



Order under Section 126 Residential Tenancies Act, 2006

Citation: Peberg Corporation v Strong, 2026 ONLTB 46686

Date: 2026-06-12

File Number: LTB-L-096053-23

In the matter of: 49 Glen Elm Avenue, Toronto, Ontario, M4T 1V2

Between: Peberg Corporation Landlord

and

Refer to attached Schedule 2 Tenants

Peberg Corporation (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 a written hearing. The Board received submissions from the following Tenants: Oliver Soriano, Martin Sweeny, Cam Fraser, Paul Dadd, Beata Strzyzewska and Piotr Szatan, and Natalie Gomes on behalf of tenants Vera Danyliw, Astrid Elkins, Paula Johnston, and Beata Strzyzewska.

A reply to the Tenant submissions was received from the Landlord.

Preliminary Matters

Case Management Hearing

1. A Case Management Hearing was held on October 22, 2025. The parties were unable to resolve the issues and this application was scheduled for a written merits hearing.

It is determined that:

2. 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

3. 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

- 4. In addition to meeting the definition of capital expenditure, each of the Landlord's claimed items must be an "eligible" capital expenditure.
- 5. 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,

- a. access for persons with disabilities;
- b. energy or water conservation; or
- c. security of the residential complex or part of it.

THE 18-MONTH WINDOW

6. 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 June 2, 2022 to December 2, 2023.
7. 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

8. 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.
9. 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:

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.

Capital Expenditure

10. The Landlord justified a rent increase above the guideline because of capital expenditures.
11. The Landlord's evidence justifies a rent increase above the guideline of 14.35% 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 is **9.00%** taken as follows: 3.00% in the first year, 3.00% in the second year and 3.00% in the third year. These increases are in addition to the annual guideline rent increase. The increase may be lower for Tenants who have moved into their units more recently or who are not affected by some of the capital expenditures.
12. The Landlord's application is for the following capital expenditure:
 - a. Balconies, Exterior Walls & Windows Rehabilitation.

Capital Expenditure #1: Balconies, Exterior Walls & Windows Rehabilitation

13. The Landlord submits that the balconies, exterior walls and window rehabilitation was necessary as "the balcony slabs, balcony railings, window sill, window frames, exterior brick cladding, staircase and retaining walls, and west entrance porch etc. had reached the end of their useful lives and required repairs and replacement". The Landlord submits that these items are "eligible" under subsection 126(7)(a) because the work was necessary to protect or restore the physical integrity of the residential complex or part of it, 126(7)(b) as the work was necessary to comply with subsection 20(1), and 126(7)(e) as it promotes energy conservation. The cost claimed in this capital expenditure is \$1,502,201.32.
14. In support of its claim, the Landlord submitted to evidence a Balcony and Exterior Wall Condition Assessment report prepared by RJC Engineers, dated April 3, 2020, which found that regarding the balcony slabs: "the extent of corrosion related deterioration has progressed to a point where wholesale rehabilitation entailing complete balcony slab replacement is warranted to re-instate the continuity and original load carrying capacity of the balcony slabs, as well as reduce ongoing corrosion related deterioration". The assessment notes regarding the windows and sills: "the window sills exposed on the exterior walls of all building elevations are generally in poor condition and are exhibiting evidence of

localized cracking and spalling.in order to facilitate appropriate window sill repair, window removal will be required at each repair location... the existing window frames and sealant appear to be in poor condition... It is recommended that the building take the opportunity concurrently with window sill repairs to upgrade to new windows and frames on the exterior wall elevations which will have large improvements in moisture protection, air leakage, and energy performance”.

Windows

15. Numerous Tenants have raised issues with the performance of the new windows, stating that “the new windows installed in my unit significantly reduced air circulation because they tilt only slightly outward from the bottom and do not open fully. This design severely restricts airflow and ventilation”. The Tenant, Oliver Soriano, submits that “the original windows in my unit did not require replacement, and the new windows installed offer a reduced quality in residential experience”. The Tenant submits that the new windows “severely decrease in the ability to cool my unit to a comfortable temperature I was able to maintain with the original windows. This has resulted in higher costs to cool my unit and decreased energy efficiency compared to the previous windows”.
16. While I appreciate the issues raised by the Tenants, whether or not there is a reduction in window performance, or whether they’ve experienced increase in cooling costs, these are not issues the Board can consider in determining whether a landlord’s above guideline increase application is successful. In the context of an above guideline rent increase application, the issue for the Board to determine is whether the project was necessary to protect or restore the physical integrity of the complex, or for the Landlord to meet its ongoing maintenance and repair obligations under subsection 20(1) of the Act. Given that a third-party firm with expertise in building sciences recommended the window repairs as part of the overall rehabilitation project, I am satisfied that the Landlord has met this requirement. However, if the Tenants believe the resulting condition of the windows would support a finding of a breach of section 20(1) of the Act, the Tenants are entitled to file their own application(s) at the Board in respect of these issues.

