



Order under Section 135 Residential Tenancies Act, 2006

File Number: LTB-T-011203-26

In the matter of: Main Floor and Basement, 40 ASKEW
STREET
LEAMINGTON ON N8H1X7

Between: Seraj El Din Al Mohamed Al Shaaban
Mariam Al Mohamed Al Shaaban

Tenants

And

DDBLM INC.

Landlord

Seraj El Din Al Mohamed Al Shaaban and Mariam Al Mohamed Al Shaaban (the 'Tenants') applied for an order determining that DDBLM INC. (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on May 25, 2026.

The Landlord's Legal Representative, Mark Gebriel, and Agent, Malak Halabi, and the Tenants and their Legal Representative, Justin Levesque, attended the hearing.

Determinations:

1. As explained below, the Tenants did not prove the allegations contained in the application on a balance of probabilities. Therefore, the application is dismissed.

Background and Agreed Statement of Facts

2. The Landlord and Tenants agree to the following facts:
 - The first lease agreement between the parties was signed on November 8, 2021.
 - In the first lease agreement, the rental unit only consisted of the main floor of the residential complex.
 - The lawful rent in the first lease agreement was \$1,800.00.
 - There were various lease agreements presented between the parties from November 8, 2021, to May 1, 2025, with rent increases sent throughout this time.

- Prior to May 1, 2025, rent was \$1,845.00, however, the Tenants signed a new lease agreement on May 2, 2025, which increased rent to \$2,500.00. This new amount of monthly rent took effect on May 1, 2025.
 - In this new lease agreement the rental unit is described for the first time as consisting of the main floor and basement.
 - As this new lease agreement was a brokered deal between the parties involving a mutual agent, who was the co-signor on the lease agreement, the rent was going to be split between the Tenants and the co-signor. The Tenants would be responsible for \$2,300.00 and the co-signor would contribute the remaining \$200.00.
3. With the above agreed upon, the substance of the Tenants' application was as follows:
- The Tenants allege that they paid an illegal rent increase from \$1,800.00 to \$2,500.00, and that the Landlord coerced them into signing the new lease agreement.
 - The Tenants allege that they paid an illegal charge as the Landlord required them to pay a \$700.00 top up on the last month's rent deposit due to the increase in monthly rent as set out by the lease agreement signed in May 2025.

Analysis

Illegal Rent Collected

4. As per s.123 of the *Residential Tenancies Act, 2006* (the 'Act'), a landlord may increase the rent charged to a tenant for a rental unit as prescribed at any time if the landlord and the tenant agree that the landlord will add any of the following with respect to the tenant's occupancy of the rental unit:
- A parking space.
 - A prescribed service, facility, privilege, accommodation or thing.
5. In addition, pursuant to s.16(1) of O.Reg. 516/06, the following services, facilities, privileges, accommodations or things are prescribed for the purposes of subsection 123 (1) of the Act:
- Cable television.
 - Satellite television.
 - An air conditioner.
 - Extra electricity for an air conditioner.
 - Extra electricity for a washer or dryer in the rental unit.
 - Blockheater plug-ins.

- Lockers or other storage space.
- Heat.
- Electricity.
- Water or sewage services, excluding capital work.
- Floor space.
- Property taxes with respect to a site for a mobile home or a land lease home.

[emphasis added]

6. Subsection 16(1) of O.Reg. 516/06 supplements the definition of “services and facilities” in s. 2(1) of the Act, and includes floor space.
7. In addition, looking at s.16(3) of O.Reg. 516/06, if the agreement under s.123(1) of the Act is to provide or cease to provide floor space, the maximum increase in rent or minimum decrease in rent shall be proportionate to the change in floor space. In this case, it is clear that this new agreement was providing more floor space to the Tenants.
8. Furthermore, s.16(4) of O.Reg. 516/06 states that if an amount determined in accordance with subsection (3) would be unreasonable given the nature and quality of the floor space added or taken away, the maximum increase in rent or minimum decrease in rent shall be a reasonable amount based on the nature and quality of the floor space and the amount of the change in the floor space.
9. I find that in this case as the increase is less than double the prior monthly rent, and only a portion of what could have been attributed to a rental increase due to a sizeable increase in floor space, the increase in rent to an additional \$700.00 is reasonable and compliant with s.123 of the Act. Pursuant to s.16(3) of O.Reg. 516/06, the rental agreement including the basement space falls under s.123(1) of the Act as the Tenants wanted and added more floor space for their use and enjoyment. In addition, per s.16(4) of O.Reg. 516/06, I find that the nature and quality of the basement space would effectively increase the amount of space the Tenants would have use and access to, thereby the rent was reasonable and increased to reflect this change in additional floor space.
10. In this case, the Tenants take the position that they have always had access to the basement after the basement was no longer being rented. Both parties admitted that while a fraudulent lease was used to evict the basement tenant, there was a disagreement as to the nature of the Tenants’ ability to use the basement as a part of their occupation of the property; however, it was admitted by the Tenants that they wanted the basement unit for their own personal use and occupation, and the Landlord advised them that because there was already a tenant in that unit, they cannot just evict them.
11. Regardless of the fact that a new, fraudulent lease agreement listed the basement as a part of the Tenants’ space and was signed by the Landlord for the same amount of rent, I do not find this satisfactory on a balance of probabilities to support the Tenants’ claim that they previously had lawful use of and access to the basement. This façade, which was

