



Order under Section 135 Residential Tenancies Act, 2006

Citation: Azad v Simmonds, 2026 ONLTB 40491

Date: 2026-05-26

File Number: LTB-T-042981-25

In the matter of: 1008, 195 WYNFORD DR
NORTH YORK ON M3C3P3

Between: Azin Azad Tenants
Sahabe Arbabie

And

Hugh Anthony Simmonds Landlord
Sharon Barnes-Simmonds

Azin Azad and Sahabe Arbabie (the 'Tenants') applied for an order determining that Hugh Anthony Simmonds and Sharon Barnes-Simmonds (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on May 13, 2026. Both Tenants attended the hearing. Both Landlords attended the hearing.

Determinations:

1. It is undisputed that the Tenants moved into the rental unit which is a condominium on April 14, 2022 and vacated the rental unit on May 1, 2025. The Tenants paid \$2,150.00 per month for the lawful monthly rent for the period April 14, 2022 to March 31, 2023.
2. As explained below, the Tenants proved one of the allegations contained in the application on a balance of probabilities. Therefore, the Landlords must pay to the Tenants interest owing on the last month's rent deposit in the amount of \$137.81. The Tenants were partially successful with their application. Therefore, the Landlords will also pay the Tenants \$48.00 for the cost of the application filing fee incurred by the Tenants. The total amount the Landlords owe the Tenants is \$185.81 and this amount is to be paid to the Tenants by June 15, 2026.
3. For the reasons provided below, the other allegations are dismissed.

Illegal rent collected - monthly rent paid for period April 1, 2023 to March 31, 2024

4. The Tenants state that the Landlords increased the monthly rent to \$2,365.00 on April 1, 2023 and that this amount was above the guideline amount of 2.5%. The Tenants state that they paid this amount to the Landlords for the period April 1, 2023 to March 31, 2024.

Analysis

5. Section 135 (1) of the *Residential Tenancies Act, 2006* (the 'Act') states that a tenant or former tenant of a rental unit may apply to the Board for an order that the landlord, superintendent or agent of the landlord pay to the tenant any money the person collected or retained in contravention of this Act or the *Tenant Protection Act, 1997*.
6. Section 135(4) of the Act stipulates that no order shall be made under this section with respect to an application filed more than one year after the person collected or retained money in contravention of this Act.
7. The Tenants claim that the Landlords illegally collected an amount of \$2,365.00 for the monthly rent from the Tenants for the period April 1, 2023 to March 31, 2024 which exceeds the 2.5% legal guideline increase is dismissed. While the Tenants state they paid this amount monthly to the Landlords during this period and the amount exceeds 2.5% above the guideline, the Landlord and Tenant Board's ('LTB') records confirm that the application was filed by the Tenants on May 27, 2025. This is more than one year after the Landlords collected the money from the Tenants. Therefore, pursuant to subsection 135(4), the claim is out of time based on the filing date of the application.

Illegal rent collected - monthly rent paid for period April 1, 2024 to March 31, 2025

8. The Tenants state that the Landlords increased the monthly rent to \$2,425.00 on April 1, 2024 and that this amount was above the guideline amount of 2.5%. The Tenants state that they paid this amount to the Landlords for the period April 1, 2024 to March 31, 2025.

Analysis

9. Section 135.1 of the Act stipulates that an increase in rent that would otherwise be void under subsection 116 (4) of the Act is deemed not to be void if the tenant has paid the increased rent in respect of each rental period for at least 12 consecutive months.
10. The Tenants claim that the Landlords illegally collected an amount of \$2,365.00 for the monthly rent from the Tenants for the period April 1, 2024 to March 31, 2025 which exceeds the 2.5% legal guideline increase is dismissed. Pursuant to section 135.1 of the Act, the claim must be dismissed because the Tenants stated they paid to the Landlords the increased rent in the amount of \$2,365.00 for the period of April 1, 2024 to March 31, 2025 and this was for a period of at least 12 months.

Illegal charge collected - key deposit collected by Landlords

11. The Tenants state that the Landlords collected a key deposit of \$250.00 on April 14, 2022 which the Tenants state was not returned to them when they moved out.

Analysis

12. Section 134(1) of the Act stipulates that a landlord is prohibited from collecting from a tenant, prospective tenant, or a former tenant a fee: a premium, commission, bonus, penalty, key deposit or other like amount of money whether or not the money is refundable.
13. While the collection of key deposit by a landlord is an illegal collection of money and contravenes the Act, this allegation must be dismissed pursuant to subsection 135(4) of the Act. The application was filed more than one year since the Tenants claim that the Landlords illegally collected the \$250.00.

