



Order under Section 57 Residential Tenancies Act, 2006

Citation: Butts v Gholami, 2026 ONLTB
28685 **Date:** 2026-04-24
File Number: LTB-T-069340-25

In the matter of: 24 DRUMSO ST
OTTAWA ON K1T3X9

Between: Catherine Mary Butts Tenants
Anthony Riopelle

And

Guang Shi Vendor Landlords
Ge Lin

And

Pedrom Gholami Purchaser

Catherine Mary Butts ('CB') and Anthony Riopelle ('AR') (the 'Tenants') applied for an order determining that Guang Shi and Ge Lin (the 'Vendor Landlords') or Pedrom Gholami (the 'Purchaser') gave a notice of termination in bad faith.

This application was heard by videoconference on April 2, 2026. The Tenants and the Vendor Landlords attended the hearing.

As of 9:58 a.m., the Purchaser was not present or represented at the hearing although properly served with notice of this hearing by the LTB. There was no record of a request to adjourn the hearing. As a result, the hearing proceeded with only the Tenants' evidence.

Determinations:

Preliminary Matters:

Post-Hearing Submissions

1. The Board requested, by way of post-hearing submissions, that the Tenants provide additional information as set out in a Member's Direction. The information requested pertained to the rental unit occupied immediately after the tenancy terminated and requested submissions on the quantum of fine sought against the Purchaser.
2. Post-hearing submissions were received by the Tenants on April 10, 2026. No other submissions were received from either the Landlord or the Purchaser. These submissions have been considered in my findings below.

Maximum Monetary Jurisdiction

3. The amount claimed by the Tenants exceeds the monetary jurisdiction of the Board. Subsection 207(1) of the *Residential Tenancies Act* (the 'Act') limits the monetary jurisdiction to that of the Small Claims Court. Effective October 1, 2025, that amount is \$50,000.00.
4. The Tenants were advised of the monetary jurisdiction and agreed to waive any amount that exceeded the Board's \$50,000 monetary jurisdiction. The Tenants was also advised of s. 207(3) of the Act which states that if the party proceeds to obtain a Board order at the maximum amount, that party extinguishes the right in excess of the Board's monetary jurisdiction. The Tenants acknowledged this and amended their claim to \$50,000.00.

Tenants' T5 Application

5. As explained below, the Tenants proved the allegations contained in the application on a balance of probabilities. Therefore, the Purchaser must pay to the Tenants is \$16,263.99.
6. Subsection 57(1)(b) of the *Residential Tenancies Act, 2006* (the 'Act') requires the Tenant to prove each of the following on a balance of probabilities:
 - The Landlord gave the Tenant an N12 notice of termination under section 49 of the Act;
 - The Tenant vacated the rental unit as a result of the N12 notice of termination;
 - No person referred to in subsection 49(1) or 49(2) of the Act occupied the rental unit within a reasonable time after the Tenant vacated; and
 - The Landlord served the N12 notice of termination in bad faith.
7. It is not contested that the Tenants were given an N12 notice of termination on July 31, 2024, by their Vendor Landlords for the use of the Purchaser. The termination date on the notice was September 30, 2024. It is also not contested that the Tenants moved out of the rental unit on or about September 30, 2024. Thus, the first two parts of the s.57(1) test have been met.
8. The Tenants testified that prior to moving out, the Purchaser and his mother had attended the rental unit to conduct a home inspection. The Tenants were home during this visit. The Purchaser's mother sat down and chatted with the Tenants. She told the Tenants she was purchasing the property for her son and her son's girlfriend.

