



Order under Section 126 Residential Tenancies Act, 2006

Citation: Ardell v Wilson, 2026 ONLTB 38404

Date: 2026-05-14

File Number: LTB-L-028938-24

In the matter of: 32-34 King Street W, Hagersville, ON, N0A1H0

Between: Antoinette Ardell Landlord

And

Refer to attached Schedule 2 Tenants

Antoinette Ardell (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 written hearing. No submissions were received from the Tenants.

Preliminary Matters:

1. A case management hearing was heard on September 29, 2025, but did not result in a consent resolution. The file was then directed to a written merits hearing. The Tenants did not make submissions to the Board after the case management hearing.
2. The Board issued a deficiency letter to the Landlord on November 5, 2025, directing it to address the following matters by November 19, 2025:
 - *Please complete a Capital Expenditure Additional Details form and confirm the item #, total costs, or date work completed.*
 - *The capital expenditure completion date and invoice falls outside of the 18-month capital expenditure window for item #2. You must provide a written justification as to why these costs meet the eligible criteria under the legislation.*
3. The Landlord responded to the deficiency letter by email on November 10, 2025. These matters will be addressed below where relevant to the Landlord's application.

It is determined that:

4. 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

5. 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

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

- 8. 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 July 2, 2022 to January 2, 2024.
- 9. 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

- 10. 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.
- 11. 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

- 12. The Landlord justified a rent increase above the guideline because of capital expenditures.
- 13. The Landlord's evidence justifies a rent increase above the guideline of 7.33%, 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, 3.00% in the second year, and 1.33% in the third year. These increases are in addition to the annual guideline rent increase.
- 14. The Landlord's application is for the following capital expenditures:
 - a. Capital Expenditure #1 - Vinyl Siding of Building;
 - b. Capital Expenditure #2 – Roof; and
 - c. Capital Expenditure #3 - Remove Storage Shed and Level with Stone.

Capital Expenditure #1 – Vinyl Siding of Building

- 15. This capital expenditure relates to the installation of vinyl siding at 23-34 King Street West, Hagersville, Ontario (the "Residential Complex"). The Landlord justifies this capital expenditure under subsection 126(7)(a) of the Act as it was necessary to restore the physical integrity of the residential complex. The Landlord explains the project's reason and scope in Schedule 2(c) of the application where it is alleged the "wooden siding was falling off there affecting integrity of building". The Landlord claims a total cost of \$29,775.50.

16. The Landlord filed an invoice from A M Roofing Systems Inc. in the total amount of \$29,775.00 dated December 15, 2022 for work described as “to all work as per Apr 12/22 Quote” and “extra for capping of more windows and doors”. Proof of payment for the invoice was also filed with the Board. The Landlord did not file a copy of the April 2022 quote. However, the application claims that this work was a necessary installation of vinyl to replace existing wooden siding that was in a poor state of repair. This assertion is not disputed by the Tenants. Therefore, I find that the evidence demonstrates that the Landlord completed \$29,775.50 to repair the siding as claimed in the application, and that this work was necessary to restore the physical integrity of the Residential Complex.

The Useful Life of Capital Expenditure #1

17. The Landlord proposes a useful life for this project of 30 years but does not provide an explanation for this assertion. Section 27 of O. Reg. 516/06 requires the Board to determine a capital expenditure’s useful life as follows:

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.

18. Vinyl siding is not listed in Table 6 (Thermal and Moisture Protection) or elsewhere in the Schedule. Subsection 27(1)(3) of the Regulation then directs the Board to determine the useful life “with reference to items with similar

characteristics that do appear in the Schedule.” I note that in Table 6 “steel siding” at line 24 and “vinyl soffits and fascia” at line 32 both are assigned a useful life of 25 years. The latter entry is the only one that refers to a building element made of vinyl. I also note that the Landlord claimed a useful life of 30 years in the application. For these reasons, it is determined that Capital Expenditure #1 should be assigned a useful life of 25 years.

Conclusions for Capital Expenditure #1

19. In conclusion, I find that the installation of vinyl siding on the Residential Complex by the Landlord meets the definition of capital expenditure contained in subsection 18(1) of O. Reg 516/06 as it constitutes a significant renovation, repair or replacement, the expected benefit of which extends for at least five years. It also benefits all units in the residential premises. The work is eligible under subsection 126(7)(a) as it was necessary to protect the physical integrity of the Residential Complex. I am also satisfied that the work related to this capital expenditure was completed within the 18-month period as set out in s. 26(2) of O. Reg. 516/06.
20. The project cost was \$29,775.50.
21. The useful life for the capital expenditures is 25 years.

