



## **Order under Section 135 Residential Tenancies Act, 2006**

**File Number:** LTB-T-105381-25

**In the matter of:** 1-south-facing bedroom, 1012 Whetherfield  
Street  
London ON N6H5V7

**Between:** Junyu Zhu Tenant

**And**

Hong Yang Landlord

Junyu Zhu (the 'Tenant') applied for an order determining that Hong Yang (the 'Landlord') collected or retained money illegally. (T1 application)

This T1 application was heard by videoconference on March 31, 2026.

The Landlord and the Tenant attended the hearing. The Landlord also had her son, John Yu, present to assist the Landlord with English to Mandarin translation. The Tenant opted not to consult with Tenant Duty Counsel.

As a preliminary issue, it was clear the tenancy in question was for a bedroom in a house that had other tenants renting other rooms- a total of four different international students with separate tenancy agreements with the Landlord. It was determined the Tenant rented a south-facing bedroom which for convenience hereto, is numbered "1". I was satisfied to change the style of cause to more clearly identify the rental unit in question under this T1 application. That change is reflected above in the title of proceedings.

### **Determinations:**

1. As explained below, the Tenant proved part of the allegations contained in the T1 application on a balance of probabilities. Therefore, the Landlord must reimburse the Tenant \$400.00 for the key deposit (\$100) and the utility deposit (\$300). As the Tenant was successful in part, the filing fee of \$48.00 will also be reimbursed to the Tenant by the Landlord.
2. The Tenant testified that he began his rental unit tenancy on September 1, 2023 and moved out on or about August 6, 2025. The Landlord was unable to confirm a move-out date but stated she considered August 31, 2025 as the tenancy-end date. I find the tenancy did end sometime in August 2025 but no later than August 31, 2025.

3. The Tenant submitted two exhibits into evidence to support this part of his testimony. The first exhibit was TT#1(a and b) – a copy of signed lease from September 1, 2023 to August 31, 2024 and its Schedule A). The second exhibit was TT#2(a and b)—a copy of signed lease from September 1, 2024 to August 31, 2025 and its Schedule A.
4. From the testimonies of the parties, I was able to determine the following facts:
  - For each of the signed leases, it was clear the Tenant paid a last month's rent (LMR) deposit: for the first 1-year term, the LMR deposit was \$840.00 and for the second 1-year term the LMR deposit was \$900.00.
  - For both leases, the Tenant had paid the Landlord a \$100.00 key deposit and a \$300.00 utility deposit. A total of \$400.00 has been held by the Landlord and that amount has not been returned to the Tenant.
  - Payments made under the tenancy (for both leases) were effected through e-transfers to the Landlord's husband, Lihai Yu. An example of such payment was given into evidence as exhibit TT#4.
  - The Tenant completed his first-year term and a few months before its end, he told the Landlord he was leaving the unit and not coming back. As it turned out, the Tenant reconsidered and then entered into a second, new one-year agreement with the Landlord for the rental unit starting on September 1, 2024.
  - For each of the signed leases, an agreed upon provision was that the Tenant would pay ten months of rent, and if done so completely, then the last two months of the fixed term would be free (i.e. no rent payable).
  - The Landlord paid the Tenant \$900.00 on December 28, 2025 (exhibit TT#3).
5. The only claim that was in fact contested before me was related to the two other deposits made by the Tenant in respect of keys and utilities. The Landlord's testified position was that the keys to the rental unit were never returned to the Landlord. As the Landlord does not live at the rental address, she said anything mailed there would not reach her directly. Also, the Landlord stated she incurred cleaning fees after the Tenant moved out in August 2025. She testified that she used the utility deposit to cover the cleaning fees she incurred as well as a mattress issue she had to deal with. She also stated that the Tenant had agreed verbally with her that the utility deposit could be used to defray the Landlord's costs.
6. The Tenant's testified position was that after moving out, he mailed the keys back through Canada Post to the rental unit building address (to the attention of the Landlord) and as far as he was aware, the keys were successfully delivered. The Tenant maintained that he wanted the \$300.00 utility deposit to be reimbursed.

