

CITATION: Capreit Partnership Limited v. Ravindran et al., 2026 ONSC 3593
DIVISIONAL COURT FILE NO.: DC-25-00000762-0000
LTB FILE NO.: LTB-T-072318-23-RV
DATE: 20260706

ONTARIO
SUPERIOR COURT OF JUSTICE
DIVISIONAL COURT

Varpio, Vermette, and Brownstone JJ.

BETWEEN:	)	
	)	
CAPREIT PARTNERSHIP LIMITED	)	<i>Kevin Lundy, for the Landlord/Appellant</i>
	)	
Landlord/Appellant	)	
	)	
– and –	)	
	)	
NITIN RAVINDRAN, CLAUDETTE	)	<i>Karen Andrews and Rosalea Thompson, for</i>
MORIER, PETER MCNICOL,	)	<i>the Tenants/Respondents other than Peter</i>
ELISABETH CORCORAN, STEFAN	)	<i>McNicol and Steve Hertel</i>
SAMSON, STEVE HERTEL, HELENE	)	
DUCHARME, KINGA BURJAN,	)	<i>No one appearing for Peter McNicol and</i>
BRENDA FERGUSON, MICHELLE	)	<i>Steve Hertel</i>
DIPARDO, DAVID SHAW, JAMES	)	
LIVINGSTON, OWEN VACIANNA, JIM	)	
WEBSTER, MICHELLE LALONDE and	)	
GRANT REYNOLDS	)	
	)	
Tenants/Respondents	)	
	)	
	)	HEARD at Toronto: June 10, 2026

BROWNSTONE J:

Overview

- [1] Capreit Partnership Limited (“the Landlord”) appeals from a review decision of the Landlord Tenant Board (LTB) dated August 21, 2025.
- [2] The Landlord owns a building in which the respondents (“the Tenants”) have lived since at least 2013. In about 2012, the Landlord planned to make capital expenditures for work on the building. The Landlord applied to the LTB for an order permitting an “Above Guideline Increase” (AGI) to the Tenants’ rent to cover the cost of the capital expenditures.

- [3] The parties settled that hearing by agreeing to an order permitting the Landlord to increase the rent over three years starting in 2013. AGI increases are temporary and are permitted to continue for the duration of the “weighted useful life” of the expenditure, which the parties agreed was ten years.
- [4] After ten years, the Landlord decreased the rent for the respondent Tenants by the amount of the first increase. The Tenants’ position was that the Landlord was required to reduce the rent all at once, not in a manner that staggered the decreases to mirror the increases. The Tenants applied to the LTB, claiming they were entitled to recoup unlawful rent, that is, the excess amount the Landlord charged them by failing to decrease their rent all at once.
- [5] In its first decision dated September 19, 2024, the LTB dismissed the Tenants’ application. The LTB agreed with the Landlord that it was entitled to phase in the decreases.
- [6] The Tenants sought a review of that decision from the LTB. The August 21, 2025, review decision granted the review, finding that the terms of the 2013 consent order required the rent to be reduced by the entire increase ten years after the first increase occurred.
- [7] The Landlord appealed to this court. At the hearing of the appeal, the Canadian Centre for Housing Rights sought an order granting it leave to intervene in the appeal by filing a factum seven days after oral argument was concluded. For reasons delivered orally the day the appeal was heard, which are attached as Schedule A to these reasons, the motion to intervene was dismissed.
- [8] For the reasons that follow, I would dismiss the Landlord’s appeal.

Jurisdiction and standard of review

- [9] An appeal lies from decisions of the LTB to this Court on issues of law alone: s. 210(1) *Residential Tenancies Act*, 2006, S.O. 2006, c. 17 (“the RTA”). The standard of review on a question of law is correctness: *Housen v. Nikolaisen*, 2002 SCC 33, [2002] 2 S.C.R. 235, at para. 37.
- [10] The review decision was based on the interpretation of the 2013 consent order issued by the LTB, including Schedule 4 of that order. Consent orders are to be interpreted according to the principles of contractual interpretation: *Johnston v. McLean*, 2024 ONCA 791, 504 D.L.R. (4th) 643, at para. 14. Generally speaking, an issue of contractual interpretation is a question of mixed fact and law: *Sattva Capital Corp. v. Creston Moly Corp.*, 2014 SCC 53, [2014] 2 S.C.R. 633, at para. 50.
- [11] However, the parties agree that Schedule 4 is a standard form, incorporated into virtually every AGI order. The interpretation of a standard form contract, where the factual matrix is of less relevance, has been held to be an extricable question of law, subject to the correctness standard of review: *Ledcor Construction Ltd. v. Northbridge Indemnity Insurance Co.*, 2016 SCC 37, [2016] 2 S.C.R. 23, at paras. 4, 24.