Capital Expenditure #2 – Roof

22. This capital expenditure relates to the installation of a new roof at the Residential Complex. The Landlord justifies this capital expenditure under subsection 126(7)(a) of the Act as it was necessary to restore the physical integrity of the residential complex. The reason and scope are given in Schedule 2(c) of the application where the Landlord states that the “roof was leaking.” The Landlord claims a total project cost of \$17,515.00.
23. The Landlord filed an invoice from A M Roofing Systems Inc. in the total amount of \$17,515.00 dated April 7, 2022 for work described as “re-shingling roof as per Dec 21/21 Quote” and “extra to torch on a layer of cap sheet on flat roof”. Proof of payment for the invoice was also filed with the Board, however the Landlord did not file a copy of the December 21, 2021 quote. The scope and nature of the work is not disputed by the Tenants. Therefore, I find that the work costing \$17,515.00 was undertaken on Capital Expenditure #2 because it was necessary to restore the physical integrity of the Residential Complex.

Requirement for Completion of Work Under Section 26(2) of O. Reg. 516/06

24. Subsections 26(1) and (2) of O. Reg. 516/06 apply to all applications for above guideline rent increases based on capital expenditures, and provide as follows:

26. (1) The rules set out in this section apply to the Board in making findings relating to capital expenditures.

(2) 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.

25. The Landlord specified a first effective date of April 1, 2024 in the application. This means the 18-month period under subsection 26(2) of the Regulation runs from July 2, 2022 to January 2, 2024.

26. In the amended Schedule 2(a) of the application under the heading "Description and Costs", the Landlord indicated that work on Capital Expenditure #2 was completed on April 7, 2022. This appears consistent with A M Roofing Systems' invoice of April 22, 2022 and the confirmation of payment on May 9, 2022. This evidence demonstrates that the work was completed on or earlier than May 9, 2022, which is before the 18-month period specified in the Regulation started on July 2, 2022. The Board notified the Landlord of this issue in its deficiency letter dated November 5, 2025. The Landlord responded by email on November 10, 2025 in the following passage:

For item #2, it's important to remember that COVID was still impacting our daily lives. Jobs that would normally be completed in a couple of weeks were taking months due to the COVID restrictions in place. If it had not been for the COVID restrictions, our initial paperwork would have been filed much earlier. AM Roofing completed the work for item #2 on April 07, 2022. We then received a quote from AM Roofing on April 12, 2022 for the work that became item #1 but due to finances (which were impacted by COVID) we had to delay. We proceeded with the work for item #3 and that was completed September 28, 2022. We finally gave the go ahead to proceed with the work on item #1 in December 2022 and that work was completed March 28, 2023. In May 2023 we tried to apply for an AGI, but we could not get in to the LTB to submit the L5. I seem to recall that in-person visits to offices to submit paperwork required appointments and we were unable to get one. It was finally in December 2023 that we found out the Hamilton office was seeing people in person so I camped outside the door until I could get in. It basically took me all day to get everything submitted (our payment was processed at 16:38) but it finally got done. When we started all these Capital Expenditures, we knew they all needed to be done. It would have been foolish to submit an L5 for each one individually, so I had to wait until everything was completed. I realize that the LTB is catching up on a lot of the paperwork that was delayed by COVID, so I'm asking for some leniency on paperwork that I filed in December 2023.

27. I note that the Landlord did not give new evidence about the completion date for Capital Expenditure #2 in answer to the Board's deficiency letter. The Landlord submits that COVID caused difficulties completing the work on all the application's three capital expenditures and submitting a joint application within the required timelines. However, subsection 26(2) of the Regulation unambiguously states that "a rent increase shall not be ordered in respect of a capital expenditure" that is not completed within the requisite period. No other provision of the Act or Regulation qualifies this provision. No other legal authority was supplied by the Landlord that would justify a different conclusion. I also note that Ontario Regulation 73/20 under the Emergency Management and Civil Protection Act only suspended limitation periods because of COVID between March 16, 2020 and September 14, 2020, which is not applicable to the facts here. While subsection 26(2) of O. Reg. 516/06 does not require landlords to do all work for a capital expenditure within the 18-month period, it is necessary that the last work is done within this window. As a result, I find that the Landlord did not complete this project within the 18-month period required in subsection 26(2) of the Regulation. Therefore, the Board may not order a rent increase based on Capital Expenditure #2 and this part of the application is denied.

