



Order under Section 135 Residential Tenancies Act, 2006

File Number: LTB-T-098946-25

In the matter of: 151 NEWTON DR
NORTH YORK ON M2M2N4

Between: Mehrdad Kheirollahi Tenant

And

Gholamreza Alvandi Landlords
Nahid Mashhoon

Mehrdad Kheirollahi (the 'Tenant') applied for an order determining that Gholamreza Alvandi and Nahid Mashhoon (the 'Landlords') collected or retained money illegally.

This application was heard by videoconference on April 7, 2026.

The Landlords' Legal Representative, Alireza Alvandi, the Tenant, and the Tenant's support person (son), Arash Kheirollahi, attended the hearing.

I have considered all of the evidence presented at the hearing and all of the oral testimony, and although I may not have referred to each piece of evidence individually or referenced all of the testimony, I have considered it when making my determinations.

Determinations:

Preliminary Issue: Sufficient details on Application

1. At the hearing, it was brought to the Tenant's attention that the allegations and remedies the Tenant wished to have determined were not included on the application itself but in a separate attached document. While I was satisfied that the allegations regarding the Landlords illegally raising the rent were sufficient for the Landlords to discern enough details to know the case to be met, and the Landlord confirmed that at the hearing, the Tenant's allegations regarding illegal charges lacked specific dates, times, and descriptions of issues for the Landlords to be able to adequately respond. Consequently, the Tenant's allegations regarding illegal charges were dismissed, and the application proceeded on the grounds that the Landlords collected rent in excess of the amount permitted by *Residential Tenancies Act, 2006* (the 'Act').

T1 Application:

2. As explained below, the Tenant proved some the allegations contained in the application on a balance of probabilities. Therefore, the Landlords must pay the Tenant \$1,398.00, inclusive of the cost of filing the application.
3. The parties do not dispute that they entered into a one-year fixed term lease agreement that commenced on January 1, 2022. The rent was \$1,550.00 as of that date and includes utilities and one parking spot. The rent is due on the 1st day of each month.
4. The Tenant alleges that the Landlords have illegally increased the rent numerous times without proper notice since 2023; however, their application was not filed until November 24, 2025.
5. Subsection 135(4) of the Act states:

(4) No order shall be made under this section with respect to an application filed more than one year after the person collected or retained money in contravention of this Act or the Tenant Protection Act, 1997.
6. Therefore, per s. 135(4) of the Act, only alleged illegal rent increases from November 24, 2024 onwards will be considered.
7. The Landlord submitted a rent ledger showing all payments received by the Tenant since February 2022. The Tenant also submitted their own rent ledger showing payments consistent with those in the Landlords' ledger. Both ledgers show that the rent charged for November 2024 was \$1,650.00. Whether the rent at that time was due to an illegal rent increase is beyond the Board's jurisdiction as it falls outside the one-year limitation period in s. 135(4) of the Act. As the next rental period was December 1, 2024, the analysis of alleged illegal rent increases begins from that date with \$1,650.00 as the rent charged.
8. The parties did not dispute the Landlords then raised the rent to \$1,700.00 on January 1, 2025, \$1,750.00 on April 1, 2025, \$1,800.00 on January 1, 2026, and \$1,816.95 on March 1, 2026. The Tenant has been paying \$1,750.00 for rent consistently each month since April 2025. The Landlord only produced one N1 Notice of Rent Increase ('N1 Notice') which was for March 1, 2026. The Tenant would also be told about rent increases via text message.
9. The Landlord testified that he increases the rent for "overcrowding" when he discovers any additional occupant in the unit and decreases the rent when the extra occupant leaves. The Landlord also confirmed that previous rent increases have also included additional "utility adjustments" to account for increased utility usage when there are more people residing in the unit.
10. The parties also dispute whether the Tenant is using more than the single parking spot allotted to him. The Tenant was told via text that he would be charged an additional \$50.00 for a second parking spot commencing January 1, 2026 until the Tenant or their occupant ceased to park their additional car. The Tenant maintains he never agreed to this additional parking charge and a copy of the text was provided in his evidence. The Landlord referred to a text from December 19, 2023 about a prior parking charge of

\$100.00 effective January 1, 2024; however, that charge is outside the scope of the one-year limitation period per s. 135(4) of the Act.

Relevant Law:

11. Section 110 of the Act states:

No landlord shall increase the rent charged to a tenant for a rental unit, except in accordance with this Part.

12. Section 116 of the Act states:

(1) A landlord shall not increase the rent charged to a tenant for a rental unit without first giving the tenant at least 90 days written notice of the landlord's intention to do so. 2006, c. 17, s. 116 (1).

Same

(2) Subsection (1) applies even if the rent charged is increased in accordance with an order under section 126. 2006, c. 17, s. 116 (2).

Contents of notice

(3) The notice shall be in a form approved by the Board and shall set out the landlord's intention to increase the rent and the amount of the new rent. 2006, c. 17, s. 116 (3).

Increase void without notice

(4) An increase in rent is void if the landlord has not given the notice required by this section, and the landlord must give a new notice before the landlord can take the increase.

13. Subsection 119(1) of the Act states:

(1) A landlord who is lawfully entitled to increase the rent charged to a tenant for a rental unit may do so only if at least 12 months have elapsed,

(a) since the day of the last rent increase for that tenant in that rental unit, if there has been a previous increase; or

(b) since the day the rental unit was first rented to that tenant, if clause (a) does not apply.

