



Order under Section 69 Residential Tenancies Act, 2006

File Number: LTB-L-040574-26

In the matter of: 2500 LOOKOUT DR
CUMBERLAND ON K4C1S3

Between: Alain Farley
Christine Farley Landlords

And

Khaled Hawa Tenant

Alain Farley and Christine Farley (the 'Landlords') applied for an order to terminate the tenancy and evict Khaled Hawa (the 'Tenant') because:

- the Landlords in good faith requires possession of the rental unit for the purpose of residential occupation for at least one year.

This application was heard by videoconference on June 22, 2026.

The Landlords and the Tenant attended the hearing. Christelle Azzi, a Legal Representative, represented the Tenant for the preliminary issue only.

Determinations:

Preliminary Issue:

1. As explained below, the application is dismissed because the N12 Notice of Termination (N12 Notice) did not provide a termination date falling on the last day of the rental period in a fixed term lease as required under section 48(2) of the *Residential Tenancies Act, 2006* (the 'Act').
2. Section 48(2) reads as follows:

(2) The date of termination specified in the notice shall be at least 60 days after the notice is given and shall be the day a period of the tenancy ends or, **where the tenancy is for a fixed term, the end of the term.**

[Emphasis added]

3. On April 30, 2026, the Landlords served the Tenant an N12 Notice in person with a termination date of June 30, 2026. The Landlord claims that they require vacant possession of the rental unit for the purpose of residential occupation by himself, his spouse, and child.
4. The Tenant provided into evidence a Residential Tenancy Agreement, Standard Form of Lease, dated June 20, 2023, signed between the previous landlord and the Tenant that says rent is due on the 1st day of each month for a fixed term tenancy starting July 1, 2023, and ending on July 1, 2027.
5. The Landlords say that they purchased the rental unit on April 29, 2026 through CMI Real Estate Inc as the rental property was repossessed by the bank from the landlord in which the tenancy agreement was entered into.
6. The Landlords provided in evidence an email from Sonia Kumar, from CMI, dated April 10, 2026 that state there is a lease agreement in place, and that the Tenant will provide a lease agreement later. The Landlords say they never received the lease agreement from CMI and because of that and because this is a power of sale transaction, the lease agreement terms should not apply.
7. The Tenant provided in evidence a text message exchange between Sonia Kumar and the Tenant dated April 10, 2026, where Sonia Kumar asks for the lease agreement. The Tenant provides the lease agreement to Sonia Kumar on April 13, 2026.
8. Section 47 of the *Mortgages Act*, 1990, c. M.40 states:
 - (1) A person who becomes the mortgagee in possession of a mortgaged residential complex which is the subject of a tenancy agreement between the mortgagor and a tenant or who obtains title to the residential complex by foreclosure or power of sale shall be deemed to be the landlord under the tenancy agreement.
 - (2) A person who is the landlord under the tenancy agreement ceases to be the landlord while another person is deemed to be a landlord under subsection (1).
 - (3) A person who is deemed to be a landlord is subject to the tenancy agreement and to the provisions of the Residential Tenancies Act, 2006 which apply to residential complex.
9. This means that despite the fact that this is a power of sale, CMI becomes the new landlord and the tenancy agreement from the previous landlord, applies to the new landlord. Under section 52 of the *Mortgages Act*, the mortgagee can apply to the Superior Court of Justice to set aside the tenancy agreement. There is no evidence in front of me to establish this was done.
10. The Landlords purchased the rental unit on April 29, 2026 from CMI. Section 18 of the Act says, "Covenants concerning things related to a rental unit or the residential complex in which it is located, run with the land, whether or not the things are in existence at the time the covenants are made". It is commonly accepted that what this provision means is that

when a property is sold and there are sitting residential tenants, the tenancy agreements “run with the land” meaning they remain in place on the same terms and conditions as existed prior to the sale. The new owner steps into the shoes of the old owner.

11. Therefore, based on the submissions before me, I find that there is a fixed term tenancy which ends on July 1, 2027, with monthly rent due on the first of each month, which means the date of termination of June 30, 2026 as outlined in the N12 Notice is not the last day of the fixed rental period. Therefore, I find that the notice does not comply with Section 48(2) of the Act and that notice is defective.

12. As such, the application must be dismissed.

It is ordered that:

1. The Landlords’ application is dismissed.

June 30, 2026
Date Issued

Paula West Oreskovich
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.