



Order under Section 126 Residential Tenancies Act, 2006

Citation: Kondakos v Cormier, 2026 ONLTB 23876

Date: 2026-04-13

File Number: LTB-L-027922-23

In the matter of: 233 Cordova Road, Oshawa, Ontario, L1J 1P1

Between: Paul Kondakos Landlord
Anthony Mamalias

And

Refer to attached Schedule 2 Tenants

Paul Kondakos and Anthony Mamalias (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 written hearing. No submissions were received from the Tenants.

Preliminary Matters

1. I have accepted the Landlord's amended application filed with the Board on April 17, 2025.

It is determined that:

2. 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

3. 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

- 4. In addition to meeting the definition of capital expenditure, each of the Landlord's claimed items must be an "eligible" capital expenditure.
- 5. 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

- 6. 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 September 3, 2021 to March 3, 2023.
- 7. 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

- 8. 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.

- 9. 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

10. The Landlord justified a rent increase above the guideline because of capital expenditures.
11. The maximum rent increase for capital expenditures is 1.07%. The increase is to be taken in the first year.
12. The Landlord's application is for a single capital expenditure:
 - a. Roof Replacement.

Capital Expenditure – Roof Replacement

13. The Landlord submits that the work necessary as the roof was over 25 years old and had reached the end of its useful life. The condition of the roof was such that a number of shingles were blown off and rainwater was leaking in the building.
14. Based on the invoices, the scope of the work involved the removal of the old shingles, replacing damage plywood, installing ice and water protection, installing new roof vents and the installation of new shingles.
15. Based on the uncontested evidence, I am satisfied the roof replacement meets the definition of capital expenditure contained in subsection 18(1) of the O. Reg. 516/06 as it was a significant repair or replacement, the expected benefit of which extends for at least five years. It also meets the test for eligibility under subsections 126(7)(a) of the Act as it was necessary to protect or restore the physical integrity of the complex, and s. 126(7)(b) of the Act because it was necessary to comply with the Landlord's obligation under s. 20(1) of the Act.
16. The cost claimed for this project is \$19,323.00.
17. Based on the "Useful Life of Work Done or Things Purchased" (the 'Schedule') found at the end of O. Reg. 516/06 the new elevator installation should be assigned a useful life of 15 years (Thermal and Moisture Protection - Table 6 - Item 18 – Sloped (asphalt shingles) roof).
18. The weighted useful life for the capital expenditures is 15 years.

General

19. The Certificate of Service filed by the Landlord on July 30, 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 unit: 304.

20. The first effective date of the rent increase above the guideline is June 1, 2023.

It is ordered that:

1. The Landlord may increase the rents charged by 1.07% for the units set out in Schedule 1.
2. The percentage increase set out in paragraph 1 is to be taken as follows:
 - a. The Landlord may increase the rents charged by 1.07% within the time period of June 1, 2023, to May 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 Tenants shall pay to the other any sum of money that is owed as a result of this order within 60 days of the date of this order.

April 13, 2026
Date Issued

Guy Savoie

Vice Chair, 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 3 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:

101
102
103
104
201
202
204
301

Schedule 2 - Tenants who are Affected by this Order:

Bradbury, Shawn
Cellan, Diana
Cormier, Richard
Kalamba, Stephanie
Kireluk, Karen
Kizadi, Longo
Martineau, David
Morrison, Valaree
O'Brien, Michael
O'Leary, Melissa
Riviere, Cassandre
Robia, Courtney

Schedule 3 - 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 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 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 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.