consented to by both parties, does not lawfully terminate the tenancy of the prior basement tenant, therefore, does not grant the Tenants a lawful possession to the floor space in basement unit.

12. In addition, in this case, it was the Tenants' evidence that they had the permission of the Landlord's Agent to use and occupy the basement in the property as soon as the basement tenant vacated the property. The Landlord's Agent then testified that she granted the Tenants 5 months of use of the basement for free, but, with the understanding that there would be a new lease signed for an increase in rent due to having use and access of more floor space in the property.
13. As it relates to the claim of coercion, I find that the Tenants did not present sufficient evidence to invalidate signing the new lease. The fact that this new lease agreement was brokered by a mutual agent, who also ultimately co-signed for the Tenants, thereby making himself liable for the monthly rent, does not bolster the Tenants' claim. While there is a language barrier for the Tenants in communicating in English, the Tenants, the Landlord's Agent, and the person who brokered the deal all speak Arabic, so with the method of communication being entirely in Arabic, there is nothing unfamiliar or lost in translation for the Tenants.
14. The Tenants also claimed that the Landlord's Agent said she would give them a bad reference to any new prospective landlord, which was another factor in them feeling coerced to sign the new lease agreement. On the other hand, the Tenants testified that they were searching for another property to move into, however, due to being a family of nine, they could not find a property similarly priced for what they were paying prior to the new lease agreement. While the Tenants have a sympathetic situation as well being refugees from Syria, this ultimately does not absolve them from the agreement they opted to enter into after not finding another property to suit their needs.
15. The Tenants bear the burden of proof and based on the evidence before the Board and on a balance of probabilities, I find the Tenants failed to meet that burden.
16. The Tenants failed to provide sufficient evidence specific to the alleged illegal increase in rent due to now having more floor space in the property. As a matter of fact, the Tenants initially based their claim to having access to the basement by knowingly using a fraudulent lease to evict the basement tenant, then consequently and wilfully signed a new lease agreement for a higher amount of rent for an increase in the amount of floor space they always wanted.
17. Ultimately, the bottom line for determining rent was what did the Tenants sign for and was the increase compliant with O.Reg. 516/06 and the Act. I find that based on a balance of probabilities, it is unreasonable that gaining more floor space in the property would not have come at an increase in rent; moreover, the Tenants agreed to an increase in floor space and actively sought out to gain the floor space in the basement, and as such the Landlord has the right to increase rent as prescribed for additional floor space added in a new lease agreement.
18. Therefore, I find that the Landlord did not collect rent in excess of the amount allowed by the Act as under s.123 as rent can be increased at any time where the landlord provides a new service or facility within the meaning of the Act or the regulation.

Illegal Charge Collected

19. The Tenants allege that the Landlord collected an unlawful increase in the rent deposit as there was a top up of \$700.00 for the rent deposit to match the new lawful rent as stipulated in the new lease agreement signed May 2, 2025. The Tenants assert that the Landlord has illegally collected this overpayment as an illegal charge.
20. As it pertains to the last month's deposit, the applicable sections of the Act are as follows:

Rent deposit may be required

106 (1) A landlord may require a tenant to pay a rent deposit with respect to a tenancy if the landlord does so on or before entering into the tenancy agreement. 2006, c. 17, s. 106 (1).

Amount of rent deposit

(2) The amount of a rent deposit shall not be more than the lesser of the amount of rent for one rent period and the amount of rent for one month. 2006, c. 17, s. 106 (2).

Same

(3) If the lawful rent increases after a tenant has paid a rent deposit, the landlord may require the tenant to pay an additional amount to increase the rent deposit up to the amount permitted by subsection (2). 2006, c. 17, s. 106 (3); 2013, c. 3, s. 32 (1).

21. Therefore, I find that the Landlord did not collect a charge which is not allowed by the Act as based on the above. The Act contemplates that an increase in rent can be met with an increase in rent deposit held by the landlord. As such, since the tenancy never ended, and there was a signing of a new term for occupancy where the lawful monthly rent increased, the Landlord can require a top up on the rent deposit because the Landlord is entitled to have a rent deposit that matches the increased lawful monthly rent.

It is ordered that:

1. The Tenants' application is dismissed.

June 23, 2026
Date Issued

Amit Gurpersaud
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.