



Order under Section 126 Residential Tenancies Act, 2006

Citation: Crich Holdings and Buildings Limited c/o Terracorp Management Inc. v Gill,
2026 ONLTB 37894

Date: 2026-05-13

File Number: LTB-L-040222-23

In the matter of: 695 Talbot Street, London, Ontario, N6A 2T8

Between: Crich Holdings and Buildings Limited c/o Terracorp Landlord
Management Inc.

and

Refer to attached Schedule 2 Tenants

Crich Holdings and Buildings Limited c/o Terracorp Management Inc. (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.

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

Case Management Hearing

1. A Case Management Hearing was held on October 7, 2025. The parties were unable to resolve the issues and this application was scheduled for a written merits hearing.

Request to Amend

2. In response to a deficiency letter issued by the Board, the Landlord requested to amend the "units to be included in this application to 74 of the total 101".
3. For the benefit of the Tenants, I note that all 101 units are used in calculating the above guideline increase, the apportioned increase granted will only apply to those 74 units covered by the application.
4. In accordance with Rule 15 of the Board's Rules of Procedure, in determining whether to grant the request to amend, the Board must consider whether the amendment was requested as soon as the need was known, any prejudice a party may experience, and whether the amendment was necessary. Having regard for all the circumstances, I find it appropriate to grant the Landlord's amendment request.

It is determined that:

5. 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

6. 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

7. In addition to meeting the definition of capital expenditure, each of the Landlord's claimed items must be an "eligible" capital expenditure.
8. 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,

- a. access for persons with disabilities;
- b. energy or water conservation; or
- c. security of the residential complex or part of it.

THE 18-MONTH WINDOW

- 9. 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 November 3, 2021 to May 3, 2023.
- 10. 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

- 11. 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.
- 12. 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:
 - 1. 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.

2. 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.
3. 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.
4. 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

13. The Landlord justified a rent increase above the guideline because of capital expenditures.
14. The maximum rent increase for capital expenditures is **1.68%**. The increase is to be taken in the first year.
15. The Landlord's application is for the following capital expenditure:
 - a. Elevator Modernization.

Capital Expenditure #1: Elevator Modernization

16. The Landlord submits that the elevator modernization project was necessary as the "original elevator components had reached end of service life and could no longer be reliably repaired". The scope of the work involved modernization of the elevator system. The Landlord submits that this item is "eligible" under subsection 126(7)(b) as the work was necessary to comply with subsection 20(1), and 126(7)(c) to maintain the provision of a mechanical system. The cost claimed in this capital expenditure is \$269,331.79.
17. Given the uncontested evidence, I am satisfied the Elevator Modernization project meets the definition of capital expenditure contained in subsection 18(1) of the O. Reg. 516/06 as it was a significant repair and replacement, the expected benefit of which extends for at least five years. It also meets the test for eligibility under subsections 126(7)(b) as the work was necessary to comply with subsection 20(1) and 126(7)(c) to maintain the provision of a mechanical system.

18. The cost of this capital expenditure is \$269,331.79.
19. The useful life of this capital expenditure is 15 years.
20. The weighted useful life for capital expenditures is 15 years.

General

21. The Certificate of Service filed by the Landlord on December 5, 2025, indicates that some rental units listed in the application were not served with the application and notice of hearing. The Board shall therefore amend the application by removing these rental units. As a result, this order for a rent increase above the guideline under section 126 of the Act does not apply to the following units: 96, 97, 98, 99, 103, 106, 108, 110, 203, 208, 210, 303, 306, 307, 308, 315, 401, 402, 404, 407, 501, 503, 504, 515, 601, 602, 607, 608, 610, 614, 701, 702, 703, 705, 706, 708, 710, 711, 712, 714, and 715.
22. The Certificate of Service filed by the Landlord on December 5, 2025, indicates that some Tenants listed in the application were not served with the application and notice of hearing. The Board shall therefore amend the application by removing these Tenants as parties. As a result, this order for a rent increase above the guideline under section 126 of the Act does not apply to the following Tenants: Dustin Riley-Valliere and Michael Hoeksema (both Unit 314).
23. The first effective date of the rent increase above the guideline is August 1, 2023.

It is ordered that:

1. The Landlord may increase the rents charged by 1.68% for the units set out in Schedule 1.
2. The percentage increase set out in paragraph 1 is to be taken as follows:
 - a. The Landlord may increase the rents charged by 1.68% within the time period of August 1, 2023, to July 31, 2024.
3. The percentage increase set out in paragraph 1 may be taken in addition to the annual guideline in effect on the increase date for the unit.

4. 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

Andrew Laurich

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.

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 3 for information about the date and amount of the rent reduction.
4. The annual guideline for 2023 is 2.50%, and for 2024 is 2.50%.

Schedule 1 - Units affected by this Order:

695 Talbot Street, London, Ontario, N6A 2T8

102
104
105
107
111
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204
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Schedule 2 - Tenants who are Affected by this Order:

Ackworth, Anna
Bain, Kevin
Bosacki, Alexander
Buller, Joshua
Dodd, Chelsea
El-Ahmar, Khaled
Elliot, Jillian
Fisher, Tatum
Francis, Dylan
Gibson, Kathleen
Guerin, Cheryl
Harrison, Chris
Holden, Samuel
Ifabumuyi, Liam
Innes, Jocelyn
Lindsay, William
McEwen, Mary
McMullin, Ronald
McNair, Terri
Mead, Noah
Michailidis, Laura
Miller, Denise
Montague, Sheila
Munro, Miranda

Newman, David
Northrup, Brennon
Nowokowski, Lynne
Pitre, Christoper
Ritter, Christiane
Ritter, Nicholas
Ritter, Stephen
Rohde, Brenda
Rohde, Tristan
Sadovski, Britani
Sargeant, Jeffrey
Schipper, James
Sedgewick, Sarah
Smith, Simon
Sousa, Mario
Sturgeon, Kendall
Taylor, Matthew
Teplitsky, Jenny
Tripp, Megan
Vandeworp, Yen
Vidojevic, Radosava
Williams, Terrence
Wilson, Derek
Wood, Jessica

Schedule 3 - Rent Reduction related to Capital Expenditures

A. Date of Rent Reduction

If the Tenant's rent is increased based on capital expenditures during 2023 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 the order).

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 2023 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 the order).

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.