More in the Nature of Maintenance

17. The Tenant, Paul Dadd, submits that “replacing obsolete, failing components at the end of their useful life is a maintenance responsibility, not an extraordinary capital expenditure”.
18. Pursuant to subsection 18(1) of O. Reg. 516/06, a "capital expenditure" refers to an extraordinary or significant renovation, repair, replacement, or new addition with a benefit lasting at least five years. Furthermore, subsection 18(1)(c) of O. Reg. 516/06 states that an eligible capital expenditure 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.

19. Therefore, the issue for the Board to consider is whether the rehabilitation project is considered “routine or ordinary work undertaken on a regular basis”, similar to cleaning or snow clearing. While I understand the Tenant’s position, having considered the infrequency, nature, scope, and cost of the work, I find that the project does not qualify as either routine maintenance or ordinary work.

Affected Units

20. The Tenant, Oliver Soriano, submits that “the balconies renovated are on the other side of the building and have no impact on my rental unit as it has no balcony. I believe it is unfair to be charged for capital expenditures from which I and my unit do not benefit in any way”. Numerous Tenants add that “Tenants in units who do not have a balcony are being charged for balcony replacement” and that “Tenants who did not receive new windows are being charged the same as those who did”.

21. The Landlord, in its reply, submits that “As per RJC Engineers, balcony slab removal and replacement were limited to the 2nd, 3rd and 4th floors because those slabs were of a different construction type and exhibited greater deterioration”, adding that “only window sills that that exhibited evidence of progressive corrosion-related concrete deterioration and posed a risk of spalling to the ground below, were replaced. The remaining windowsills may be replaced at a later date”.

22. While a tenant’s unit may not include a balcony or have received new windows in the current phase of the project, the work undertaken relates to the building’s exterior structure, the deterioration of which affects the physical integrity and weather envelope of the building as a whole. Therefore, I find that the overall work contributes to the protecting the physical integrity of the entire complex, and as such, this capital expenditure affects all the units regardless of whether a unit has a balcony or received new windows.

Completion Date

23. The Tenants, Beata Strzyzewska and Piotr Szatan, submit that “the landlord has not clearly demonstrated that all capital expenditures were completed within one continuous 18-month period”, adding that “the final window installation and all caulking was fully completed in October 2022”. The Tenant, Cam Fraser, submits that “unit 414’s windows were not replaced in 2022”.

24. Pursuant to subsection 26(2) of O. Reg. 516/06:

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 to in the application.

25. The Landlord's application indicates that the first effective date of the proposed rent increase is March 1, 2024. The date that is ninety days prior to the first effective date in this application is December 2, 2023. As a result, all work must have been completed during the period of June 2, 2022 to December 2, 2023.
26. Furthermore, the Act is clear that the completion date is based on the date the entire project is physically completed. In other words, while some unit's window replacements may have been completed prior to the beginning of the 18-month window, the question for the Board to consider is when the overall project was completed during the 18-month window. In this case, the final payment to RJC Engineers was made on August 31, 2022, and to Maxim Group Contracting was dated October 23, 2023.
27. The Landlord, in its reply, submits that "The subject work commenced in September 2021 and was completed by October 23, 2023".
28. Having reviewed the scope of work set out in the invoices, I am satisfied that the Landlord has established that all costs claimed in the application are related to the overall capital expenditure project, which was completed during the 18-month period ending 90 days before the effective date.

Expenses

29. The Tenants question whether the Landlord is eligible to claim: "incidental expenses incurred by RJC engineers" including "mileage, parking, travel, courier delivery and other cost", along with "any charges for post-construction cleaning". Furthermore, the Tenants object to the additional costs from the architect for "additional site reviews and contract admin".
30. The Landlord, in its reply, submits that "These are eligible expenses and part of the capital expenditures incurred by the landlord".
31. There are many necessary expenditures directly related to a major capital improvement, such as the cost of reports and inspections by engineers, erecting scaffolding needed to reach and complete a job, and costs to return the site to its original condition, such as removal and reinstatement of overburden. These expenditures are not for the item being replaced or repaired but are nonetheless necessary for the work to be completed and as such can be considered a component of the total capital expenditure. Having considered the scope of the project, I am satisfied that the Landlord has established that all costs claimed in the application are related to the overall project and are eligible inclusions.

