



Order under Section 135 Residential Tenancies Act, 2006

File Number: LTB-T-097241-25

In the matter of: 30 IVORDALE CRES
Toronto ON M1R2W6

Between: Srushtitha Jagati Tenant

And

Rosa Rongdu Landlord

Srushtitha Jagati (the 'Tenant') applied for an order determining that Rosa Rongdu (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on April 28, 2026.

The Landlord, the Tenant's Legal Representative, Kaur Mandeep, and the Tenant attended the hearing.

Determinations:

1. The Tenant applied for an order requiring the Landlord to return \$3,000.00 rent deposit paid to the Landlord in relation to the proposed rental unit at 30 Ivordale Crest.
2. The Tenant paid the Landlord \$3,000.00 on October 1, 2025, in relation to the proposed rental unit. I find that this payment was a rent deposit within the meaning of the *Residential Tenancies Act, 2006* (the 'Act')
3. The first issue is whether there was a tenancy agreement between the parties. To find that there was a tenancy agreement, I must be satisfied that the parties agreed on the essential terms, including the rental unit, the rent, and the commencement date. Based on the evidence before me, I find that the parties agreed that the Tenant would rent the unit, that the monthly rent would be \$3,000.00, and that the tenancy would begin on November 1, 2025. Although there were confusion and disagreement about the number of occupants and the documents required by the Landlord, I am satisfied that the essential terms of the proposed tenancy had been agreed on.
4. Section 105 of the Act permits a landlord to collect a rent deposit, subject to the limits set out in the Act. Section 107 of the Act requires a landlord to repay the rent deposit if vacant possession of the rental unit is not given to the prospective tenant.

5. I have considered *Musilla v. Avcan Management Inc.*, 2011 ONCA 502. In that decision, the Court of Appeal held that section 107 of the Act does not require the automatic return of a rent deposit where the landlord was ready and able to give possession and the prospective tenant chose not to proceed. However, the Court also confirmed that a landlord may not retain a rent deposit as a penalty and that the landlord must take reasonable steps to minimize any loss.
6. Based on the evidence before me, I am not satisfied that the Landlord failed to give vacant possession to the Tenant. The proposed move in date was November 1, 2025. The Tenant advised the Landlord on October 9, 2025, that she no longer wished to proceed. The Landlord later advised the Tenant by October 12, 2025, that she could continue with the transaction. I also accept the Landlord's evidence that, on October 23, 2025, the parties met at the property and the Landlord again told the Tenant that she could still move in at the monthly rent of \$3,000.00. The Tenant declined to proceed and told the Landlord that she had found another place.
7. On this evidence, I find that the Landlord did not refuse to provide vacant possession to the Tenant. Rather, the Tenant chose not to proceed with the tenancy before the November 1, 2025, move in date. For that reason, I am not satisfied that section 107 requires the Landlord to return the entire \$3,000.00 on the basis that vacant possession was not given.
8. However, that does not mean the Landlord was entitled to retain the full \$3,000.00. The Landlord was not entitled to keep the deposit as a penalty. Once the Tenant withdrew from the tenancy, the Landlord was required by section 16 of the Act to take reasonable steps to minimize any loss.

The Landlord's Dut to Mitigate:

9. As I have found that the Landlord did not refuse to provide vacant possession to the Tenant, the next issue is whether the Landlord took reasonable steps to minimize her losses in accordance with section 16 of the Act.
10. The evidence shows that the Landlord knew by October 9, 2025, that the Tenant did not intend to proceed. The intended move in date was November 1, 2025. I accept that this left the Landlord with a short period of time to find a replacement tenant. I also accept the Landlord's evidence that she reposted the rental unit on Kijiji on October 14, 2025, at the monthly rent of \$3,000.00. That evidence shows that the Landlord took some steps to rent the unit again.
11. However, I am not satisfied that the Landlord proved that she took reasonable steps sufficient to justify retaining the full \$3,000.00. The unit was not rented until March 1, 2026. Although the Landlord testified that she reposted the unit, had some showings, and later used a real estate agent, the evidence does not satisfy me that the entire delay from November 1, 2025, to March 1, 2026, was unavoidable. I also find it relevant that the unit was later advertised at different rent amounts, including amounts higher than the \$3,000.00 monthly rent discussed with the Tenant.
12. The rental unit is a three-bedroom updated bungalow in the Scarborough area of Toronto. I accept that its size, location, and condition made it attractive to prospective tenants.

13. The Landlord failed to provide detailed evidence about how many showings occurred after October 14, 2025, who attended those showings, what follow up occurred, or why any prospective applicants were not accepted. On the evidence before me, I am not satisfied that the Landlord proved that the unit could not reasonably have been rented before December 1, 2025. I find that it is reasonable to assess the Landlord's loss at approximately half a month of rent.
14. For those reasons, I find that allowing the Landlord to retain 50 percent of the \$3,000.00 deposit fairly recognizes that the Tenant withdrew shortly before the proposed move in date and that the Landlord had limited time to find a replacement tenant. I also find that requiring the Landlord to return the remaining 50 percent reflects the Landlord's failure to prove that retaining the full \$3,000.00 was a reasonably mitigated loss.
15. I therefore find that the Tenant is entitled to a rebate of \$1,500.00.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is \$1,548.00. This amount represents:
 - \$1,500.00 for excess rent deposit.
 - \$48.00 for the cost of filing the application.
2. The Landlord shall pay the Tenant the full amount owing by May 15, 2026.
3. If the Landlord does not pay the Tenant the full amount owing by May 15, 2026, the Landlord will owe interest. This will be simple interest calculated from May 16, 2026, at 4.00% annually on the balance outstanding.
4. The Tenant has the right, at any time, to collect the full amount owing or any balance outstanding under this order.

May 4, 2026
Date Issued

Joy Xiao
Member, Landlord and Tenant Board

15 Grosvenor Street, Ground Floor
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If you have any questions about this order, call 416-645-8080 or toll free at 1-888-332-3234.