



Order under Section 126 Residential Tenancies Act, 2006

Citation: Szecsenyi v Loft, 2026 ONLTB 38221

Date: 2026-05-14

File Number: LTB-L-075705-23

In the matter of: 41 Conroy Crescent, Guelph, Ontario, N1G 2V5

Between: Livia Szecsenyi Landlord
Istvan Szecsenyi

And

Refer to attached Schedule 2 Tenants

Livia Szecsenyi and Istvan Szecsenyi (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. The Application was filed with the Board on September 22, 2023. The first effective date (FED) identified on the Application is January 1, 2024.

The Application does not apply to all rental units in the residential complex. For a list of the units covered by this Application, see Schedule 1.

The Application was resolved by a written hearing.

Preliminary Matters:

1. The Board scheduled a virtual Case Management Hearing (CMH) for October 1, 2025.
2. Following completion of the CMH, the Board directed that the merits of the Application be determined by way of a written hearing.
3. On November 7, 2025, the Board Ordered the Landlord to serve a Notice of Written Hearing together with a copy of the Application on each Tenant affected by the Application. The Notice of Written Hearing set the following deadlines:
 - a. The Landlord was required to serve a copy of the Application together with a copy of the Notice of Written Hearing on the Tenants no later than November 27, 2025; and
 - b. The Notice gave the Tenants until December 27, 2025, to make submissions in response to the Application, and provided the Landlord until January 11, 2026, to reply to any submissions filed by the Tenants.

4. The Notice of Written Hearing issued on November 7, 2025, explicitly stated: "New evidence may not be filed by the landlord at this stage without permission from the LTB." Despite this, on November 18, 2025, the Landlord filed a document titled "Landlords Submissions and Supporting Documents" containing evidence in support of the Application.
5. The Landlord filed a Certificate of Service dated November 18, 2025, indicating the "Landlords Submissions and Supporting Documents" was served on the Tenants by "XPressPost" on November 18, 2025.
6. Although the Landlord did not seek permission from the Board to file additional evidence, the Tenants were served this evidence in advance of their deadline for filing responding submissions with sufficient time to review and respond to the evidence. As a result, I find the Tenants would not be prejudiced if this evidence is accepted. For this reason, I retroactively grant the Landlord permission to file the "Landlords Submissions and Supporting Documents" and will consider that evidence in this decision.
7. Despite evidence of proper service on the units to which the Application applies, no submissions were received from the Tenants.

It is determined that:

8. 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

9. 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

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

11. 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

12. 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.

13. 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

14. 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.

15. 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 Expenditures

16. The Landlord's evidence justifies a rent increase above the guideline of 5.36%, because of capital expenditures. However, pursuant to subsection 126(11) of the Act, the maximum permitted rent increase above the guideline because of capital expenditures in any year is 3.00%. As a result, the rent increase justified in this Application may be taken as follows: 3.00% in the first year and 2.36% in the second year. These increases are in addition to the annual guideline rent increase.

17. The Landlord's application is for the following capital expenditure:

a. Balcony Restoration.

18. The Landlord submits work related to Balcony Restoration was completed on June 22, 2023, at a cost of \$193,263.20.¹ The Landlord submits that the "...exterior masonry on the residential complex was crumbling and separating from the building. The falling bricks caused health and safety concerns and allowed the incursion of water into the interior of the building."

19. The Landlord filed invoices and proof of payment for the work completed.

20. The Landlord filed photos of the balconies prior to completion of the restoration work. The photos show brick deterioration on the exterior wall. The Landlord submits the restoration work constitutes an eligible capital expenditure under s. 126(7)(a) of the Act because it was necessary to restore the physical integrity of the residential complex.

21. Based on the photos of the balconies prior to completion of the work, I find that the work completed by the Landlord was necessary to restore the physical integrity of the complex, and therefore constitutes an eligible capital expenditure under s. 126(7)(a) of the Act.

