



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

File Number: LTB-T-079443-25

In the matter of: 411, 2110 Keele Street West
North York ON M6M3Z2

Between: Mark Roberts Tenant

And

Bombay Court Limited Landlord

And

Steven Penelo Superintendent

Mark Roberts (the 'Tenant') applied for an order determining that Bombay Court Limited (the 'Landlord') and Steven Penelo (the 'Superintendent') collected or retained money illegally.

This application was heard by videoconference on March 18, 2026.

The Landlord's Agent, Steven Demelo, the Landlord's Legal Representative, Eric Steinman, and the Tenant attended the hearing.

Determinations:

1. As explained below, the Tenant did not prove the allegations contained in the application on a balance of probabilities. Therefore, the application is dismissed.

Illegal Rent Increase:

2. The Tenant alleged that the Landlord had illegally increased the rent above the guideline amount, and that he did not receive an N1 Notice of Increase of Rent.
3. The Landlord's Agent Steven Demelo (SD) testified that an N1 Notice was served on the Tenant on November 4, 2024 for a rent increase on March 1, 2025. SD testified that the property manager's practice is that N1 Notices are served the day they are signed, and that the N1 Notice was placed under the Tenant's door.

4. The Tenant testified that he did not receive the N1 Notice until August or September 2025, as he was in the hospital during this period. The Tenant further testified that his cousin would go to his rental unit to pick up his mail every couple of months, however the Tenant could not provide exact dates as to when his cousin went to the rental unit. The Tenant testified that his cousin had brought him clothes between November 2024 and August 2025 but never brought him the N1 Notice, therefore it was not properly served. The Tenant further testified that because he was not living in the rental when the notice was served, that also means the notice was never served on him.
5. Rule 3.1(c) of the Landlord and Tenant Board Rules of Procedure states that a party may be served by sliding the notice under the door or putting it through a mail slot in the door or the rental unit as long as the person remains in possession of the rental unit. In *Toronto Community Housing Corp. v. Zelsman*, 2017 ONSC 5289, the Divisional Court held, at paragraphs 46-50, that the LTB did not err in holding that an N1 is sufficiently served if it is given in accordance with the Act, and a landlord does not need to establish that the tenant actually received it.
6. In this case, as the Tenant remained in possession of the rental unit, I am satisfied on a balance of probabilities that the N1 Notice was properly served when the Landlord slid it under the rental unit's door.
7. The Tenant then alleged that the Landlord had increased the rent by 5.5% instead of the guideline amount for 2025 of 2.5%. SD testified that the rent was only increased by 2.5%, which was supported by the rent ledger submitted into evidence. The ledger shows that the rent was only increased to \$1,003.76 per month. SD testified that the Landlord had applied for an Above Guideline Increase (AGI) in January 2024, so the N1 Notice reflected the increase that they had asked for in their application. As the Tenant had pre-paid his rent and did not respond to the N1 Notice, the Landlord only increased the rent by 2.5%, not the 5.5% sought on the N1 Notice.
8. The Landlord relied on paragraph 3 of the N1 Notice which states:

If the rent increase needs approval by an order under the *Residential Tenancies Act, 2006* the tenant is not required to pay more than the guideline increase until the order is issued.
9. The Tenant argued that since the N1 Notice sought a 5.5% increase and did not state what the alternative 2.5% increase would be, that there should be no increase in the rent at all. The Tenant also testified that SD's testimony should not be given weight as he had not personally filed the AGI application, so he could not have personal knowledge of it. SD testified that while he had not filed the AGI application, he was given a copy after it was filed and that the Board has not yet assigned a file number yet.
10. This finding is consistent with the LTB's non-binding *Interpretation Guideline 14: Applications for Rent Increases Above the Guidelines*, which states as follows:

In order for the landlord to collect the above guideline rent increase they are asking the Board to approve, they must have first given the tenant a notice of rent increase indicating this higher amount. The tenant does not have to pay this higher amount

unless it is approved and the order is issued. Where a landlord has filed an AGI application and gives a tenant a notice of rent increase before the LTB orders the increase, the tenant must at a minimum pay the amount that the landlord could lawfully charge, without the order.

If the tenant pays more and the application is unsuccessful, or the LTB orders a lesser amount, the landlord owes that tenant any amount overpaid. If the AGI application is successful and the tenant has not paid the amount required by the order, the tenant owes the landlord the difference between the amount paid and the amount required by the order, provided the landlord has served a proper notice of rent increase for that amount.

11. I am not satisfied that the Tenant has established on a balance of probabilities that there was an illegal rent increase. Having found that the N1 Notice was properly served, I am also satisfied that the Landlord filed an AGI application in January 2024, which pre-dated the above guideline increase sought on the N1 Notice. The Landlord correctly checked the box on the N1 indicating that the increase was above the Guideline amount, which required approval by LTB order. The N1 made it clear that the Tenant did not therefore need to pay the increase beyond the Guideline. Moreover, as demonstrated by the rent ledger, the Landlord only actually increased rent by 2.5% on March 1, 2025 when they did not hear from the Tenant, which is in accordance with paragraph 3 of the N1 Notice.
12. Therefore the lawful monthly rent was \$1,003.76 from March 1, 2025 to February 28, 2026, and the Landlord did not charge an illegal rent increase. The Tenant's application must be dismissed.

It is ordered that:

1. The Tenant's application is dismissed.

April 21, 2026
Date Issued

Allana McComb
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.