Useful Life

32. The Tenants disagree with the Landlord's assigned useful of 13 years and submit that "the landlord is amortizing the balcony concrete replacement and new aluminum windows over 15 years, despite the project architect explicitly estimating a 20-25 year useful life for the balconies".
33. The Landlord, in its reply, submits that "The useful lives are based on the Tables in O. Reg. 516/06".
34. The useful life of capital expenditures is important for two reasons. Essentially the calculation of an above-guideline rent increase takes into account the idea that the cost should be amortized over the useful life of the capital expenditure. The portion of the cost that can be passed on to the Tenants through an above-guideline rent increase is spread out over the useful life. At the end of that period the increase is supposed to come out of the Tenants' rent.
35. As set out above, if the expenditure meets the requirements set out in the Act and O. Reg. 516/06, then the Board must establish the useful life of the work done in order to calculate the allowable increase. As per Section 27(3) of O. Reg. 516/06:
- 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.
36. The Landlord has assigned a blended useful life of 13 years for this work based on a combination of concrete balcony slabs (Table 2: Item 6. Concrete balcony slabs – 10 years), aluminum windows and guardrails (Table 7: Item 1. Aluminum Windows – 15 years), brick repair (Table 3: Item 4. Masonry Repairs – 15 years), and waterproofing (Table 6: Item 4. Garage Concrete Floor – 15 years). Having considered the scope of the work, along with the costs associated with each portion, I am satisfied that a weighted useful life of 13 years is appropriate.
37. Accordingly, I am satisfied the balcony, exterior walls and window rehabilitation meets the definition of capital expenditure contained in subsection 18(1) of the O. Reg. 516/06 as it was a significant repair and replacement, the expected benefit of which extends for at least five years. It also meets the test for eligibility under subsections 126(7)(a) of the Act because it was to protect or restore the physical integrity of the residential complex or part of it, 126(7)(b) as the work was necessary to comply with subsection 20(1), and 126(7)(e) as it promotes energy conservation.
38. The cost of this capital expenditure is \$1,502,201.32.
39. The useful life of this capital expenditure is 13 years.
40. The weighted useful life for the capital expenditures is 13 years.

Written Submissions

Maintenance

41. The Tenants submit that the Landlord has not addressed a number of maintenance and health and safety issues affecting their unit, and the building as a whole. These issues include:
- a. “poor maintenance standards, including cleanliness of common areas and overall upkeep”;
 - b. stained and damaged carpet; and
 - c. unrepaired damage following the exterior wall repairs.
42. After reviewing the Tenants’ maintenance claims, I acknowledge that some of the issues raised would constitute a breach of subsection 20(1) of the Act. However, subsection 126(12) of the Act refers to serious, ongoing breaches of the Landlord’s maintenance obligations. I am not satisfied that maintenance issues raised by the Tenants, even if they remain outstanding, would rise to the level of a serious breach of the Landlord’s maintenance obligation. A disrepair problem that is not “serious” as that term is used under the Act is not relevant to these proceedings. However, if there are outstanding maintenance issues the Tenants are entitled to file their own application(s) at the Board in respect of these issues.

Deferred Maintenance

43. The Tenants submit that they “should not be required to finance costs that are the direct result of deferred maintenance and neglect. The landlord benefited financially for many years by avoiding these expenses, and it would be unreasonable to now require tenants to absorb those costs retroactively”.
44. While I can understand the Tenants’ frustration, even if preventative maintenance could have extended the useful life of various components of the complex, there is a no fault component in above guideline increase applications nor does the Board have the discretion to consider the cause of the disrepair that needs to be addressed. The Board is a creature of statute charged with applying the law as written. Section 126 of the Act specifically provides that a landlord may apply for an above guideline increase for eligible capital expenditures incurred respecting the residential complex or rental units. Members do not have the discretion to deviate from the legal tests set out above.

Reasonable Enjoyment of the Unit and Loss of a Service

45. The Tenants submit that “the balcony construction caused extreme dust, debris, and structural damage...Balcony doors and windows overlooking the balcony were covered for the duration of the project (approximately 12 months) leaving units in near-total darkness and in some cases (studio apartments) without any ventilation. Tenants lost the use of their balconies for over a year and had no

access to air conditioning for four months during the hot summer of 2022. I paid for full use of my unit and should be compensated for this loss". Furthermore, numerous Tenant raised issues with out of pocket expenses related to portable AC inserts.

