



**Order under Section 126
Residential Tenancies Act, 2006**

File Number: LTB-L-049684-25

In the matter of: 153 Dunn Avenue, Toronto, Ontario, M6K 2R8

Between: Golden Bay Inc Landlord

And

Refer to attached Schedule 2 Tenants

Golden Bay Inc (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 written hearing. The Board received submissions from the Landlord and the Tenants: Mary (Molly) Kostelnik and Charles Cadogan – Unit 2, Melody Brice – Unit 3, and Emily Doersam – Unit 4.

Preliminary Matters

Filing Deadline

1. On July 30, 2025, the Board issued a Deficiency Letter to the Landlord outlining deficiencies with the Landlord's application which required a response by August 14, 2025. The Landlord responded to all deficiencies except that their application may not have been filed on time.
2. Specifically, pursuant to s. 126(3) of the Act, an application for a rent increase above the guideline shall be made at least 90 days before the effective date of the first intended rent increase referred to in the application, being May 1, 2025 in this instance. The Landlord filed their application on February 4, 2025. As such, the application was filed 4 days late.
3. On June 8, 2026, a Member Endorsement Form was issued to the Landlord seeking an answer as to why they believed their application was filed on time, or for the Landlord to file a Request to Extend or Shorten Time.

4. On June 9, 2026, the Landlord replied to the Member Endorsement Form noting that they sent their L5 Application via Registered Mail on January 27, 2025, which was received by the "LTB Security at 3 Robert Speck Parkway, Mississauga, ON L4Z 2G5 on January 28, 2025". In support of their submission, they included their Canada post receipt and email from Canada Post on April 29, 2025 which provides the "scanned delivery date and signature of the recipient of the item identified." I note the date is January 28, 2025 and the signatory name is "LTB Security". As such, I am satisfied that the application was filed on January 28, 2025 and within the timeline for filing.

It is determined that:

Municipal Taxes and Charges

5. The Landlord justified a rent increase above the guideline because of an extraordinary increase in the municipal taxes and charges. I find that the increase in the municipal taxes and charges is "extraordinary" because the percentage increase between the reference year and the base year is greater than the guideline rent increase plus 50% of the guideline (section 28 of O. Reg. 516/06).
6. The maximum rent increase above the guideline because of an extraordinary increase in the cost for municipal taxes and charges is 0.25%. This increase is to be taken in the first year.
7. I have accepted the Landlord's amended application filed with the Board on August 7, 2026.
8. The first effective date of the rent increase above the guideline is May 1, 2025.

Allocation of Costs

9. The Tenants residing in Units 2, 3, and 4 submit that they believe the Landlord's sought increase to be unfair because it is being placed on three of the six rental units in the building.
10. For clarity the Board considers whether there was an extraordinary increase in municipal taxes, as described in this Order below, and calculates the increase in accordance with the Rules set out under s. 29 and s. 31 of O. Reg. 516/06.
11. The rent charged by the Landlord, which was submitted by the Landlord in their Rental Unit Information document, is relevant to the allocation of the increase to the affected units. In brief, the rules calculate the increase based on the total rent revenue of all units in the residential complex and then each unit is allocated a portion of the increase. Only affected units will actually receive the notice of rent increase.

Maintenance

12. The Tenants residing in Units, 2, 3, and 4 submit, with photographic evidence, that there are maintenance issues which they argue, support that the Landlord's application should be dismissed, or the Board should order the Landlord to do specified repairs or replacements or other required work within a specified period until any increase is permitted, and that any amounts owing to the date of the Order should be denied. The maintenance issues raised are as follows:

