



Order under Section 126 Residential Tenancies Act, 2006

Citation: Cridon Investments Limited c/o Terracorp Management Inc. v Chavez, 2026
ONLTB 27326

Date: 2026-04-15

File Number: LTB-L-032844-23

In the matter of: 645 William Street, London, Ontario, N5Y 2R1

Between: Cridon Investments Limited c/o Terracorp Management Inc. Landlord

And

Refer to attached Schedule 2 Tenants

Cridon Investments Limited c/o Terracorp Management Inc. (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 a written hearing. No submissions were received from the Tenants.

It is determined that:

1. 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

2. 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

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

5. 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.
6. 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

7. 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.
8. 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

9. The Landlord justified a rent increase above the guideline because of capital expenditures.
10. The Landlord's evidence justifies a rent increase above the guideline of 10.73% because of capital expenditures. However, pursuant to subsection 126(11) of the Act, the maximum permitted rent increase above the guideline because of capital expenditures is 9.0% taken as follows: 3.0% in the first year, 3% in the second year and 3% in the third year. These increases are in addition to the annual guideline rent increase.
11. The Landlord's application is for the following capital expenditure - Parking Garage Restoration

Capital Expenditure #1: Parking Garage Restoration

12. The Landlord submits that the parking garage restoration was necessary to "address concrete deterioration and delamination due to age, weathering, and salt damage". The scope of work included repairs to the parking garage. The Landlord submits that these items are "eligible" under subsection 126(7)(a) as it is necessary to protect or restore the physical integrity of the residential complex, and 126(7)(b) as the work was necessary to comply with subsection 20(1). The cost claimed in this capital expenditure is \$1,393,982.50.
13. In support of its claim, the Landlord submitted to evidence a "Structural Bulletin" from VB&S Structural Engineers which found that "the extent of the concrete repair was found to be extensive and beyond just replacing the concrete at columns. It was found to be more economical to replace the entire parking deck, rather than repairing and patching select areas".
14. Given the uncontested evidence, I am satisfied that the parking garage restoration meets the definition of capital expenditure contained in subsection 18(1) of the O.Reg 516/06 as it was a significant repair, the expected benefit of which extends for at least five years. It also meets the test for eligibility under subsections 126(7)(a) as the work was necessary to protect or restore the physical integrity of the residential complex or part of it, and 126(7)(b) as the work was necessary to comply with subsection 20(1).
15. The cost of this capital expenditure is \$1,393,982.50.
16. The weighted useful life of this capital expenditure is 20 years.

General

17. The Certificate of Service filed by the Landlord on October 20, 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 units: 202, 303, 304, 401, 407, 502, 505, 506, 508, 602, 606, 608, 701, 706, 707, 801, 802, 803, 902, 906, 908, 1001, 1002, 1003, 1004, 1007 and 1008.

18. 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 9.00% 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 3.00% within the time period of June 1, 2023, to May 31, 2024; and
 - b. The Landlord may increase the rents charged by 3.00% within the time period of June 1, 2024, to May 31, 2025; and
 - c. The Landlord may increase the rents charged by 3.00% within the time period of June 1, 2025, to May 31, 2026.
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 160 days of the date of this order.

April 15, 2026
Date Issued

Andrew Laurich
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.

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 2.50%, for 2024 is 2.50%, for 2025 is 2.50% and for 2026 is 2.1%.

Schedule 1 - Units affected by this Order:

102	504
103	507
104	601
201	603
204	604
205	702
207	703
208	704
301	705
302	708
305	805
306	806
307	807
308	808
402	901
403	904
404	905
406	907
501	1005
503	

Schedule 2 - Tenants who are Affected by this Order:

Barkas, Kathleen
Bassant, Emily Madeline
Bassant, Scot
Beaton, Bryan
Brewer, Richard
Brownson, Helen
Campbell, James
Chavez, Maria-Victoria
Colgan, Dianne
De Castro, Paula Rodrigues
Doherty, Brian
Eng, Tina
Fee, Bryan
Fithern, William
Fleet, Terry
Futcher, Amanda
Goodwin, Alannah
Hebsgaard, Cynthia
Hessey, Steven
Heuchan, Cody
Howman, Marshall
Johnson, Kaitlyn
Kasubeck, David
Kelly, Tyler
Lamontagne, Brittany
Lamontagne, John
Loveland, Owen
Lynde, Robert
MacIntyre, Chelsea
Magee, Bobbi
Magee, Terri

Mansour, Kasha
Mathers, John
Mathers, Julie
McGill, Connie
Meahan, William
Mercado, Alberto Pacifuentes
Muma, Kaitlyn
Naudi, Henry
Normand, Fraser
Patton, Jade
Prestes, Lucas Plautz
Pullen, Deborah
Ramirez, Laura
Rowlands, Bill
Santarossa, Sophia
Schaffer, Kevin
Schaffer, Somer
Slingerland, Jennifer
Smith, Amanda
Smith, Cody
Theodore, Hannah
Theodore, Michael
Therriault, Emma
Therriault, John
Vleuten, Jeffrey
Walkom, Brandyn
Watterton, Ryan
Westland, Beverly
Wilkins, Eric
Winker, Nathanael

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 Schedule 3).

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 Schedule 3).

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.