



Order under Section 135 Residential Tenancies Act, 2006

Citation: Sharma v Dhillon, 2026 ONLTB 38030

Date: 2026-05-28

File Number: LTB-T-108417-25

In the matter of: 63 BREMEN LANE
MISSISSAUGA ON L5M1G7

Between: Lalit Kumar Sharma Tenant

And

Inderjit Dhillon Landlord
Jassi Dhillon

Lalit Kumar Sharma (the 'Tenant') applied for an order determining that Inderjit Dhillon and Jassi Dhillon (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on April 21, 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 must pay the Tenant \$248.00 on or before May 25, 2026.
2. On December 24, 2025, the Tenant applied to the Board, pursuant to s. 135(1) of the *Residential Tenancies Act 2006* (the 'Act'), alleging that on October 27, 2025, the Landlord illegally retained their \$200.00 rent payment.
3. The Tenant filed this application within one-year of the date that the money was allegedly retained illegally pursuant to s. 135(4) of the Act. Therefore, the Tenant's allegation will be considered.

Facts agreed by the parties:

4. On October 27, 2025, the Tenant and the Landlord verbally agreed that the rental unit would be leased to the Tenant for a fixed term from December 1, 2025 to December 1, 2026, with a monthly rent of \$2,200.00. No written tenancy agreement was signed by the parties on September 22, 2020; however, it was agreed by the parties that the

Tenant would sign the tenancy agreement, pick up the unit keys, and take possession of the unit on December 1, 2025, contingent on the Tenant providing the necessary documents requested by the Landlord.

5. On October 27, 2025, the Tenant provided the Landlord an e-transfer for a sum of \$1,000.00. This payment was to apply towards the first month rent once the tenancy commenced.
6. Once the tenancy did not commence, the Landlord refunded the Tenant \$800.00 and held onto the remaining \$200.00 to use for advertising the unit.
7. The Tenant testified that the Landlord posted an advertisement on October 27, 2025, and then took it off the market. He posted the advertisement again on November 6, 2025, and it was then re-rented for December 1, 2025.
8. The Tenant testified that on November 7, 2025, he requested clarification on the lease agreement, and the Landlord did not provide information on the existing Tenant's lease agreement terms. He also submitted that he was not comfortable giving the Landlord his personal information such as his driver's license. As a result of the Tenant feeling uncomfortable, he advised the Landlord on November 16, 2025, that he no longer wished to proceed with the rental. He also provided that the Landlord had marked on Facebook that the unit had already been rented to someone else as of November 11, 2025.
9. The Landlord testified that the Tenant requested the previous tenant's lease agreement, and he did not want to provide it for confidentiality reasons. He also testified that the Tenant did not provide the necessary documents for the Landlord to complete a written lease agreement. Ultimately the Tenant decided not to move in. The Landlord testified that as a good faith gesture he returned a portion of the Tenant's deposit in the amount of \$800.00. However, the Landlord retained \$200.00 to off set costs in relation to re-advertising the unit on Facebook. He testified that in order to boost the advertisement on Facebook, he was required to pay \$50.00 a week. He testified that after the Tenant notified him that he did not want to proceed with the rental, he listed the unit right away.
10. The Landlord noted that there were other tenants interested in the rental unit; however, when the Tenant elected not to take possession of the unit on December 1, 2025, he was unable to secure a tenant for the remainder of the year. The Landlord stated that the unit was rented with a new tenant as of January 2026.
11. I must first determine whether the parties entered into a tenancy agreement.
12. Section 2(1) of the Act states:

“tenancy agreement” means a written, oral or implied agreement between a tenant and a landlord for occupancy of a rental unit and includes a licence to occupy a rental unit.
13. A tenancy agreement exists if the parties have agreed to the essential elements of a tenancy agreement, which include, identifying the specific unit to be rented, the start date of the tenancy, the term/period, and the rent. The fact that the parties on December 1,

2025, had not yet signed the written tenancy agreement does not prevent the parties from entering into an oral tenancy agreement.