- [12] While *Ledcor* considered a standard form contract where no negotiation between the parties was possible, which may not be the case here, in my view the standard form nature of Schedule 4, the negligible role of the facts to its interpretation, and the fact that its interpretation will affect many parties beyond this dispute render it an extricable question of law over which this court has appellate jurisdiction, reviewable on the correctness standard.

The statutory scheme

- [13] The *RTA* specifies processes that govern above-guideline increases to rent. If a landlord wishes to increase rent beyond the permitted guidelines, the landlord must apply for an order approving the proposed increase. One of the situations in which a landlord may apply for an AGI is when eligible capital expenditures for the building or units are incurred: *RTA*, s. 126(1).
- [14] If the LTB is satisfied that the increase is justified, it is required to make an order specifying the above-guideline percentage by which the landlord may increase the rent, as well as a 12-month period during which a permitted increase may take effect: *RTA*, s. 126(10).
- [15] The maximum annual AGI percentage is 3%, and the maximum overall AGI is 9% When the approved AGI is greater than 3%, it is to be phased in over up to three years with a maximum increase of 3% in each year: *RTA*, s. 126(11).
- [16] The weighted useful life of the work done is determined in accordance with s. 26 and s. 27 of O. Reg. 516/06. The AGI is determined in part by amortizing the amount of the capital expenditure over its weighted useful life.
- [17] Section 129 of the *RTA* governs the reduction of the AGI in circumstances where the increase was authorized for capital expenditures. For purposes of this appeal, the following portions of s. 129 are relevant:

129. If the Board issues an order under subsection 126 (10) permitting an increase in rent that is due in whole or in part to eligible capital expenditures,

(a) the Board shall specify in the order the percentage increase that is attributable to the eligible capital expenditures;

(b) the Board shall specify in the order a date, determined in accordance with the prescribed rules, for the purpose of clause (c); and

(c) the order shall require that,

(i) if the rent charged to a tenant for a rental unit is increased pursuant to the order by the maximum percentage permitted by the order and the tenant continues to occupy the rental unit on the date specified under clause (b), the landlord shall, on that date, reduce

the rent charged to that tenant by the percentage specified under clause (a).

- [18] The rules for prescribing the date on which the rent will be reduced, required to be specified in the order under s. 129(c), are set out in s. 38(1) of O. Reg. 516/06 as follows:

38 (1) The rules for determining a date for the purpose of clause 129 (c) of the Act are as follows:

1. If the unit is subject to an order issued under subsection 126 (10) of the Act and subsection 126 (13) of the Act does not apply, the date shall be the day immediately before the anniversary, in the year determined by adding the weighted useful life as determined under paragraph 6 of subsection 26 (6) of this Regulation to the year in which the landlord took the increase, of the date the landlord took the increase.

2. Despite paragraph 1, if a landlord was entitled to take an increase under clause 126 (10) (b) of the Act but only took an increase or increases under clause 126 (11) (b) of the Act, the date shall be the day immediately before the anniversary, in the year determined by adding the weighted useful life as determined under paragraph 6 of subsection 26 (6) of this Regulation to the year that contains the first effective date set out in the order, of the first effective date set out in the order.

3. If the unit is subject to an order issued under subsection 126 (10) of the Act, and was subject to subsection 126 (13) of the Act, the date shall be the day immediately before the anniversary, in the year determined by adding the weighted useful life as determined under paragraph 6 of subsection 26 (6) of this Regulation to the year that contains the first effective date set out in the order, of the first effective date set out in the order. O. Reg. 516/06, s. 38 (1).