- a. That repairs to rental unit have been ignored for years despite Tenant requests.
- b. Repairs to the sliding glass balcony door – not staying on the track resulting in not being able to always close the door completely.
- c. Repairs to bathroom sink faucet – in need of replacement to fix dripping tap.
- d. Broken kitchen faucet.
- e. Old, rusty, and leaking refrigerator (Kelvinator – manufactured in March 1985) should be replaced before it breaks down.
- f. Plywood and weatherproof vinyl covering on the balcony was ripped up in August 2017 and has not been repaired, photographs included show 2X4 frame on floor of balcony and rotted and deteriorating wood on the corner top joints of the balcony railing.
- g. Two kitchen stove burners in need of replacement – not working.
- h. Curling linoleum on kitchen counter.
- i. Bathroom light cover broken and in need of replacement.
- j. Washing machine reported broken, then working, then broken again, and washing machine does not use warm/hot water.
- k. Fire extinguisher in need of replacement.
- l. Deteriorated carpet/covering on the main entrance front door landing ripped and a tripping hazard – cheap mat was placed overtop and is now worn.
- m. Glass panel at the front door broken and in need of replacement.
- n. "Shoddy repairs to front door" instead of replacement.
- o. Unclean common areas.
- p. Snow removal complaints.
- q. Canada Post advised Landlord to repair/replace step or mail would not be delivered to which the Landlord did but the step is now at an angle which poses a tripping hazard.
- r. Tenant replaced washing machine filter.

13. 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 and noted above, even if they remain outstanding, would rise to the level of a serious breach of the Landlord's maintenance obligations. A disrepair problem that is not "serious" as that term is used under the *Act* is not

relevant to these proceedings. However, the Tenant(s) is entitled to file their own applications at the Board in respect of these issues.

Financial Hardship

14. The Tenant residing in Unit 3, submits that the Board should consider financial hardship to Tenants caused as a result of any increase granted and specifically that they will be retiring soon and have a modest lifestyle to reflect their modest income.
15. Pursuant to subsection 205(2) of the Act where the Board makes an order for a rent increase above the guideline and that order is made more than three months after the first effective date of a rent increase in the order, the Board may permit a tenant to pay the Landlord the amount owing in monthly instalments.
16. Given that this order will issue more than three months after the first effective date of the above guideline rent increase herein, I am permitting the Tenants residing in Unit 3 to pay any amounts owing to the date of the order in 6 monthly installments starting 30 days from the issuance date of this Order.
17. As always, if the Landlord is amenable to a longer repayment plan for those Tenants facing financial hardship that remains within the Landlord's discretion.

Out of Scope Submissions

18. The Tenant residing in Unit 4 made submissions on matters which, while I understand are important to the Tenant, are not matters which the Act permits me to consider on the hearing of this application. The issues raised by the Tenant which are not relevant to my findings here are as follows:
 - a. That the annual rent increase guideline is based on the Ontario Consumer Price Index and is meant to prevent significant one-time rent increases to tenants and exacerbate the "already festering housing crisis".
 - b. The validity of Notice of Rent Increases received by affected Tenants.
19. Although the Tenants may feel it is unjust, 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 AGI for an extraordinary increase in the cost for municipal taxes and charges for the residential complex or any building in which the rental units are located. This application does not contain any claimed capital expenditures. The Board cannot stop the Landlord from exercising its right to apply for an above guideline rent increase.
20. The legality of the Tenants N1 forms is not properly an issue before the Board on an L5 application hearing. After an order is issued granting an L5 application, a landlord is entitled to demand that the tenant pay the approved above guideline

rent increase only if the landlord has served the tenant with a valid N1 Form seeking the above guideline rent increase.

21. If a landlord has failed to serve N1s in the relevant time period then that becomes relevant to any dispute between the parties as to how much rent is outstanding. However, validity of the N1 Forms are not relevant to the L5 application itself. If the Tenants end up paying what they feel is illegal rent because they believe that the N1 form was invalid then they can file the appropriate application with the Board. If they refuse to pay an amount demanded by the Landlord as a result of the Board's order on the L5 application the Landlord may bring applications for arrears of rent at which point the Tenants have the opportunity to argue that the N1s are invalid and the lawful rent is different than the Landlord is demanding. But none of that is properly the subject of a hearing of an L5 application.

It is ordered that:

1. The Landlord may increase the rents charged by 0.25% for the units set out in Schedule 1.
2. The percentage increase set out in paragraph 1 is to be taken within the time period of May 1, 2025, to April 30, 2026.
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 60 days of the date of this order.

June 26, 2026

Date Issued

Luciella Longo

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. 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.

2. 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.
3. The annual guideline for 2025 is 2.50% and for 2026 is 2.10%.

Schedule 1 - Units affected by this Order:

153 Dunn Avenue, Toronto, Ontario, M6K 2R8

2
3
4

Schedule 2 - Tenants who are Affected by this Order:

Brice, Melody
Cadogan, Charles
Doersam, Emily
Kostelnik, Mary