



Order under Section 98 Residential Tenancies Act, 2006

Citation: Lobo v Henry, 2026 ONLTB 39171

Date: 2026-05-28

File Number: LTB-T-057837-25

In the matter of: BASEMENT, 2760 RAINBOW CRESCENT
MISSISSAUGA ONTARIO L5L2H7

Between: Andrew Lobo Tenant

And

Paul Henry Landlord

Andrew Lobo (the 'Tenant') applied for an order determining that Paul Henry (the 'Landlord') arbitrarily or unreasonably withheld consent to the assignment or sublet of the rental unit to a potential assignee or subtenant.

This application was heard by videoconference on April 16, 2026.

The Landlord and the Tenant attended the hearing.

Determinations:

1. The Tenant's application alleges that the Landlord arbitrarily or unreasonably withheld consent to sublet because the tenancy agreement prohibits subletting or assignment of the rental unit. The Tenant also alleges that the Landlord refused a sublet to a specific individual.

Tenancy Agreement

2. I do not find that the Tenant has proven that a clause in their tenancy agreement precluding a sublet or assignment constitutes an unreasonable or arbitrary withholding of consent in these circumstances.
3. Section 97(2) of the Act provides:

(2) A landlord shall not arbitrarily or unreasonably withhold consent to the sublet of a rental unit to a potential subtenant. [Emphasis added]
4. Further, section 4(1) of the Act renders any provision of a tenancy agreement void that conflicts with a provision of the Act:

4 (1) Subject to subsection 12.1 (11) and section 194, a provision in a tenancy agreement that is inconsistent with this Act or the regulations is void.

5. The Act does not permit a landlord to arbitrarily or unreasonably withhold consent to the sublet of a rental unit to a potential subtenant, and any provision in a tenancy agreement that does arbitrarily or unreasonably deny consent is void.
6. I would also note that despite the provisions of the tenancy agreement, the Tenant asked the Landlord to sublet the rental unit and the Landlord met with the Tenant to discuss the Tenant's request. The Landlord's willingness to meet with the Tenant to discuss his request to sublet shows that despite any clause in the tenancy agreement, the Landlord was still willing to consider a potential subtenant.
7. Section 97(2) of the Act uses the language "to a potential subtenant", so the Tenant must prove that the Landlord refused a sublet to a specific potential subtenant, and their application cannot succeed on the basis of a general refusal.
8. Accordingly, I do not find that the Tenant has proven the Landlord unreasonably or arbitrarily refused consent to assign or sublet because of the clause in the tenancy agreement prohibiting assignment or sublet.

Arbitrary/Unreasonable Refusal Consent to Sublet

Tenant's Evidence

9. The tenancy commenced on February 1, 2024, and the Tenant vacated the rental unit on or around October 31, 2024. The Tenant signed a lease with the Landlord that provides for a rent of \$2,000.00 per month.
10. The Tenant testified that he was employed at a university and on September 30, 2024, he had a traumatic workplace accident. Within a week of the accident the Tenant resigned from his employment and made the decision to move in with his parents.
11. The Tenant's evidence is that his employment was the reason for leasing the rental unit and after his resignation he intended to find someone to sublet the rental unit when he moved into his parents' home.
12. The Tenant gave evidence that he found a registered nurse and expressed to her the importance of having good credit because the Landlord is "very strict about who they let into the house". The Tenant testified that the potential subletter confirmed she had good credit, but the Tenant still advised her that she would need to provide a credit report.
13. The Tenant contacted the Landlord to discuss the potential sublet arrangement and the Tenant's evidence is that he met with the Landlord and potential subtenant in person. The Tenant testified that the Landlord was blunt in stating that he was not going to permit the Tenant to sublet the rental unit.
14. The Tenant requested a rent abatement because he paid the Landlord \$24,000.00 representing pre-paid rent owing to the end of the lease agreement at a rent of \$2,000.00 per month.

15. Since the Tenant vacated the rental unit at the end of October 2024, and the end of the term of the tenancy was January 31, 2025, the Tenant submits if the Landlord could not re-rent the unit in November 2024, the Tenant should minimally be entitled to the return of \$4,000.00 in pre-paid rent for the months of December 2024 and January 2025.
16. On cross examination the Tenant agreed that he told the Landlord the potential subtenant was a registered nurse, but that she could have been a "PSW" (personal support worker). The Tenant also acknowledged that he did not provide a credit report or proof of the subtenant's financial circumstances because he was just facilitating the initial introduction and intended to provide the information at a later date.
17. The Tenant's evidence is that the Landlord's blunt refusal prevented him from providing further information or documents in relation to the potential subletter's financial circumstances. The Tenant was also challenged about whether they had pulled the credit report of the potential subtenant and the Tenant replied evasively that, "whether I pulled the credit or not, you [the Landlord] had the right to refuse but you didn't have the right to keep my money".