The LTB decisions

- [19] While it is only the LTB's review decision that is the subject of appeal, the board's previous orders and decisions are relevant to the arguments and appropriate analysis. I therefore review them all here.

The 2013 order

- [20] The LTB hearing at which the Landlord sought the AGI was to be held on December 12, 2012. On that date, the parties agreed to a consent order, which was issued by the LTB on January 10, 2013. The order provided that the Landlord's total AGI would be 8.3%, phased in over three years as follows: 2.5% in the first year, 2.9% in the second year, and 2.9% in the third and final year. The parties agreed that the weighted useful life for the capital expenditures would be ten years.

[21] The order provided that:

1. The Landlord may increase the rents charged by the percentage increases and within the time periods set out in Schedule 3.
2. The percentage increase set out in Schedule 3 may be taken in addition to the annual guideline in effect on the increase date for the unit.
3. 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 the order.
4. If the Landlord increases a Tenant's rent pursuant to the increase set out in Schedule 3, then the Landlord shall reduce the rent after the expiration of the weighted useful life, by the same rent increase percentage taken, if the same Tenant occupies the rental unit on that date. (See Schedule 4.)

[22] Schedule 4, referred to in paragraph 4 of the consent order and annexed to the order, has two subheadings, the first being “date of rent reduction” and the second “amount of the rent reduction”. Under each subheading are textual explanations and examples that explain how the date and the amount of reduction are determined. I will return to the actual text and examples of Schedule 4 later in these reasons.

[23] Neither party sought a review of this order.

[24] Ten years after the first increase, the Landlord reduced the rent by 2.5%, the AGI percentage increase to the rent in the first year. The Tenants believed the Landlord was required to decrease the rent by the entire 8.3% at one time. The Tenants applied to the LTB for an order that the Landlord was required to pay them rent it had collected in contravention of the *RTA*, namely, the difference between the staggered rent reduction applied by the Landlord and the full one-time rent reduction the Tenants say was required.

September 2024 decision

[25] The LTB released its decision dismissing the Tenants’ application on September 19, 2024. The board held the *RTA* was silent on the way the reductions were to be applied, and that a “commonsense approach would suggest that the Landlord is to reduce the amounts in the same fashion it collected the increase.” Therefore, the board found the Landlord’s approach was not “unreasonable or unlawful.”

[26] The Tenants sought a review of that decision.

August 21, 2025, Review Decision

[27] The review decision found the LTB had seriously erred in its September 2024 order. It held that the 2013 order, which was binding on the parties, determined that the reduction would not be phased in. The September 2024 order erred by not considering the 2013 order.

- [28] The review decision noted that s. 129(b) of the *RTA* requires an AGI order to specify a date on which the rent will be reduced. That date is to be determined in accordance with the prescribed rules. This required the 2013 order to specify the date of the reduction.
- [29] The review decision found that the 2013 decision did just that in Schedule 4. The decision noted that Schedule 4 uses boilerplate language inserted in every AGI order for capital expenditures. By including the boilerplate language, the LTB member adopted it as her own, whereby it had the same legal effect as if she had written it herself.
- [30] The review decision found Schedule 4 to be clear in specifying a single rent reduction on a single date, not two or three reductions over two or three years. Schedule 4 refers to each tenant's "first rent increase under this order", contemplating that a tenant may have more than one increase. The schedule provides that the reduction date is to be calculated from the first of those increases. The review order stated: "The only possible meaning that the language of Schedule 4 can support is that if there are multiple increases, there will be a single decrease scheduled by counting from the date of the first of the increases."
- [31] The review decision noted that the Landlord did not challenge the 2013 order. If the Landlord was of the view the rent reductions had to be phased in, it should have raised the issue in the 2012 proceedings.

