



Order under Section 126 Residential Tenancies Act, 2006

Citation: Kajan v Robinson, 2026 ONLTB 37854

Date: 2026-05-13

File Number: LTB-L-075256-23

In the matter of: 911 Ellias Street, London, Ontario, N5W 3P3
913 Ellias Street, London, Ontario, N5W 3P3

Between: Alma Kajan Landlord

And

Jordon Connersd Tenants
Suzanne Robinson
Kelly Tait Conners
Robert Treadwell

Alma Kajan (the 'Landlord') applied for an order permitting the rent charged to be increased by more than the guideline for one or more of the rental units in the residential complex.

A Case Management Hearing was held on October 2, 2025, however the Tenants did not attend and this application was directed to a written merits hearing.

This application was resolved by written hearing. No submissions were received from the Tenants.

It is determined that:

1. I find that the Landlord has justified a rent increase above the guideline because the Landlord incurred an eligible capital expenditure for the residential complex or one or more of the rental units in it.

The Definition of Capital Expenditure

2. The Landlord must lead evidence to establish that each of the capital expenditures claimed meets the definition of "capital expenditure" as set out in s. 18(1) of the regulation. It says:

"capital expenditure" means an expenditure for an extraordinary or significant

renovation, repair, replacement or new addition, the expected benefit of which extends for at least five years including,

- a. an expenditure with respect to a leased asset if the lease qualifies as determined under subsection (2), and
- b. an expenditure that the landlord is required to pay on work undertaken by a municipality, local board or public utility, other than work undertaken because of the landlord's failure to do it,

but does not include,

- c. routine or ordinary work undertaken on a regular basis or undertaken to maintain a capital asset in its operating state, such as cleaning and janitorial services, elevator servicing, general building maintenance, grounds-keeping and appliance repairs, or
- d. work that is substantially cosmetic in nature or is designed to enhance the level of prestige or luxury offered by a unit or residential complex;

"Eligible" Capital Expenditures

- 3. In addition to meeting the definition of capital expenditure, each of the Landlord's claimed items must be an "eligible" capital expenditure.
- 4. Subsections 126(7) and (8) of the Act say:

(7) Subject to subsections (8) and (9) and except under the prescribed circumstances, a capital expenditure is an eligible capital expenditure for the purposes of this section if,

- a. it is necessary to protect or restore the physical integrity of the residential complex or part of it;
- b. it is necessary to comply with subsection 20 (1) or clauses 161 (a) to (e);
- c. it is necessary to maintain the provision of a plumbing, heating, mechanical, electrical, ventilation or air conditioning system;
- d. it provides access for persons with disabilities;
- e. it promotes energy or water conservation; or
- f. it maintains or improves the security of the residential complex or part of it.

(8) A capital expenditure to replace a system or thing is not an eligible capital expenditure for the purposes of this section if the system or thing that was replaced did not require major repair or replacement, unless the replacement of the system or thing promotes,

- g. access for persons with disabilities;
- h. energy or water conservation; or
- i. security of the residential complex or part of it.

The 18-Month Window

- 5. Pursuant to s. 26(2) of the regulation a rent increase shall not be ordered in respect of a capital expenditure unless the work was completed during the 18-month period ending 90 days before the effective date of the first intended rent increase referred to in the application. In this case the 18-month window is from April 3, 2022, to October 3, 2023.
- 6. The expenditure must also be "incurred" which essentially means the work must have been paid for prior to the application being filed. This is not an issue with respect to any of the items claimed in this application.

The Useful Life

- 7. If the expenditure meets the requirements set out above, then the Board must establish the useful life of the work done in order to calculate the allowable increase.
- 8. Section 27 of the regulation says:

27. (1) The useful life of work done or a thing purchased shall be determined from the Schedule subject to the following rules:

- a. Where the useful life set out in Column 3 of the Tables in the Schedule is less than 10 years, the useful life of work done or a thing purchased shall be deemed to be 10 years.
- b. If, when a thing is purchased, it has previously been used, the useful life of the thing shall be determined taking into account the length of time of that previous use.
- c. If the work done or thing purchased does not appear in the Schedule, the useful life of the work or thing shall be determined with reference to items with similar characteristics that do appear in the Schedule.
- d. Despite paragraphs 2 and 3, for the purposes of making a finding under this section, the useful life of work done or a thing purchased shall not be determined to be less than 10 years.