14. Section 123 of the Act states:

(1) A landlord may increase the rent charged to a tenant for a rental unit as prescribed at any time if the landlord and the tenant agree that the landlord will add any of the following with respect to the tenant's occupancy of the rental unit:

1. A parking space.

2. A prescribed service, facility, privilege, accommodation or thing. 2006, c. 17, s. 123 (1).

Application

(2) Subsection (1) applies despite sections 116 and 119 and despite any order under paragraph 6 of subsection 30 (1).

15. Section 135.1 states:

(1) An increase in rent that would otherwise be void under subsection 116 (4) is deemed not to be void if the tenant has paid the increased rent in respect of each rental period for at least 12 consecutive months. 2020, c. 16, Sched. 4, s. 24.

Non-application

(2) Subsection (1) does not apply with respect to an increase in rent if the tenant has, within one year after the date the increase was first charged, made an application in which the validity of the rent increase is in issue. 2020, c. 16, Sched. 4, s. 24.

Deemed compliance with s. 116

(3) For greater certainty, if subsection (1) applies with respect to an increase in rent, section 116 is deemed to have been complied with.

Analysis:

16. The Landlord did not dispute that he has increased the rent more than once every 12 months contrary to s. 119(1) of the Act. All the increases were also above the guideline amount contrary to s. 120 of the Act. The Landlord maintained that the increases were for the guideline amount plus an additional adjustment for extra utility usage and persons in the unit. However, the rent cannot be increased unless in accordance with the Act, regardless of how many people occupy the unit. In this instance, utilities are also included in the fixed amount of monthly rent, as stated in the lease, and therefore any increases per the 12-month rule in s. 119(1) of the Act also include utilities. The Landlord is consequently not free to increase the rent when those utility amounts fluctuate. Should the parties no longer wish to continue their utilities arrangement, they are free to amend the lease by agreement.
17. The Landlord also did not provide proof of an N1 Notice for any rent increase other than the increase that was to take effect on March 1, 2026. Consequently, I am not satisfied on the balance of probabilities that the Landlord provided the Tenant with N1 Notices in accordance with s. 116 of the Act for the rent increases on January 1, 2025, April 1, 2025, and January 1, 2026. The Tenant also has not paid any rent increase for a consecutive 12 months since he paid \$1,600.00 monthly from January 2023 to December 2023. Therefore, the above rent increases from January 1, 2025 to January 1, 2026 cannot be saved under s. 135.1 of the Act. The March 1, 2026 rent increase is also not deemed to be lawful per s. 136(1) of the Act as the Tenant had already made an application challenging the lawfulness of the rent charged on November 24, 2025.

18. Another issue, however, is whether the Tenant agreed to increase the rent with respect to an additional parking charge in accordance with s. 123(1) of the Act. Such an agreement would not be subject to the 12-month rule under s. 119(2) of the Act, and the charge can be added to the lawful rent. The parties do not dispute that the Landlord texted the Tenant that he would need to pay an additional \$50.00 for parking effective January 2026 if the Tenant and/or anyone living with them continued to use an extra parking space on the driveway. The Tenant, however, denied ever agreeing to the additional charge, and no subsequent written communication was submitted showing that the Tenant agreed. The Landlord was the party making the claim and therefore bears the burden of proof on the balance of probabilities to substantiate that claim. Without any additional supporting evidence to contradict the Tenant, I am not satisfied that the Landlord has met the burden to show that there was an agreement between the parties to increase the rent by \$50.00 for a second parking space.
19. As the above rent increases have been found not to be lawful and there was no established agreement to add an additional \$50.00 charge to the monthly rent in accordance with s. 123(1) of the Act, I am satisfied on the balance of probabilities that the Landlords collected rent in excess of the amount allowed by the Act.
20. The lawful monthly rent is therefore \$1,650.00, which was the rent charged one year before the application was filed on November 24, 2025 and before all subsequent illegal rent increases. The remedy thus extends back to the rental period following November 24, 2025, which was December 1, 2024. The Landlord must therefore pay the Tenant **\$1,350.00** for money collected in contravention of the Act through illegal rent increases from December 1, 2024 to March 1, 2026, for a total of 16 months. The parties' respective ledgers confirm the amounts the Tenant has paid during this period, however, the Tenant did not lead evidence regarding how much or if rent was paid in April 2026. Therefore, the remedy is to March 1, 2026, and the Tenant is entitled to the return of \$1,350.00 for rent collected in contravention of the Act calculated as follows: $A - B = \$1,350.00$.

A) Rent paid from December 1, 2024 to March 1, 2026 = \$27,750.00

B) Lawful rent owing from December 1, 2024 to March 1, 2026 = \$26,400.00

It is ordered that:

1. The total amount the Landlords shall pay the Tenant is **\$1,398.00**. This amount represents:
 - \$1,350.00 for excess rent collected.
 - \$48.00 for the cost of filing the application.
2. The Landlords shall pay the Tenant the full amount owing by May 24, 2026.
3. If the Landlords do not pay the Tenant the full amount owing by May 24, 2026, the Landlords will owe interest. This will be simple interest calculated from May 25, 2026 at 4.00% annually on the balance outstanding.
4. If the Landlords do not pay the Tenant the full amount owing by May 24, 2026, the Tenant may recover this amount by deducting \$349.50 from the rent each month from June 1, 2026 to September 1, 2026.

5. The Tenant has the right, at any time, to collect the full amount owing or any balance outstanding under this order.

May 13, 2026

Date Issued

Fotoula Hatzantonis

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.