46. Although I can appreciate the impact of the work and loss of air conditioning and balconies had on the Tenants' reasonable enjoyment of the units, and out of pocket expenses, it is not an issue the Board is entitled to consider in determining whether a Landlord's above guideline increase application is successful. Members do not have the discretion to deviate from the legal tests set out above. The Board lacks the jurisdiction to order compensation or a rent abatement on a landlord's application for an above guideline increase.

Landlord Submissions

47. The Tenant, Paul Dadd, submits that "as of the date of this submission, the Landlord has not yet provided the full supporting documentation (invoices, work orders, and TSSA reports) as required by O. Reg. 516/06, s.23". The Tenant also raises issues around elevator repairs and their eligibility.
48. The Landlord, in its reply, submits that they forwarded the supporting documents to the Tenant on the same day they received the request, and that the "the subject application does not include any claim for Elevator Repairs", adding that "the supporting documents provided to you include all the information that accompanied the subject application".
49. I accept the Landlord's assertion that they provided the Tenant with the supporting documentation and find that the Landlord is not attempting to claim costs associated with elevator repairs.

General

50. The Certificate of Service filed by the Landlord on December 23, 2025, indicates that some rental units listed in the application were not served with the application and notice of hearing. The Board 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: 103, 104, 108, 112, 114, 205, 206, 208, 209, 211, 303, 310, 311, 403, 406, and 413.
51. The Certificate of Service filed by the Landlord on December 23, 2025, indicates that a Tenant listed in the application was not served with the application and notice of hearing. The Board shall therefore amend the application by removing this Tenant as a party. As a result, this order for a rent increase above the guideline under section 126 of the Act does not apply to the following Tenant: Michael Elkins (Unit 211).

52. The first effective date of the rent increase above the guideline is March 1, 2024.

It is ordered that:

1. The Landlord may increase the rents charged by 9.00% 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 March 1, 2024 to February 28, 2025; and
 - b. The Landlord may increase the rents charged by 3.00% within the time period of March 1, 2025 to February 28, 2026; and
 - c. The Landlord may increase the rents charged by 3.00% within the time period of March 1, 2026 to February 28, 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 160 days of the date of this order.

June 12, 2026

Date Issued

Andrew Laurich

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 is 2.50%, for 2025 is 2.50%, and for 2026 is 2.10%. On or before August 31st of each year, the government will announce the guideline for the following year.

Schedule 1 - Units affected by this Order:

49 Glen Elm Avenue, Toronto, Ontario, M4T 1V2

101	307
105	308
107	309
109	312
110	313
111	314
113	315
116	316
117	317
201	318
202	402
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207	405
210	407
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301	415
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305	

Schedule 2 - Tenants who are Affected by this Order:

Abal, Damian Ortiz	Johnston, Paula
Ahmadzadeh, Sepehr	Killam, Ray
Barrette, France	Kowalski, Maia
Beaupre, Ginette	Lee, Scott
Blacha, Catherine G.	Maddox, William
Blacha, Katherin H.	Majewski, Gustaw
Black, Caitlin	Marticorena, Claudio
Bobade, Pratik Tulasidas	Mcdace, William
Bourne, Nana-Adjoa	Montejo, Maria
Cano, Yvette	Nair, Perna
Clark, Leslie	Nawaz, Naeem
Clark, Robert	Obeid, Amer
Czyrnyj, Isabella	Papp, Lilla
Dadd, Paul	Sakiyama, Shoko
Danyliw, Vera	Selak, Jasna
Daoust, Dennis	Sheath, Mike
Deronde, Amy	Shecter, Caroline
Deronde, Corbert	Smith, Shonah
Elkins, Astrid	Soman, Marque
Ezendiokwere, Chiamaka Chisom	Soriano, Oliver
Fraser, Cameron	Strong, Doug W.
Gibbs, Sarah	Strzyzewska, Beata
Gomes, Natalie	Sweeny, Martin
Gonzalez, Julissa Maria	Thomas, Giselle
Graboso, Mary Ann	Thompson, Gregor Mark
Gray, Donna	Trivedi, Maahi
Gray, Stephen	Virto Giron, Miguel Angel
Grivicic, Dan	Zhuang, Ivan

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 of March 1, 2024 to February 28, 2025, 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 of March 1, 2024 to February 28, 2025, 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.