14. On the basis of the evidence provided, and pursuant to s. 2(1) of the Act, I am satisfied that on October 27, 2025, a valid oral tenancy agreement was established between the parties for the Tenant to occupy the rental unit for the fixed term of December 1, 2025 to November 1, 2026, with a monthly rent of \$2,200.00
15. I am also satisfied that the Landlord provided the Tenant with the opportunity to take possession of the rental unit on December 1, 2025 as per the terms of the tenancy agreement; but the Tenant declined to take possession of the rental unit.
16. To determine whether the Tenant is entitled to have the remaining \$200.00 returned, I must first consider whether the tenancy was lawfully terminated. A tenant's obligation to pay rent ends once a tenancy has been terminated and the tenant has vacated the rental unit.
17. Pursuant to section 37 the Act, a tenancy agreement can only be terminated according to the provisions of the Act, which means a tenancy can only be terminated by proper notice, by way of agreement between the landlord and tenant, or by way of an order issued by the Board. In other words, a tenancy cannot be terminated by one party unilaterally repudiating it.
18. I must consider that the Landlord entered into a new tenancy agreement, which had the effect of ending the Tenant's tenancy.
19. Subsection 88(3) of the Act states:
 - (3) Despite subsections (1) and (2), if the landlord enters into a new tenancy agreement with a new tenant with respect to the rental unit, the tenant who abandoned or vacated the rental unit is not liable to pay an amount of arrears of rent that exceeds the lesser of the following amounts:
 1. The amount of arrears of rent determined under subsection (1) or (2).
 2. The amount of arrears of rent owing for the period that ends on the date the new tenant is entitled to occupy the rental unit.
20. In addition, section 16 of the Act states:

When a landlord or a tenant becomes liable to pay any amount as a result of a breach of a tenancy agreement, the person entitled to claim the amount has a duty to take reasonable steps to minimize the person's losses.
21. Read together, these sections mean that the Landlord had an obligation to try to re-rent the unit as soon as he became aware of the Tenant's intention to abandon the unit, and that the Tenant's obligation to pay rent ends once the unit has been re-rented.
22. The parties disputed when the unit was re-rented.

23. The Tenant testified that the Landlord was already advertising the unit as of November 11, 2025, and the Tenant ceased to see the unit advertised further than December 1, 2025, and it was re-rented as of this date. The Tenant submitted into evidence the Facebook marketplace posting and also text messages between the Landlord and the Tenant during November 2025.
24. The Landlord testified that he re-rented the unit out the unit in January 2026.
25. I prefer the Tenant's evidence on this point. I note in the text messages provided by both parties that the Landlord did not deny keeping the advertisement up until December 1, 2025, nor did he deny in those text messages that the unit was re-rented out as of December 1, 2025.
26. In this case, I find that the Landlord re-rented the rental unit for December 1, 2025. The Landlord is not entitled to collect rent from two separate sets of tenants. Pursuant to subsection 88(3) of the Act, the Tenant is not liable for rent, and the Landlord must return the pre-payment of rent for December 1, 2025.
27. With respect to the Landlord's submissions that he should be able to retain the deposit to offset his advertisement costs of \$200.00, a rent deposit is not meant to be used for anything else other than rent.
28. For the reasons above, the Tenant's application is granted, and the Landlord shall pay the Tenant \$200.00.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is \$248.00 This amount represents:
 - \$200.00 for excess rent collected.
 - \$48.00 for the cost of filing the application.
2. The Landlord shall pay the Tenant the full amount owing by June 8, 2026.
3. If the Landlord does not pay the Tenant the full amount owing by June 8, 2026, the Landlord will owe interest. This will be simple interest calculated from June 9, 2026 at 4.00% annually on the balance outstanding.
4. The Tenant has the right, at any time, to collect the full amount owing or any balance outstanding under this order.

May 28, 2026
Date Issued

Vinuri Sivalingam
Member, 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.