### Analysis

7. The T1 application was filed by the Tenant with the LTB on December 13, 2025. By virtue of the one-year limitation for claims under a T1 application, the Tenant's claim under this application can only "reach back" to December 14, 2024, which is the timeframe of the second one-year lease (TT#2a+b). This one-year limitation is a statutory limitation that is found in subsection 135(4) of the *Residential Tenancies Act, 2006* (the 'Act').

8. Turning to the time-valid claim before me, I find the parties entered into a second, separate lease (tenancy agreement) for the rental unit. To be clear, the second lease created a new tenancy between the parties.
9. I was then able to determine from both parties' submissions that under the second one-year lease, the Tenant paid all of his \$900.00 monthly rents from September 1, 2025 up to and including June 1, 2025. Further, I was able to determine that the Tenant did not pay July 2025 rent (one month of free rent was credited to the Tenant) and the LMR deposit was used for August 2025. In conclusion, it was evident and I so find, the second "free" month of rent that was a provision under the TT#2 lease was not given to the Tenant, which is what the \$900.00 payment on December 28, 2025 (TT#3) was meant to reconcile.
10. This means that the Landlord fulfilled her obligation under the TT#2 lease to provide the Tenant with two months of rent-free tenancy, and thus owes no money to the Tenant under this particular claim.
11. With regard to the other deposits under the T1 claim, that is the \$100.00 key deposit and the \$300.00 utility deposit, I find the Landlord must return the full amount of \$400.00 to the Tenant. I say this for the following reasons.
12. Key deposits in general are lawful deposits according to section 17 of Ontario Regulation 516/06, which regulation provides an exception for key deposits that are otherwise prohibited under subsections 135(1) and (3) of the Act.
13. First, I find that the Tenant vacated the rental unit and mailed back his unit keys to the rental unit building. I was satisfied with the Tenant's testimony that he mailed the keys by Canada Post to the rental unit building, to the attention of the Landlord. Canada Post is a secure and reliable federal postal agency. Just because the Landlord did not/does not live in that building does not negate proper return of the keys to the Landlord.
14. Second, the utility deposit of \$300.00 was unlawfully collected to start with. The Act is clear about what deposits are lawful and a utility deposit is not. Reference is made to sections 105 and 106 which state in summary that the only security deposit that can be collected by a landlord is a rent deposit. (The Act defines a "security deposit" as a deposit made for the performance of an obligation or the payment of a liability of a tenant.) This means that security deposits other than rent deposits, such as damage deposits, utility account deposits and so on, are unlawful.
15. This means the unlawful \$300.00 utility deposit held by the Landlord must be returned to the Tenant. Whether or not the parties talked about how that deposit was to be used does not have relevance here as parties under a residential tenancy cannot contract outside the statutory provisions of the Act.
16. As the Tenant was in part successful with his T1 application, he is entitled to reimbursement of the \$48.00 application fee. Reference is made to the LTB's Interpretation Guideline no. 3.

**It is ordered that:**

1. The total amount the Landlord shall pay the Tenant is \$448.00. This amount represents:

- \$100.00 for the key deposit that was collected.
  - \$300.00 for the unlawful utility deposit that was collected; and.
  - \$48.00 for the cost of filing the T1 application.
2. The Landlord shall pay the Tenant the full amount of \$448.00 owing by May 1, 2026.
  3. If the Landlord does not pay the Tenant the full amount owing by May 1, 2026, the Landlord will owe interest. This will be simple interest calculated from May 2, 2026 at 4.00% annually on the balance outstanding.
  4. The Tenant has the right, at any time, to collect the full amount owing or any balance outstanding under this order.

**April 20, 2026**  
**Date Issued**

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**Alex Brkic**  
Member, Landlord and Tenant Board

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