fredrick Beaton (the 'Tenants') because the Tenants did not pay the rent that the Tenants owe.

This application was heard by videoconference on March 10, 2026.

The Landlord's Legal Representative, Maria Sturino, the Landlord's Agent, Frank Arlotts, and the Tenant, Jeffry Beaton, attended the hearing.

I have considered all of the evidence presented at the hearing and all of the oral testimony, and although I may not have referred to each piece of evidence individually or referenced all of the testimony, I have considered it when making my determinations.

Determinations:

Preliminary Issue: Tenants' Late Disclosure

1. At the hearing, the Tenant wished to submit an evidence brief consisting of text messages exchanged with the Landlord's Agent, a proposed rental agreement by the Landlord's Agent, and proof of payments. The Landlord's Legal Representative did not object to the late evidence. Given the relevance of the documents within the Tenants' brief, the Landlord's Agent being the one who sent the text messages and proposed rental agreement, and the lack of objection by the Landlord, I found it appropriate to use my discretion under Rule 19 of the Board's Rules of Procedure to allow the late disclosure.

L1 Application:

2. The Landlord served the Tenants with a Notice to End Tenancy Early for Non-payment of Rent (N4 Notice). The Tenants 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.
3. As of the hearing date, the Tenants were still in possession of the rental unit.
4. The Tenants have paid \$3,200.00 to the Landlord since the application was filed.
5. The parties dispute what the lawful rent is. The Landlord maintains the rent is \$2,400.00, while the Tenant stated the rent is \$1,600.00. The parties agree, however, that the rent is due on the 1st day of each month.
6. The parties also do not dispute that the Tenants moved from a smaller unit owned by the Landlord to a larger one on September 3, 2025.
7. The Landlord's Legal Representative stated that the parties did not sign a written lease, but rather the parties had a verbal agreement that the Landlord would provide a rent discount for the unit on the condition that the Tenant performed maintenance services for both residential complexes owned by the Landlord, making the rent \$1,600.00 per month. The Landlord's Agent testified that the approximate value of the services that the Tenant was to perform would cost the Landlord approximately \$800.00 per month. Thus, when the Tenant defaulted on the agreement in September 2025, the Landlord began to charge the Tenants \$2,400.00 per month for rent beginning October 1, 2025, as indicated on the N4 Notice.
8. The Landlord's Legal Representative referenced the Landlord's Agent's text sent to the Tenant on September 20, 2025, stating that the market price to rent the unit was \$2,800.00 - \$3,200.00 per month as well as an unsigned proposed lease agreement and an undated letter sent from the Landlord's Agent to the Tenant in which the Landlord sets out the maintenance/labour duties to be completed by the Tenant in order to keep the discounted rent price. The letter then mentions a different market rent price for the unit ranging from \$3,000.00 - \$3,600.00 per month. The Landlord's Legal Representative argued that their communication shows that the Landlord was more than accommodating by charging the Tenants \$2,400.00 per month when the discount/employment agreement fell through.
9. The Tenant maintained he has only ever paid \$1,600.00 per month to rent the unit, and the Tenant testified he never entered into any discounted rent agreement or employment agreement to offset against his rent charged. The Tenant, however, does not dispute that there were discussions about taking out the garbage and cutting the grass in lieu of \$200.00 that the Landlord would pay to offset against his monthly rent charged. The Tenant testified that although he did some of the maintenance tasks asked of him, he did not carry out the labour as set out in the letter or unsigned lease agreement.
10. One of the issues here is that the "discount" referred to by the Landlord is not a lawful discount but a fee for service/employment deducted from the rent charged. The Landlord's Agent's testimony and documentary evidence show that the Landlord intended for there to be an employment-like component to the agreement. As illustrated in the case of *Montgomery v. Van*, 2009 ONCA 808, the assignment of maintenance tasks for the

residential complex to the Tenant that would normally be the responsibility of the Landlord require that such an agreement or clause in the lease be severable from the rental agreement. The rent can therefore not fluctuate on whether or not the Tenant completes any assigned maintenance tasks/employment.

11. The other issue is that there is no clear base rent agreed to in the event the “discount” was revoked or not fulfilled. While a rental agreement can be written, oral, or implied between the parties, there must be an understanding as to what the rent is in order for the agreement to take effect. The correspondence between the parties shows that the Landlord’s Agent priced the rental unit at \$1,600.00 with the discount but did not specify what the Tenants must pay *without* it. Furthermore, the Landlord’s Agent’s letter and texts to the Tenant include different market values falling anywhere from \$2,800.00 to \$3,200.00, and \$3,000.00 to \$3,600.00, which are markedly different from the \$2,400.00 amount the Landlord now claims is the lawful rent. These random ranges were not a base rent charge agreed upon by the parties that the Tenants could then revert to when any alleged labour-for-discounted-rent agreement with the Landlord fell through. The wide range and different amounts of market rent value only led to confusion. Therefore, I find on a balance of probability that the Landlord unilaterally assigned a new higher rent amount based on what he communicated to the Tenant was a \$800.00 employment income if the maintenance work was outsourced, or \$2,400.00 per month for rent (\$1,600.00 +\$800.00). I find this act was unlawful given there was no base rent agreement for this amount, and this increase occurred October 1, 2025, a month after the Tenants took possession of the new rental unit. An \$800.00 increase is not in compliance with guideline increase amount permitted under s. 120 of the Act, nor were the Tenants served with proper notice of the increase in accordance with s. 116 of the Act.
12. As such, I find \$1,600.00 is the lawful rent charge, and the rent charge of \$2,400.00 on the N4 Notice is incorrect. Therefore, the N4 Notice is deemed to be invalid.
13. The Landlord elected not to convert the L1 application for eviction and arrears to an L9 application for arrears only. Consequently, the application must be dismissed.

It is ordered that:

1. The application is dismissed.

April 16, 2026
Date Issued

Fotoula Hatzantonis
 Member, Landlord and Tenant Board

15 Grosvenor Street, Ground Floor
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If you have any questions about this order, call 416-645-8080 or toll free at 1-888-332-3234.