



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

File Number: LTB-L-088744-25

In the matter of: 11 WEDGEWOOD DR
NORTH YORK ON M2M2H2

Between: Valcan Investment Corp. Landlord

And

Kostiantyn Bezsmertnyi Tenant

Valcan Investment Corp. (the 'Landlord') applied for an order to terminate the tenancy and evict Kostiantyn Bezsmertnyi (the 'Tenant') because the Tenant did not pay the rent that the Tenant owes.

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

The Landlord's agent Kamila Sharapova (Office Manager) and the Tenant attended the hearing.

Determinations:

Preliminary Issue – Lawful Rent

1. The Tenant testified the Landlord illegally increased the rent for the rental unit; the Landlord's agent did not dispute that there were agreements between the parties to increase the rent above the guideline as follows:
 1. July 1, 2023 – rent increased from \$3,500.00 to \$4,000.00
 2. June 1, 2024 – rent increased to \$4,600.00
 3. January 1, 2025 – the rent decreased to \$3,677.19
2. The Tenant rented 5 units from the Landlord. The Tenant testified he paid the Landlord by making several e-transfers throughout the month and the e-transfers never indicated what the money was to be allocated toward (i.e. which unit or rent vs utility or other charges).
3. The Landlord's Agent testified that the Landlord allocated the payments as they came in amongst the rental units. The Landlord provided a ledger from January 2025 to present which shows the Tenant being in arrears for two units while the amounts being paid by the Tenant are allocated to the other units to keep them in good standing.

4. Since the Tenant paid the increased rent amount of \$4,000.00 for a period of 12 consecutive months then pursuant to section 135.1 this amount became the lawful monthly rent. The increased amount on June 1, 2024 would have been determined to be unlawful since the Tenant did not pay that amount for 12 consecutive months; however, the Landlord decreased the rent as of January 1, 2025.
5. While the Tenant disagrees with the Landlord's allocation of funds and the previous increases, I am not satisfied the Tenant provided the Board with sufficient evidence to discredit the Landlord's evidence. As such, I accept the Landlord's ledger and find the lawful monthly rent as of January 1, 2025 was \$3,677.19 and that the Tenant did not pay the lawful monthly rent from January 1, 2025 to the date of the hearing.
6. The Landlord increased the rent in June 2025 to \$3,769.12. This amount is above the guideline of 2.5% for 2025.

Calculation of Lawful Rent with 2.5% increase

$$\$3,677.19 \times 2.1\% = \$91.92; \$3,677.19 + 91.92 = \$3,769.11$$

7. By rounding up the total rent increase from \$3,769.11 to \$3,769.12, the Landlord increase the rent greater than the guideline of 2.5%. This increase is contrary to subsection 120(1) of the Act. Therefore, the increase is invalid. The lawful monthly rent as of June 1, 2025 remained \$3,677.19.
8. The amount of \$3,769.12 is shown on the N4 Notice of Termination and the arrears are calculated as owing this amount monthly from June 1, 2025 to October 31, 2025. Based on my findings of the lawful monthly rent being \$3,677.19, the N4 notice is invalid as it does not comply with subsection 59(2) of the Act.
9. The Board cannot terminate a tenancy based on an invalid notice of termination. The Landlord elected to proceed with an order for arrears only. If the arrears were calculated to the date of the hearing, the arrears would exceed the Board's monetary jurisdiction pursuant to subsection 207(1). As such, the arrears have been calculated to January 31, 2026 to preserve the Landlord's rights to collect the amounts owing for February 1, 2026 and onward.

L1 Application – Arrears Only

10. As of the hearing date, the Tenant was still in possession of the rental unit.
11. The lawful rent is \$3,677.19. It is due on the 1st day of each month.
12. The Tenant did not pay the total rent they were required to pay for the period from January 1, 2025 to January 31, 2026.
13. The rent arrears owing to January 31, 2026 are \$47,803.47.
14. The Landlord incurred costs of \$186.00 for filing the application and is entitled to reimbursement of those costs.

It is ordered that:

1. The Tenant shall pay \$47,989.47 to the Landlord. This amount includes rent arrears owing up to January 31, 2026 and the cost of the application. tenancy between the Landlord and the Tenant is terminated unless the Tenant voids this order.
2. If the Tenant does not pay the Landlord the full amount owing on or before May 23, 2026, the Tenant will start to owe interest. This will be simple interest calculated from May 24, 2026 at 4.00% annually on the balance outstanding.

May 12, 2026
Date Issued

Elena Jacob
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.