



Order under Section 135 Residential Tenancies Act, 2006

Citation: Panchal v Haque, 2026 ONLTB 31005

Date: 2026-04-17

File Number: LTB-T-089309-25

In the matter of: 49 LAMPMAN DR
SCARBOROUGH ON M1E5K9

Between: Shubham Nareshkumar Panchal Tenants
Shraddha Priti Dave

And

Mohammed Haque Landlord

Shubham Nareshkumar Panchal and Shraddha Priti Dave (the 'Tenants') applied for an order determining that Mohammed Haque (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on April 13, 2026.

The Landlord and the Tenants attended the hearing.

Determinations:

1. As explained below, the Tenants did not prove the allegations contained in the application on a balance of probabilities. Therefore, the application is dismissed.
2. 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.
3. It was undisputed that the Tenants initially had a 6-month lease that commenced January 1, 2025, and ended June 30, 2025. It was undisputed that the lease became a month-to-month lease as of July 1, 2025. It was also undisputed that the Tenants initially provided the Landlord an N9 Tenant's Notice to End the Tenancy ("N9 notice") with a termination date of September 30, 2025.
4. The Tenant, Shubham Panchal ("SP"), testified that before the end of the tenancy the Tenants spoke to the Landlord about possibly extended the termination date to the end of October 2025 because one of the Tenant was interviewing for employment which would affect the move out date. SP testified that as of September 2, 2025, the Tenants were still

potentially extending the move out to October 31, 2025, so the last month's rent deposit would apply to October 2025 and they paid rent for September 2025.

5. SP testified that on September 13, 2025, there was a conversation with the Landlord in which the Tenants cancelled the extension to the move out and confirmed that they would honour the initial move out on the N9 notice of September 30, 2025. SP provided a text message from September 19, 2025, in which the Landlord said "per your signed N9, your move out date is 30 September 2025. Although the date was extended for 1 month upon your request, but you decided to cancel the extension over our conversation last Saturday." SP testified that this indicated the Landlord was agreeing to cancel the extension.
6. SP also provided text messages from the Landlord that detailed what the Tenants would need to do to move out which SP indicated provided the Landlord was agreeing to the cancellation of the extension. SP testified that the Tenants vacated the rental unit on September 28, 2025, and the Landlord has retained \$1,550.00 of the Tenants' last month's rent deposit.
7. The Landlord testified that he agreed to extend the Tenants' termination date to October 31, 2025, when they asked to extend it. The Landlord testified that he did not agree to cancel the extension in September 2025 when the Tenants requested it. The Landlord testified that the cancellation of the extension was unilateral by the Tenants. The Landlord testified that when he discussed returning excess funds to the Tenants it was because the Landlord was not sure if he was holding a last month's rent deposit or if the Tenants had already paid and once the accounting was complete upon their move out any excess would be returned. The Landlord testified that the discussion about returning excess funds was not an agreement to cancel the extension.
8. The Tenants' position was that although the parties may have agreed to extend the termination date, the extension was cancelled by agreement, and the termination date was the original termination date of September 30, 2025. Therefore, the Landlord illegally retained the last month's rent deposit when the Tenants vacated on September 28, 2025, and the last month's rent deposit was not applied to September 2025 or returned to the Tenants.
9. The Landlord's position was that there were not excess funds as the tenancy terminated on October 31, 2025, per the agreement to extend the termination date and the Tenants chose to vacate early. The Landlord's position was that the last month's rent deposit was appropriately applied to October 2025 which was the last rental period of the tenancy.
10. Subsection 37(1) of the *Residential Tenancies Act*, 2006 (the 'Act') directs that a tenancy may be terminated only in accordance with the Act. Subsection 37(3) of the Act indicates that a notice of termination need not be given if a Landlord and a Tenant have agreed to terminate a tenancy.
11. Here, it is undisputed that the Tenants initially terminated the tenancy with an N9 notice with a date of termination of September 30, 2025.
12. I am also satisfied that as of early September 2025, the parties had agreed to new date of termination of October 31, 2025. This is based on testimony from both SP and the

Landlord. SP testified that the Tenants paid September 2025 rent as they were planning to extend and the Landlord testified, he had agreed to extend the termination. I am satisfied that the parties had agreed to a new termination date which replaced the initial termination date of the N9 notice. Therefore, the termination date as of early September 2025, was October 31, 2025, as per agreement of the parties under subsection 37(3) of the Act.

13. The question before me is whether the parties then made a subsequent agreement to yet another termination date of September 30, 2025, as of September 13, 2025, as the Tenants allege or if the cancelation of the October 31, 2025, termination date was unilateral by the Tenants as the Landlord alleges.
14. On any application before the Board, the person who alleges any particular incident or event occurred has the burden of leading sufficient evidence to establish that it is more likely than not that their version of events is true. In this case that burden is the Tenants.
15. Both parties provided clear, consistent evidence. However, I am not convinced there was an agreement to cancel the October 31, 2025, termination date and revert back to September 30, 2025, date. While SP did provide text messages from the Landlord that the Tenants indicate demonstrate the Landlord's agreement to cancel the extension, the texts appear to confirm the Tenants cancelation and the Landlord's yielding to the Tenants choice to cancel.
16. The text messages do not indicate that there was a clear meeting of the minds between the parties that the tenancy would terminate on a specific date, specifically September 30, 2025. The text says "you decided to cancel the extension" not we decided, or I agree to cancel the extension. The texts do not clearly indicate that the Landlord was agreeing to cancel the extension, merely that he was acknowledging that the Tenants wished to cancel.
17. As for the continued texts about the Tenants move out and any potential excess funds, I am not convinced this indicates an agreement to cancel the October 31, 2025, termination date either. Nothing in those texts indicate that the Landlord was agreeing to change the termination date from October 31, 2025 and appears he was simply providing move out instructions to the Tenants based on their stated intent to leave as of September 30, 2025 and what would happen when or if there was any remaining funds from the last month's rent deposit once the Tenants did vacate the rental unit as it could not be determined if there were funds remaining until the Tenants actually vacated. I do not find it inappropriate for the Landlord to point out to the Tenants on September 19, 2025, that a discussion about returning a last month's rent deposit is premature if the Tenants are still in possession of the rental unit, as there has not been a last rental period that the last month's rent deposit could have been applied to until there is either a last rental period or the Tenants have vacated.
18. As such, I am not satisfied that the termination date was changed from October 31, 2025, back to September 30, 2025.
19. Section 88 of the Act indicates that where a tenant abandons or vacates a rental unit without giving proper notice in accordance with the Act, the tenant is liable for the rent for the period of notice he or she could have given to the landlord to properly terminate the

tenancy. Here, the parties agreed to terminate the tenancy on October 31, 2025, and therefore the Tenant is liable for rent until October 31, 2025.

20. While section 16 of the Act directs that a party must take reasonable steps to minimize their losses resulting from the breach of a tenancy agreement, I am satisfied the Landlord would not have been able to rent the rental unit for October 2025 as the Tenants only vacated as of September 28, 2025. And in fact, the Landlord testified that he was unable to rent the rental unit for several months after the Tenants vacated.

21. Based on the foregoing, I am satisfied that the Landlord properly applied the last month's rent deposit to rent owing for October 2025 as that would have been the last rental period of the tenancy.

22. Therefore, the Landlord did not illegally retain the Tenants' rent deposit.

23. As such, the Tenants' application is dismissed.

It is ordered that:

1. The Tenants' application is dismissed.

April 17, 2026

Date Issued

Nicole Pedron

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.