(2) If the useful life of work done or a thing purchased cannot be determined under subsection (1) because the work or thing does not appear in the Schedule and no item with similar characteristics appears in the Schedule, the useful life of the work or thing shall be what is generally accepted as the useful life of such

work or thing but in no case shall the useful life be determined to be less than 10 years.

Capital Expenditure

9. The Landlord justified a rent increase above the guideline because of capital expenditures.
10. The rent increase above the guideline because of capital expenditure is not the same for all of the affected units. The maximum rent increase above the guideline is 4.44%, but the increase is lower for Tenants who have moved into their units more recently or who are not affected by some of the capital expenditures. See Schedule 1 for the unit specific increases.
11. The Landlord's application is for the following capital expenditures:
 - a. New Refrigerator; and
 - b. Roof Replacement.

Capital Expenditure #1 – New Refrigerator

12. The Landlord submits that the replacement was necessary as the old refrigerator in unit 913 was no longer economically feasible to repair.
13. Based on the uncontested evidence, I am satisfied the purchase of the new refrigerator meets the definition of capital expenditure contained in s.18(1) of the *O.Reg 516/06* as it was a significant replacement, the expected benefit of which extends for at least five years. It also meets the test for eligibility under subsections 126(7)(b) of the *Act* because it was necessary to comply with the Landlord's maintenance obligations under 20(1).

Allocation of Costs

14. The rules set out in section 26 of the *O.Reg. 516/06* apply to the Board in making findings relating to capital expenditures. Subsection 26(6)(1) states:

For each rental unit that is subject to the application, the percentage rent increase that is justified by capital expenditures shall be determined in accordance with the following rules.

1. Determine which capital expenditures affect the unit. [Emphasis added].
15. Given that only unit 913 received the new appliance, the cost of this item will apply solely to that unit.

16. Based on the evidence, I am satisfied that only unit 913 is affected by this capital expenditure. Accordingly, the costs of this item in the amount of \$1,194.17 will be allocated solely to unit 913.

17. The useful life for this item is 15 years.

Capital Expenditure #2 – Roof Replacement

18. The Landlord submitted that the roof shingles had deteriorated to a point that required that the entire roof needed to be replaced.

19. The scope of the work involved the following:

- removal of the old asphalt shingles,
- installing the ice and water shield,
- underlayment installed along with adequate ventilation,
- flashing; and
- installation of the new shingles.

20. The Landlord submits that the work was “eligible” because it was necessary to protect or restore the physical integrity of the residential complex.

21. I am satisfied the roof replacement project meets the definition of capital expenditure contained in s.18(1) of the *O.Reg 516/06* as it was a significant replacement, the expected benefit of which extends for at least five years. It also meets the test for eligibility under subsection 126(7)(a) of the *Act* because it was necessary to protect or restore the physical integrity of the residential complex.

22. As stated above, the Landlord submits that the project was eligible because it was necessary to protect the physical integrity of the residential complex.

23. Section 18(1) of O. Reg. 516/06 defines the term “physical integrity” to mean:

The integrity of all parts of a structure, including the foundation, that support loads or that provides a weather envelope and includes the integrity of:

- the roof, exterior walls, exterior doors and exterior windows,
- elements adjacent to the structure that contribute to the weather envelope of the structure, and
- columns, walls and floors that support loads. [Emphasis added]

24. Given the plain reading of the s. 18(1) of O. Reg. 516/06, the roof forms part of the weather envelope and contributes to the physical integrity of the complex as a whole. In keeping with Guideline 14 of the Board’s Interpretation Guidelines the costs of this item in the amount of \$7,520.15 will be applied to all the units in the complex.