22. Based on the invoices filed by the Landlord, I find that the work was completed on or about June 22, 2023. I therefore find that the work was completed in the prescribed capital expenditure window and constitutes an eligible capital expenditure under s. 26(2) of O. Reg. 516/06.

23. The Landlord submits that the anticipated useful life of the Balcony Restoration is 13 years.

24. The anticipated useful life of a capital expenditure is an important factor in the calculation of an above guideline rent increase. The permitted above guideline rent increase resulting from a capital expenditure is calculated by amortizing the cost incurred by the Landlord over the useful life of the capital expenditure at a prescribed rate of interest. Put another way, the justified rent increase reflects how much the Tenant's rent needs to be increased now to permit the landlord to recover the cost of the work or thing purchased over the expected life of that work or thing. At the end of the useful life of the work or thing, at which time the total cost incurred by the landlord has been recovered, with interest, the Tenant's rent should be reduced to reflect that the cost incurred has been fully recovered by the landlord. Schedule 3 to this Order provides a more detailed explanation of how this works.

25. Ontario Regulation 516/06 (the "Regulation") includes a Schedule titled "Useful Life of Work Done or Thing Purchased", which sets out the useful life figures the

¹ See "Landlord's Submissions and Supporting Documents", page 3 of 14

Board must use to calculate the allowed above guideline increase (the “Useful Life Schedule”).

26. The term “Balcony Restoration” does not appear on the Useful Life Schedule. Section 27 of the Regulation says where an expenditure does not appear in the Useful Life 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.
27. Based on the invoices and photographs relied on by the Landlord, I find that most of the work claimed for this expenditure involved the removal and replacement of the brickwork on the exterior wall that had become deteriorated. Such work is similar to “masonry replacement”, which is listed as Item 4 on Table 3 (“Masonry”) on the Useful Life Schedule with an anticipated useful life of 20 years. I therefore find that the anticipated useful life of the Balcony Restoration work completed by the Landlord is 20 years.
28. The weighted useful life for the capital expenditure is 20 years.

General

29. The Certificate of Service filed by the Landlord on December 1, 2025, indicates that some rental units listed in the application were not served with the application and notice of hearing. The LTB 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: 102, 203, 303 and 504.
30. The first effective date of the rent increase above the guideline is January 1, 2024.
31. Given that the Board is making an order for a rent increase above the guideline and the order is being made three months after the first effective date of a rent increase in the order, I am exercising my discretion to provide in the order that if a tenant owes any sum of money to the Landlord as a result of the order, the Tenant may pay the Landlord the amount owing in 9 monthly instalments.

It is ordered that:

1. The Landlord may increase the rents charged by 5.36% 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 3.00% within the time period of January 1, 2024 to December 31, 2024; and
 - b. The Landlord may increase the rents charged by 2.36% within the time period of January 1, 2025 to December 31, 2025.

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 shall pay to the Tenants any sum of money that is owed as a result of this order within 90 days of the date of this order.
5. The Tenants may pay any amount owing to the Landlord as a result of this order in 9 monthly installments, beginning June 1, 2026.

May 14, 2026
Date Issued

James Gorham

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 2024 and 2025 is 2.50%.

Schedule 1 - Units affected by this Order:

101
103
104
201
202
204
301
302
401
403
404
501
502
503

Schedule 2 - Tenants who are Affected by this Order:

Adams, Keith
Boulay, Tim
Garner, Jennyfer
Goforth, Carly
Goforth, Eric
Joshi, Rajal
Juhasz, Steven
Kernan, Teresa
Loft, Jarret
Mitchell, Devon
Monk, Karen
Nery, Alma
Pipes, Barb
Poplata, Nancy
Qurriel, Kyle
Schonfeld, Justin
Sheibani, Loenard
Tykhonova, Viktoriia
Vivchanuk, Volodymyr

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 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 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 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 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.