Interest on last month's rent deposit owing

14. It is undisputed that the Tenants paid the Landlords a last month rent deposit in the amount of \$2,150.00 on April 14, 2022. The Tenants state the Landlords have never paid any interest on the last month's rent deposit for the period April 14, 2022 to May 1, 2025 when they vacated the rental unit which is undisputed by the Landlords.
15. The Landlords state they were unaware they are required to pay interest on the last month's rent deposit.

Analysis

16. Subsection 106(6) of the Act requires that a landlord of a rental unit shall pay interest to the tenant annually on the amount of the rent deposit at a rate equal to the guideline determined under section 120 that is in effect at the time payment becomes due.
17. The Landlords failed to pay the Tenants interest on the last month's rent deposit, as required by the Act. The Tenants vacated the rental unit on May 1, 2025. The Landlords concede they did not pay any interest on the last month's rent deposit of \$2,150.00. Therefore, the Landlords owe interest in the amount of \$137.81 for the last month's rent deposit for the period April 14, 2022 to May 1, 2025.

Compensation for N12 notice of termination owing

18. The Tenants claim the Landlords owe the Tenants one month compensation because they requested the Tenants to vacate the rental unit which is a condominium due to the Landlords wanting to sell the condominium. The Tenants state they were paying \$2,425.00 monthly rent to the Landlords from April 1, 2024 to March 31, 2025.
19. The Tenants state on March 9, 2025, the Landlords attended the rental unit with their real estate agent and advised that they wanted to list the condominium for sale. The Landlords advised the Tenants it was due to economic conditions. The Tenants state that the

Landlords did not advise the Tenants of a date they need to move out and the Landlords did not provide the Tenants with an N12 Notice of Termination.

20. The Tenants state they started looking for a place to move to after being advised that the Landlords intend to sell the condominium. On April 23, 2025, the Tenants advised the Landlords they would be moving out of the rental unit on May 12, 2025. The Tenants state that they saw the rental unit listed on the website condos.ca on June 27, 2025 for \$2,400.00 per month.
21. The Landlords state they were experiencing financial difficulty and made the decision to list the condominium for sale which they advised the Tenants. The Landlords state that the Tenants were not advised of a date for which they had to vacate the rental unit. The Landlords state it was the Tenants choice to move out on a specific date and provided the Landlords with one weeks' notice prior to vacating. The Landlords state the condominium was listed on the market for 90 days and it did not sell. The Landlords state that re-rented the unit on July 22, 2025.

Analysis

22. Section 49 of the Act requires if a landlord has entered into an agreement of purchase and sale of the residential complex, the Landlord may, on behalf of the purchaser, give the tenant of a unit in the residential complex a notice terminating the tenancy, if the purchaser in good faith requires possession of the residential complex or the unit for the purpose of residential occupation by the purchaser, their spouse, or the purchaser's child.
23. I find the Landlords did not require the Tenants to vacate the rental unit by a specific date. The Tenants testimony is that the Landlords advised the Tenants that they intend to sell the rental unit but no termination date was provided by the Landlords. Based on this evidence, the Tenants were not required to vacate the rental unit by a certain date, rather the Tenants chose the date to vacate the rental unit. I accept the Landlords testimony which I found to be credible. The Landlords concede they did not advise the Tenants to vacate the rental unit by a certain date. They explained the condominium did not sell after being listed on the market for 90 days and that is why the rental unit was re-rented on July 22, 2025. The Landlords are not required to pay one month compensation to the Tenants as there was no written notice provided to the Tenants that the Landlords would be terminating the tenancy on a specific date. Therefore, this allegation is dismissed.

It is ordered that:

1. The total amount the Landlords shall pay the Tenants is \$185.81. This amount represents:
 - \$137.81 for interest on the last month's rent deposit.
 - \$48.00 for the cost of filing the application.
2. The Landlord shall pay the Tenants the full amount owing by June 15, 2026.
3. If the Landlords do not pay the Tenants the full amount owing by June 15, 2026, the Landlord will owe interest. This will be simple interest calculated from June 16, 2026 at 4.00% annually on the balance outstanding.

4. The Tenants have the right, at any time, to collect the full amount owing or any balance outstanding under this order.

May 26, 2026
Date Issued

Kimberly Parish
Vice Chair, Landlord and Tenant Board

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If you have any questions about this order, call 416-645-8080 or toll free at 1-888-332-3234.