Landlord's Evidence

18. The Landlord testified that the Tenant wanted to reduce his expenses and in October 2024 the Tenant approached the Landlord about finding roommates and moving into a different rental unit owned by the Landlord.
19. The Landlord gave evidence that he was agreeable to that arrangement, but the Tenant changed his mind about living with roommates. The Landlord's evidence is that after the Tenant made the decision not to move in with roommates, he presented the idea of subletting the rental unit.
20. The Landlord testified that he and his wife went to the rental unit to meet with the Tenant and the potential subletter. The Landlord was advised by the Tenant at the meeting that the potential subletter had good income and good credit.
21. The Landlord's evidence is that he told the Tenant and the subletter that he could not just accept their verbal confirmation of income and credit scores and wanted the opportunity to do their own independent checks and screening of the potential subtenant.
22. The Landlord further testified that when the Tenant was told that the Landlord wanted to do their own independent verification, the Tenant began to swear at his wife which is when the Landlord and his wife left the rental unit.
23. The Landlord also gave evidence that in the month of October 2024 his mother-in-law had passed away and he was out of the country attending the funeral. While out of the country the Landlord received a text message from the Tenant acknowledging fault for the situation and that the Tenant had moved back to his parents' home.
24. The Landlord testified that he didn't accept the proposed subtenant because the Tenant did not provide any information and did not proceed with further investigation or screening because of the Tenant's outburst.

25. The Landlord's evidence is that he was motivated to re-rent the rental unit because it is not fair for either himself or the Tenant that the rental unit remain empty, and he immediately began advertising the rental unit. The Landlord was unable to re-rent the rental unit until September 2025 despite immediately posting advertisements on October 31, 2024.

Analysis

26. There is no dispute that the Tenant requested to sublet the rental unit to a potential subletter in October 2024.
27. The circumstances surrounding that meeting are central to the determination in this matter. When the Tenant requested consent to sublet, the Landlord's evidence is that the Tenant became upset after the Landlord required further screening of the potential subletter.
28. The Tenant's testimony was that the Landlord's blunt refusal at their meeting prevented further discussion about screening or income verification however, I prefer the Landlord's evidence that when confronted with the proposition the Landlord would need to do an independent verification of the subtenant the Tenant became upset and the meeting was ended.
29. The Tenant did not dispute the Landlord's version of events in relation to their meeting, and I do not find that in these circumstances the Landlord can be found to have arbitrarily or unreasonably refused consent.
30. Further, the Landlord's testimony that he was willing to work with the Tenant to facilitate a move to another rental unit with roommates, and the Landlord's willingness to meet with the Tenant about a potential subtenant cannot be reconciled with the Tenant's evidence that the Landlord simply denied the request to sublet.
31. Even if the Tenant's evidence were entirely accepted in relation to discussions during the meeting with the Landlord, the Landlord's refusal was not arbitrary or unreasonable.
32. The Tenant presented an individual purporting to be a registered nurse who likely did not hold those credentials, with no proof of income or credit. The Tenant's own evidence is that they did not perform any investigation or verification of the potential subtenant because they wanted to have a meeting with the Landlord before asking the potential subtenant to pull credit reports or provide income verification.
33. Therefore, I do not find that the Landlord arbitrarily or unreasonably refused consent to the sublet of the rental unit to the potential subtenant.
34. Since the Tenant has not proven that the Landlord arbitrarily or unreasonably refused consent to sublet of the rental unit, the Tenant's request for a rent abatement cannot be considered.

T1 Application

35. The Tenant filed a T1 application in LTB-T-001417-26, which was scheduled to be heard on May 4, 2026, in VC136. The Tenant's T1 application alleges an illegal deposit and the return of pre-paid rent being retained. The Tenant's T1 application also seeks interest owed on the last month's rent deposit.

36. At the hearing of this matter the parties were advised that if this order is issued prior to the T1 hearing, and the evidence in this matter is sufficient to address the issues contained in the T1 application, then both matters would be combined, and this order would address both applications.
37. The parties were further advised that if the evidence was sufficient to address the T1 application, but the order could not be issued prior to the scheduled hearing date for the T1 application an endorsement would be issued advising the parties that the matters would be combined and their attendance at the T1 hearing would not be necessary.
38. Finally, the parties were advised that if neither of the eventualities above had occurred, the parties must still attend the hearing scheduled for May 4, 2026.
39. I am without sufficient evidence or submissions to address the Tenant's allegations in relation to the illegal deposit and interest owed. Neither this order, nor an endorsement was issued combining this matter with LTB-T-001417-26.

It is ordered that:

1. The Tenant's application is dismissed.

May 28, 2026
Date Issued

Kyle McGraw
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.