Capital Expenditure #3 – Remove Storage Shed and Level with Stone

28. This capital expenditure relates to removal of a storage shed from the Residential Complex and leveling the space with stone. The Landlord justifies the project under subsection s.126(7)(f) as it improves the security of the residential complex or part of it. The reason and scope is given in Schedule 2(c) of the application where the Landlord states that the "shed falling down creating safety concerns" and that the work "provided adequate parking and safety." The Landlord claims a total cost of the project of \$8,785.52.

29. The Landlord filed an invoice from Haldibrook Landscape Excavation. in the total amount of \$8,785.52 dated September 28, 2022 for work described as "remove garage and install gravel", "install gravel parking lot", "extra - install gravel under fire escape" and "regrade driveway". The invoice includes confirmation of payment by cheque 325 on October 1, 2022. The Tenants do not dispute the scope, nature or necessity of the work. Therefore, I find that the work costing \$8,785.52 was undertaken on Capital Expenditure #3 because it was necessary to improve the safety of the Residential Complex or a part of it.

30. The Landlord specified a useful life of 30 years for Capital Expenditure #3. As previously addressed, the Board must follow section 27 of O. Reg. 516/06 to ascertain the useful life of a capital expenditure. In Table 1 (Sitework), Line 11 (Gravel Parking Lots, Driveways and Walkways" specifies a useful life of 10 years for the work carried out in Capital Expenditure #3. This project also involved the demolition of a garage or shed, which I find to be ancillary to the main work of clearing the space and creating a gravel parking and walking area. For this reason, I find that Capital Expenditure #3 should be assigned a useful life of 10 years.

Conclusions for Capital Expenditure #3

31. In conclusion, I find that this project, as described in the invoice from Haldibrook Landscape Excavation, meets the definition of capital expenditure contained in subsection 18(1) of O. Reg 516/06 as it constitutes a significant renovation, repair, replacement or new addition, the expected benefit of which extends for at least five years. It also benefits all units in the residential premises. The work is eligible under subsection 126(7)(f) as it was necessary to improve the safety of the Residential Complex or a part of it. I am also satisfied that the work related to this capital expenditure was completed within the 18-month period as set out in s. 26(2) of O. Reg. 516/06.

32. The project cost was \$8,785.52.

33. The useful life for the capital expenditures is 10 years.

34. The weighted useful life for the capital expenditures is 22 years.

Consideration of Subsection 205(2) of the Act Regarding Affordability

35. The Tenants did not raise issue of affordability, but the Board must consider its discretion under subsection 205(2) of the Act, which provides as follows:

205.(2) If the Board makes an order for a rent increase above the guideline and the order is made three months or more after the first effective date of a rent increase in the order, the Board may 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 monthly instalments.

36. This order is made more than three months after the first effective date of rent increase described in the application. Factors relevant to the Board's discretion under subsection 205(2) include the rate of the rent increase, the possible amounts of accumulated arrears and the Tenants' ability to pay. While the Board has no specific evidence about the Tenants' ability to pay the rent increase resulting from this order, I have considered the rate of increase, the length of time having passed since the first effective date and the rental information provided by the Landlord in the application. In these circumstances, I find it fair to allow the parties three (3) months to pay any amounts resulting from this order.

General

37. The Certificate of Service filed by the Landlord on November 26, 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: Lower Rear, 32 King Street, W.

38. The first effective date of the rent increase above the guideline is April 1, 2024.

It is ordered that:

1. The Landlord may increase the rents charged by 7.33% 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 April 1, 2024 to March 31, 2025; and
 - b. The Landlord may increase the rents charged by 3.00% within the time period of April 1, 2025 to March 31, 2026.
 - c. The Landlord may increase the rents charged by 1.33% within the time period of April 1, 2026 to March 31, 2027.
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 ninety (90) days of the date of this order.

May 14, 2026
Date Issued

Andreas von Cramon
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%, and for 2026 is 2.10%.

Schedule 1 - Units affected by this Order:

32-34 King Street W, Hagersville, Ontario, N0A1H0

Upper Front

32 King Street W, Hagersville, Ontario, N0A1H0

Upper Rear

Lower front 2BR

34 King Street W, Hagersville, Ontario, N0A1H0

Bachelor

Schedule 2 - Tenants who are Affected by this Order:

Martin, Marissa
Montague, Francis
Palermo, Cheryl
Wilson, Lawrence

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.