



**Order under Section 135
Residential Tenancies Act, 2006**

File Number: LTB-T-057375-25

In the matter of: 1411, 25 SUNRISE AVE
NORTH YORK ON M4A2S2

Between: Bibi Hanifa Azizi Tenant

And

Alemayehu Asfaw Landlord

Bibi Hanifa Azizi (the 'Tenant') applied for an order determining that Alemayehu Asfaw (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on February 23, 2026. The Landlord and the Tenant attended the hearing.

Determinations:

1. As explained below, the Tenant proved the allegations contained in the application on a balance of probabilities. Therefore, the Landlord shall pay the Tenant \$4,748.00 for excess rent collected and costs.
2. The Tenant alleges in their T1 application, filed on July 12, 2025, that the Landlord has charged an illegal rent which they have paid resulting in an overpayment of rent of \$2,460.00.
3. It is uncontested that:
 - a) The Tenant and the Landlord signed a lease agreement for the period August 1, 2022 – August 1, 2024. The agreed-upon rent for this period was \$2,800.00/month, payable on the first day of the month;
 - b) The Tenant and the Landlord signed a new lease agreement on June 20, 2024 for the period August 1, 2024 – July 31, 2026. The rent amount for this new lease was \$3,100.00/month; and
 - c) The Tenant and the Landlord agreed to reduce the rent to \$3,000.00 on April 5, 2025, commencing with the May 1, 2025 rent payment. This reduced amount was to be in effect for the remainder of the lease period (until July 31, 2026). The Tenant has paid this rent amount on an ongoing basis.

4. The Tenant submits that there is nothing substantially different between the original lease agreement entered into between the Tenant and the Landlord and that the new lease agreement is an attempt by the Landlord to contract out of the Act to achieve an illegal above guideline rent increase.
5. The Landlord submits that his expenses for the unit rose, including a building-wide imposition of a \$62.00/month TV and internet fee, necessitating an increase in the rent. The Landlord also indicated that the Tenant caused damages that he is seeking reimbursement for through an LTB application.

Analysis

6. I find that the Landlord has collected rent more than the amount allowed by the Act and must pay the Tenant the illegally collected rent as sought in the Tenant's T1 Application, for the reasons that follow.
7. The attempt to enter into a new lease agreement is an attempt to contract out of the Act, whether intentional or not. The new lease agreement attempts to circumvent the rent control provisions of the Act, in particular Section 110 of the Act which states that no landlord shall increase the rent charged to a tenant for a rental unit, except in accordance with the Act's rent increase rules.
8. Section 116 of the Act states that 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 using a Board approved form.
9. In this case the Landlord first increased the rent from \$2,800.00 to \$3,100.00, then reduced it to \$3,000.00, without first serving the required Notice of Rent Increase (NORI).
10. In addition, even if the Landlord had given the Tenant a NORI, the increase would still have been illegal because the landlord was limited to the 2024 guideline increase of 2.5%.
11. Subsection 120(1) of the Act provides:

No landlord may increase rent charged to a tenant or to an assignee under section 85, during the term of their tenancy by more than the guideline, except in accordance with section 126 or 127 or an agreement under section 121 or 123.

12. There was no evidence of any of the exceptions identified in section 120 under sections 121, 123, 126 or 127 applied – i.e. there were no Board orders permitting above guideline increases and there were no agreements entered into due to the provision of increased services or because of additional capital expenditures undertaken.
13. The fact that the Tenant signed a new lease containing the illegal rent increase does not make it lawful. The Court of Appeal for Ontario addressed this very issue in *Honsberger v. Grant Lake Forest Resources Ltd.*, 2019 ONCA 44. The Court found that while parties are free to enter into a new tenancy agreement at the expiry of their existing fixed term agreement, the landlord must also provide a written notice of rental increase in accordance with the RTA in order to increase the rent in the new tenancy agreement.

14. The rental amount of \$3,100.00 (or ultimately \$3,000.00) as contained in the new lease agreement is an illegal rent increase. The lawful monthly rent is \$2,800.00.
15. The lawful rent the Landlord was entitled to for the period of August 1, 2024 to February 28, 2026 is \$53,200.00 being 19 months at \$2,800.00/month.
16. The Tenant has paid rent for this period as follows:

Period	Rent Paid/Month	Total Rent Paid
August 1, 2024 – April 30, 2025 (9 months)	\$3,100.00	\$27,900.00
May 1, 2025 – February 28, 2026 (10 months)	\$3,000.00	\$30,000.00
		\$57,900.00

17. As the rent increase was unlawful, I find the Landlord collected \$4,700.00 of rent in excess of the amount permitted under the Act from the Tenant (\$57,900.00 paid - \$53,200.00 owed).
18. The Tenant's application was filed on July 12, 2025, which is less than one year before the rent was illegally rent increase took effect. Therefore, the Tenant's application was filed within the one-year limitation period as set out under section 135(4) of the Act. In addition, the rent increase deeming provision contained in section 135.1 of the Act does not apply to this unlawful increase because the Tenant did not pay the unlawful increase for 12 consecutive months before filing this application.
19. As the Tenant was successful in their application, they are also entitled to the cost of the filing fee.

It is ordered that:

- The total amount the Landlord shall pay the Tenant is \$4,748.00. This amount represents:
 - \$4,700.00 for excess rent collected.
 - \$48.00 for the cost of filing the application.
- The Landlord shall pay the Tenant the full amount owing by June 7, 2026.
- If the Landlord does not pay the Tenant the full amount owing by June 7, 2026, the Landlord will owe interest. This will be simple interest calculated from June 8, 2026 at 4.00% annually on the balance outstanding.

May 27, 2026
Date Issued

 Curtis Smith
 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.