



**Order under Section 69 / 88.2
Residential Tenancies Act, 2006**

Citation: CAI v Khabbaz, 2026 ONLTB 29914

Date: 2026-04-23

File Number: LTB-L-091008-25

In the matter of: 219 BAKER AVE
RICHMOND HILL ON L4C1X8

Between: Chang Jing Cai Landlord

And

Babak Ghareei Khabbaz Tenants
Leila Famenian
Iman Famenian

Chang Jing Cai (the 'Landlord') applied for an order to terminate the tenancy and evict Babak Ghareei Khabbaz, Leila Famenian and Iman Famenian (the 'Tenants') because the Landlord requires possession of the rental unit in order to demolish the unit.

The Landlord also claimed compensation for each day the Tenants remain in the unit after the termination date.

The Landlord also applied for an order requiring the Tenants to pay the Landlord's reasonable out-of-pocket expenses that are the result of the Tenant's failure to pay utility costs they were required to pay under the terms of the tenancy agreement.

This application was heard by videoconference on January 8, 2026, and February 6, 2026.

The Landlord's Representative, Jessica Hu, the Landlord, the Landlord's Agent, Sonya Cai, the Tenants' Representative, Payam Madani Esfahani, and the Tenant, Babak Ghareei Khabbaz, attended the hearing. Malina Kami also attended the hearing as a translator for the Landlord.

Preliminary Issue:

Compensation not paid

1. At the outset of the hearing, the Tenants' representative said that the one-month compensation was not paid by the Landlord before the termination date on the notice as

required by the Act. As a result, the Tenants requested that the L2 application for termination for demolition be dismissed.

2. The Landlords' representative testified that the Landlord provided a letter on October 24, 2025, with the N13 notice advising the Tenants not to pay rent for the month of February 2026, as it was being waived as the one-month compensation pursuant to the notice.
3. The Tenants' representative said there is a last month's rent on deposit and this amount must be applied to the month of February, as the termination date on the notice is February 28, 2026. The Landlord did not contest that there was a last month's rent on deposit.
4. Subsection 106(10) of the *Residential Tenancies Act, 2006*, S.O. 2006, c.17 ('Act') is clear, a landlord must apply a rent deposit that a tenant has paid to the last rent period before a tenancy terminates. In this case, as a last month's rent deposit is being held by the Landlord, it must be applied to the month of February 2026. Therefore, it rent cannot be "waived" as compensation for that month.
5. Subsection 52(2) of the Act states that, "a landlord shall compensate a tenant in the amount equal to one month's rent or offer the tenant another rental unit acceptable to the tenant if the landlord gives the tenant a notice of termination of the tenancy under section 50".
6. Section 55.1 of the Act requires that compensation under subsection 52(2) be paid to the tenant no later than on the termination date specified in the notice of termination. In the present case, the termination date in the N13 Notice of Termination is February 28, 2026, meaning the Landlord is required to pay compensation to the Tenants on or before February 28, 2026. I would note that this payment could still be made by the Landlord as at the hearing, the termination date had not yet passed.
7. During the hearing on January 8, 2026, the Landlord was advised that payment was required before the notice termination date if they wished to proceed with their application. The Landlord testified that they sent the Tenants an email money transfer for the one-month compensation as required under the Act. In the adjourned hearing, the Tenants confirmed receipt of the money transfer in the amount of \$2,624.36. As a result, I find that compensation was paid to the Tenants on or before the termination date as required by the Act.
8. The Tenants' request to dismiss the application on this basis is denied as I find compensation was paid, and the L2 application proceeded on its merits.

Determinations:

9. As explained below, the Landlord has proven on a balance of probabilities the grounds for termination of the tenancy. Therefore, tenancy between the Landlord and the Tenants will terminate.