10. However, the Tenants later became aware that the Purchaser did not move in. The Tenants were fortunate enough to purchase a home across the street from the rental property in July 2025. After they moved in, they saw a group of teenaged children leaving the rental unit, which prompted them to speak to a neighbour. The neighbour reported that a single adult male had never lived in the rental unit, rather it was a woman with her children.
11. Additionally, the Tenants had attended the rental unit on September 23, 2024, and saw a silver vehicle parked in the driveway. The same vehicle was observed in the driveway in July 2025. The Tenants provided photos of both the vehicle and the kids seen entering the home. The pictures were taken on several occasions between September 2024 and July 2025. CB also testified that she has seen the female occupant coming and going from the rental property, and this was not the Purchaser she met during the inspection.
12. Lastly, CB reports that she was able to find the name of the Purchaser's mother who is a large Landlord with multiple rental properties.
13. The Vendor Landlords testified that they had no reason to doubt the Purchaser's intention. They explained that they were introduced to the buyer through their respective realtors after an open house. They never met the Purchaser personally. They state that their realtor advised them that vacant possession was required and point to Schedule A of their Agreement of Purchase and Sale, submitted into evidence. This document is initialled by all parties, and states (in-part):

“The Buyer hereby authorizes and directs the Seller, and the Seller agrees, when this Agreement becomes unconditional, to give to the Tenant(s) the required notices under the Residential Tenancies Act, 2006....”

14. The Vendor Landlords also submitted a copy of the “Final Report to Vendors” to demonstrate that the property was transferred to the Purchaser on October 3, 2024. They submit that the Purchaser had entered a written contract, by way of signing the Agreement of Purchase and Sale, and that because of this they should be able to rely on the written statements found within the contract.
15. I find that the Tenants have met their burden of proof, on a balance of probabilities, that the Purchaser did not move into the rental unit within a reasonable period of time as evidenced by the female occupant, and teenaged children, being observed on multiple occasions entering and exiting the rental property. The same occupant was also seen entering and exiting the same vehicle which has been observed at the rental unit since September 2024. I also find that this evidence is in direct contradiction to what the Tenants were told by the Purchaser's mother during the home inspection. I accept the Tenants' evidence that a neighbour also reported that they never observed an adult living in the rental unit, which appears to corroborate the Tenants' observations and photos.
16. In *Elkins v. Van Wissen*, 2023 ONCA 789 (CanLII), the Court of Appeal found that a vendor landlord's conduct in delivering a N12 under section 49 is linked to the purchaser's good faith. In my view, a vendor landlord does not act in good faith in delivering an N12 under section 49 of the RTA where they do not take appropriate—reasonable—steps to verify the purchaser's genuine intent to occupy the unit. In

Elkins v. Van Wissen, 2023 ONCA 789 (CanLII) the Court of Appeal approved the following statement from the LTB's order in *Duarte v. 2132338 Ontario Ltd.* 2021 CanLII 146522 (ON LTB):

[I]n relaying the Purchaser's intentions to terminate the tenancy, the Landlord does not serve as a mere messenger with no duties or obligations to the Tenants. By conveying the Purchaser's stated intention to occupy the rental unit, the Landlord initiated events that had the serious consequence of ending the tenancy and compelling them to relocate their family...As a result, I find that the Landlord had a duty to the Tenants to exercise some due diligence to confirm the good faith intentions of the Purchaser before putting the eviction in motion. Otherwise, an unscrupulous purchaser would be free to use a landlord as a straw man to divest tenants of their housing and thereby evade the statutory protections afforded to them under the Act.

17. The final part of the four-part test is whether the N12 notice was given in bad faith. The good faith of the Vendor Landlord and Purchaser are both relevant. The Board must consider is whether the person identified on the N12 – the Purchaser – genuinely intended to occupy the rental unit, and whether the Vendor Landlord acted in good faith in delivering the N12.
18. Given the evidence before me, I find on a balance of probabilities, that the Purchaser did not genuinely intend to occupy the rental unit. The Purchaser's mother told the Tenants she was purchasing the rental unit for her son's personal use, yet the male Purchaser has not been observed at the rental unit. Rather, a female occupant and teenaged children have been seen consistently entering and exiting the rental unit, and the female occupant has been seen entering and exiting the same vehicle observed outside over a period of many months. This was the same vehicle was observed in the driveway weeks after the tenancy terminated.
19. As directed in *Elkins*, the remaining decision is to consider whether to apportion liability between the Vendor Landlords and the Purchaser for giving the Tenants an N12 notice in bad faith. In evaluating the Vendor Landlords' testimony and documentary evidence, I am not of the view the Vendor Landlords bear any responsibility for giving the Tenants a notice of termination in bad faith. Although the Vendor Landlords agreed that they had not taken any further steps to validate the intention of the Purchaser, I find it was reasonable for the Vendor Landlords to rely on the inclusion of the clause requesting vacant possession in Schedule A, and I agree with their submission that they should be able to rely on the representations made in a legally binding contract.