25. For the purpose of clarity, based on the determination set out above relating to cost allocation, the Landlord evidence may have justified an above guideline increase greater than the percentage set out in the "How to Prepare for an Above Guideline Increase Hearing" pamphlet provided to the Tenants prior to the hearing. In accordance with the Act, the actual above guideline increase permitted to be taken by the Landlord is limited to the lesser amount as set out in this Order or set out in the Notices of Rent Increase (N1 form) served upon the Tenants during the relevant time periods.

26. The useful life for this item is 15 years.

27. The weighted useful life for all the capital expenditures is 15 years.

General

28. The first effective date of the rent increase above the guideline is January 1, 2024.

It is ordered that:

1. The Landlord may increase the rents charged by the percentage increases and within the time periods set out in Schedule 1.
2. The percentage increase set out in Schedule 1 may be taken in addition to the annual guideline in effect on the increase date for the unit.
3. The Landlord or the Tenants shall pay to the other any sum of money that is owed as a result of this order within 90 days of the date of this order.

May 13, 2026
Date Issued

Guy Savoie
Vice Chair, 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.

Important Notes:

1. The landlord may increase the rent charged by the ordered increase within the time period specified if at least 12 months have passed since the last rent increase or since the tenant moved in, and if the landlord has given the tenant at

least 90 days proper Notice of Rent Increase. Any part of the ordered increase that is not taken within the time period specified cannot be added to subsequent rent increases in subsequent time periods.

2. If the landlord has given a Notice of Rent Increase for a rent increase that is less than the ordered increase, the landlord may only take the rent increase set out in the Notice.
3. If the Tenant's rent is increased pursuant to the percentage increase ordered for capital expenditures and the same Tenant remains in the unit after the expiration of the weighted useful life for capital expenditures, then the rent will be reduced. Refer to Schedule 2 for information about the date and amount of the rent reduction.
4. The annual guideline for 2024 is 2.5% and for 2025 is 2.5%.

Schedule 1 - Ordered Rent Increase Above the Guideline**First Effective Date of Rent Increase in this Order is January 1, 2024**

The Landlord may increase the rent charged for the units affected by this order by the total percentages set out below and within the time periods set out below. These percentage increases may be taken in addition to the annual guideline in effect on the increase date for the unit.

For the period January 1, 2024 to December 31, 2024			January 1, 2025 to December 31, 2025			
Rental Unit Address Name	% inc for Cap Exp (Max 3%)	Total Increase (Excludes Guideline)	% inc for Cap Exp (Max 3%)	Total Increase (Excludes Guideline)	Weighted Useful Life	Total % for Cap Exp
911 Ellias Street	3.00%	3.00%	0.49%	0.49%	15	3.49%
913 Ellias Street	3.00%	3.00%	1.44%	1.44%	15	4.44%

Schedule 2 - Rent Reduction related to Capital Expenditures:

A. Date of Rent Reduction

If the Tenant's rent is increased based on capital expenditures during the period 2024 then:

The date of the rent reduction will be the day before:

- the date of the Tenant's first rent increase under this order, plus
- the number of years for the weighted useful life for capital expenditures for the unit (set out in Schedule 1).

Example:

If the Tenant's rent was increased on June 1, 2021 and the weighted useful life for capital expenditures is 10 years, then the rent will be reduced on May 31, 2031.

If the Tenant's rent was *not* increased based on capital expenditures during the period 2024 but was increased during the later periods set out in the order then:

The date of the rent reduction will be the day before:

- the First Effective Date of Rent Increase in this order, plus
- the number of years for the weighted useful life for capital expenditures for the unit (set out in Schedule 1).

Example:

If the first effective date of increase in this order is April 1, 2021 and the weighted useful life for capital expenditures is 10 years, then the rent will be reduced on March 31, 2031.

B. Amount of Rent Reduction

If the Tenant's rent is increased by the total percentage increase set out in this order then:

The rent must be reduced by the total percentage increase set out in this order for capital expenditures.

If the Tenant's rent is *not* increased by the total percentage increase set out in this order then:

The rent must be reduced by an amount determined in accordance with the prescribed rules which may be equal to or less than the total percentage increase set out in this order for capital expenditures.