N13 Notice of Termination

10. On October 24, 2025, the Landlord gave the Tenants an N13 notice of termination with the termination date of February 28, 2026. The Landlord claims vacant possession of the rental unit is required for demolition.
11. The Tenants were in possession of the rental unit when the application was filed.
12. The rental unit is a single-family dwelling, which consists of 3 bedrooms, 2 bathrooms, and approximately 1800 square feet.
13. The residential complex contains fewer than five residential units, and the demolition was not ordered to be carried out under the authority of any other Act.
14. The Landlord provided oral testimony at the hearing and said he purchased the property in 2017 with the intention to demolish the existing house and construct one house, approximately 4500 square feet, for himself and his family to reside in.
15. The Landlord submitted the demolition permit from the City of Richmond Hill, dated June 12, 2025. The Landlord said that to date, he has paid the City of Richmond Hill the amount of \$13,611.06, for various required permits, including minor variance, site plans, etc.
16. The Landlord testified that he began the process in 2024 of obtaining permits from the City of Richmond Hill. Email communication with the City of Richmond Hill was submitted as evidence to support the Landlord's oral testimony.
17. The Landlord said he intends to demolish the rental unit as soon as the Tenants vacate the rental unit. He said he does not require further permits or bank loans to do so.
18. The Tenant, Babak Ghareei Khabbaz (BGK'), provided oral testimony that he has never met the Landlord because he believes he lives in China. BGK believes the real reason the Landlord is demolishing the unit is due to maintenance issues in the unit.
19. The Tenants did not provide contradictory evidence to the Landlord's intention to demolish the unit.
20. I accept the evidence of the Landlord as it was clear and concise and demonstrated their intention, and the Tenants did not provide sufficient contradictory evidence to support their assertion of bad faith. I find that the Landlord has received all required permits or approvals from the City of Richmond Hill to demolish the rental unit and am satisfied that he intends to do so.
21. Based on the evidence and submissions of the parties, and on a balance of probabilities, I find that the Landlord requires the rental unit because the Landlord in good faith intends to demolish it.

Compensation for Unpaid Utilities

22. At the hearing, the Landlord's representative requested to withdraw the claim for unpaid utilities in the application, in the amount of \$268.29, because the Tenants paid this amount on January 13, 2026.

Daily compensation, NSF charges, rent deposit

23. The Landlord's representative also submitted that they are no longer seeking daily compensation in this application as the Landlord has filed a separate L1 Application, which is pending, that would deal with any outstanding rent and will address the Last Month's Rent deposit held by the Landlord.

Relief from Eviction

24. BGK' testified that he has lived in the unit with his family since 2018. He said that although he is 67 years old and retired, his wife is still working, and his 17-year-old son attends school in the area where he is completing his final year of high school. The Tenants requested a delay of eviction of 6 months so he can find another suitable home for his family.
25. The Landlord requested an eviction order with an extension to March 31, 2026, to allow the Tenants more time to find suitable housing.
26. I have considered all of the disclosed circumstances in accordance with subsection 83(2) of the *Residential Tenancies Act, 2006* (the 'Act'), and find that it would not be unfair to postpone the eviction until July 31, 2026, pursuant to subsection 83(1)(b) of the Act. I have also considered that the tenancy is a long-term tenancy, and this is a no fault application. Although the Landlord requested a one-month extension to begin demolition immediately after possession of the rental unit, I find that the prejudice to the Tenants far out weighs that of the Landlord in these circumstances. Due to the issuance date of this order, the Tenants have already been given some relief sought. I find an additional extension to July 31, 2026, is reasonable in the circumstances. This will allow the Tenants' son to complete his final year of high school and provide more time for the Tenants to find alternative housing.
27. Although this order does not specifically address each piece of evidence individually or reference all of the testimony, I have considered all of the evidence and oral testimony when making my determinations.
28. This Order contains all the reasons for this matter. No further reasons will issue.

It is ordered that:

1. The tenancy between the Landlord and the Tenants is terminated. The Tenants must move out of the rental unit on or before July 31, 2026.
2. If the unit is not vacated on or before July 31, 2026, then starting August 1, 2026, the Landlord may file this order with the Court Enforcement Office (Sheriff) so that the eviction may be enforced.

3. Upon receipt of this order, the Court Enforcement Office (Sheriff) is directed to give vacant possession of the unit to the Landlord on or after August 1, 2026.

April 23, 2026

Date Issued

Colette Myers

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.

In accordance with section 81 of the Act, the part of this order relating to the eviction of the Tenant expires on February 1, 2027 if the order has not been filed on or before this date with the Court Enforcement Office (Sheriff) that has territorial jurisdiction where the rental unit is located.