Remedies

20. The Tenants request the following remedies:

- Abatement of rent for 12 months totalling \$27,360.00
- Rent differential totalling \$32,988.46;
- Moving and storage costs \$4,364.23;
- General compensation totalling \$5,000.00;
- An administrative fine be levied against the Purchaser of \$50,000.00.

Abatement of Rent

21. An abatement of rent is a contractual remedy based on the principle that if you are paying 100% of the rent then you should be getting 100% of what you are paying for and if a tenant is not receiving the full value of what they are paying for, then they should be entitled to abatement equal to the difference in value.
22. In the circumstances, I find that it is appropriate to award a 100% abatement for 12 months. That is because the N12 notice was given to the Tenants on July 31, 2024. The Tenants would not have been under any additional constraints until receipt of the N12 notice as presumably, prior to July 31, 2024, the Tenants were able to use and access 100% of their home as they usually did.
23. After receiving the N12 notice; however, the Tenants would have been facing disruption in their ability to normally reside in the home, as they would have had to begin packing their belongings. Therefore, I do find it is appropriate to award an abatement for the period between August 1, 2024, and September 30, 2024.
24. Although the guidance in *Biltmore Terrace Apartments v. Nazareth*, [1997] O.J. No. 1881, pertains to a lack of maintenance which constituted substantial interference with the tenants' reasonable enjoyment, I find the Court's decision rendered under the *Landlord and Tenant Act*, to be useful regardless:

It is always difficult to arrive at a proper amount or percentage by way of abatement. There is no magic formula. What is appropriate in each case will depend on the circumstances, including the amount of rent, the age and general condition of the premises, the nature and degree of the non-repair, and its duration, the efforts of the Landlord to inspect, the co-operation or otherwise of the Tenant in that regard, and the efforts made by the Landlord to rectify the defect.

25. In reviewing similar orders of the Board, there is little consensus between Members concerning this discrete issue. However, given the duration of the upheaval, and the impact on the Tenants' ability to normally use the rental unit, I find at 10% abatement for the period between August 1, 2024, and September 30, 2024: a period of 60 days. The Tenants' monthly rent was \$2,280.00. I calculate the abatement to be \$449.76. ($\$2,280.00 \times 12 / 365 = (\$74.96 / \text{daily} \times .10\% \times 60 \text{ days})$).
26. The Purchaser shall pay to the Tenants \$449.76 for rent abatement.

Rent Differential

27. The Tenants seek rent differential. The Tenants were paying \$2,280.00. Although the Tenants did not provide a copy of their lease, I accept their uncontested evidence that their new rent was \$2,900.00 per month. Thus, the difference in rent was \$620.00 per month. I note the Tenants claimed the entire value for of their new rent, rather than the difference between the old rent and new rent as described under Remedy 3. However, I find the rent differential is limited to \$620.00 per month.

28. The Tenants' evidence was that they rented a house with a fixed-term 1 year lease beginning October 1, 2024, through September 30, 2025. The property was smaller and older than the rental house.
29. On July 16, 2025, the Tenants purchased a home. In my view, it is appropriate to include the period between July 17, 2025, through to September 30, 2025. I say this because the Tenants still incurred the costs of rent through to the end of September 30, 2025, regardless of having purchased a property as they had a fixed-term lease. They purchased the house because of its proximity to the rental property and did not want to miss a chance to secure the property when the opportunity arose.
30. Section 57(3) of the Act states that the Board may make an order that the landlord pay a specified sum to the former tenant for all or any portion of increased rent the tenant has incurred or will incur for a one-year period after vacating the rental unit.
31. I find it appropriate to award the rent differential for the period between October 1, 2024, when the Tenants began paying the new rent, and September 30, 2025, which would have been the last date before the Tenants began paying their mortgage.
32. I calculate the period between October 1, 2024, through September 30, 2025, to be twelve months in which the Tenants paid the new, higher rent. Therefore, I find the rent differential to be \$7,440.00 (\$620.00 x12).
33. The Purchaser shall pay to the Tenants \$7,440.00 in rent differential.

Moving and Storage Costs

34. The Tenants spent \$3,100.00 to hire movers. In addition, the Tenants spent funds to move their utility providers to their new address. Additionally, the Tenants claim for mail forwarding services and for the costs of acquiring the legal name of the property owners for the purposes of bringing this claim, totalling an additional \$274.38.
35. Section 57(3)1.2 of the Act states that the Board may order the Landlord to pay to the former tenant their reasonable out-of-pocket expenses such as moving, storage, and other like expenses that the former tenant incurred or will incur.
36. Given that the amounts claimed all relate to the Tenants' out-of-pocket expenses, I am of the view these are all properly claimed under Remedy 4 whether they relate to moving or other similar expenses. I also accept the Tenants' evidence that they had to pay for various utilities costs to transfer their accounts and / or enable those services at a new property. I also accept the Tenants' paid for mail forwarding and had to pay for a property search to acquire the ownership information of the Purchaser.
37. The Tenants also claimed \$940.00 for lost wages owing for AR who had to take unpaid time off work during the move. However, I do not find that the Tenants led sufficient evidence to establish why AR needed to take this time off given that the Tenants had hired professional movers to pack up the rental property, or how the Tenants arrived at this amount.
38. The Purchaser shall pay to the Tenants \$3,374.23 for moving and storage costs.

General Compensation

39. The Tenants seek \$5,000.00 in general compensation. General compensation is intended to capture the intangible losses suffered by the illegal eviction. Their evidence is that this move had been particularly stressful for them. CB is in her 60's and retired. She has physical limitations which prevent her from lifting heavy items. As a result, she could not accomplish most of the packing, and it was necessary to hire movers to pack and move their belongings.
40. CB also testified that she and AR had only moved to the area two or three years earlier, and it had been a very difficult period of change. Prior to moving to 24 Drumso, the family had lived in the same home, in the same community, for 44 years. However, they moved to the rental property to be closer to their children and grandchildren. CB says she had only just begun to adjust to being a member of this new community, when they were forced to move again. The rental unit was farther away, and she was unable to spend as much time with her family.
41. AR is 71. Because of the move, it was necessary for him to take several unpaid days off work. In addition, about six months after the move, AR suffered from some serious health events. He believes that the undue stress of having to move contributed to his health problems.
42. Given the impact the move had on the Tenants, their age and health, and the lost income, I am satisfied that \$5,000.00 in general compensation is warranted in the circumstances.
43. The Purchaser shall pay to the Tenants \$5,000.00 in general compensation.

Board Fine

44. The Tenants seek a fine of \$50,000.00 which is the maximum monetary jurisdiction of the Board. They submit a fine of this quantum is necessary to act as deterrence from this Purchaser, and other Purchasers, from unlawfully evicting Tenants.
45. The Board is required to consider the nature and severity of the breach, the effect the breach had on the Tenants, and any other relevant factors.
46. There is no question that the Tenants were impacted by the actions of the Purchaser. However, I am of the view that the award granted to the Tenants is sufficient to act as a general deterrence in this matter.
47. This order contains all of the reasons within it. No further reasons shall issue.

It is ordered that:

1. The total amount the Purchaser shall pay the Tenants is \$16,311.99. This amount represents:
 - \$449.76 for a rent abatement.
 - \$7,440.00 for increased rent the Tenants incurred for the period between October 1, 2024 through September 30, 2025.

- \$3,374.23 for the reasonable moving, storage and other like expenses that the Tenants have incurred as a result of having to move out of the rental unit.
 - \$5,000.00 for general compensation.
 - \$48.00 for the cost of filing the application.
2. The Purchaser shall pay the Tenants the full amount owing by May 5, 2026.
 3. If the Purchaser does not pay the Tenant the full amount owing by May 5, 2026, the Purchaser will owe interest. This will be simple interest calculated from May 6, 2026, at 4.00% annually on the balance outstanding.
 4. The Tenants have the right, at any time, to collect the full amount owing or any balance outstanding under this order.

April 24, 2026
Date Issued

Jane Dean
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.