Analysis

- [32] In my view, the review decision correctly identifies that the 2013 order disposes of this issue in the Tenants' favour.
- [33] In interpreting a standard form contract, the purpose of the contract, the nature of the relationship it creates, and the market in which it operates are relevant. These considerations will usually be the same for everyone who might be a party to the standard form of contract: *Ledcor*, at para. 31.
- [34] As the review decision noted, and the parties concede, the *RTA* requires every order that approves an AGI to specify a date on which the rent will be reduced.
- [35] The order contained the required legislated elements. It specified that the rent reduction was to occur, if a tenant who occupied the rental unit on the date of increase continued to occupy the unit on the reduction date, in accordance with Schedule 4.
- [36] I start with the ordinary and grammatical meaning of the order, when read as a whole. In my view, the language is not ambiguous. The clear meaning of Schedule 4 is that the reduction is to occur all at once. Schedule 4 provides:

A. Date of Rent Reduction

If the Tenant's rent is increased based on capital expenditures during the period 2012 then:

The date of the rent reduction-will be the day before:

- the date of the Tenant's first rent increase under this order, [emphasis added] plus
 - i. the number of years for the weighted useful life for capital expenditures for the unit (set out in Schedule 3)

[37] This paragraph contemplates that there may be more than one rent increase under the order, and that the date of the increase is calculated by adding the weighted useful life (10 years) to the date of the first increase.

[38] Under the second heading, the “Amount of the Rent Reduction”, Schedule 4 provides text and examples. The second example in Schedule 4 contemplates a rent increase not having been taken the first year, but taken in “subsequent periods”. Its wording is entirely consistent with the first example. It states:

If the Tenant's rent was *not* increased based on capital expenditures during the period 2012 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 Schedule 3).

Example:

If the first effective date of increase in this order is April 1, 2007 and the weighted useful life for capital expenditures is 12 years, then the rent will be reduced on March 31, 2019.

[39] By the plain wording of Schedule 4, there is a single date of rent reduction, and it is to be calculated from the “date of the Tenant's first rent increase under this order”, or the “First Effective Date”, of the rental increase. This is so even where there is more than one rent increase. This depends not on the use of singulars and plurals, as submitted by the appellant, but on giving meaning to all the words used in the context of the entire order.

[40] Nor do I find the language of Schedule 4 vague, as suggested by the Landlord. As noted, Schedule 4 refers to the “first rent increase under this order” and the “first effective date of increase”. Those dates are set out in the order, are clearly known to the parties, and contemplate that there may be a series of increases.

[41] Even if there were ambiguity in Schedule 4, the interpretation above is also the reading that is consistent with the purpose of the contract, the nature of the relationship it creates, and the market in which it operates (*Ledcor*, at para. 31).

- [42] Relevant to all three of these factors is the *RTA*, as the order was entered into in a proceeding under that legislation. It is the *RTA* that governs the relationship between the parties. The *RTA*'s purposes include "to provide protection for residential tenants from unlawful rent increases": s. 1. It is remedial legislation with a tenant protection focus: *Metropolitan Toronto Housing Authority v. Godwin*, (2002) 161 O.A.C. 57 (C.A.), at para. 19.
- [43] In this context, the Landlord submits that it was important that the Tenants understand the order. I agree. As the Tenants point out, if a landlord fails to reduce the rent in accordance with an order from the board, it is the tenants who bear the burden of bringing an application to assert their rights. For this reason, too, it is imperative that tenants are able to calculate, understand, and anticipate the amounts and dates on which rent will increase and decrease.
- [44] Further, the parties were aware that the *RTA* required the order to specify a date for the rent reduction. As a legislatively required component of an AGI order, this is a central part of the order. I do not accept the Landlord's submission that this was a collateral issue, not firmly decided in the 2013 order. Schedule 4 was not a "mere illustration of concept" as submitted by the Landlord. On the Landlord's reading of Schedule 4, it does not specify any date for rent reduction. That interpretation cannot govern. It is contrary to legislative requirements, and provides the Tenants with no notice of their rights and obligations. The review order did not err in treating Schedule 4 as a fundamental and binding part of the order.
- [45] The Landlord acknowledges that the legislation permits a single-date reduction when the increases are spread over years. It submits only that the order in this case did not require it. For the reasons above, I disagree.
- [46] Because the determination of this case rests on the interpretation of the 2013 order, the court does not need to determine the broader statutory interpretation question of whether phased-in rent reductions are permitted by the legislation.
- [47] The Review order correctly found the 2013 order governed the outcome of the dispute, and its interpretation of the order resulted in the correct decision.
- [48] I would therefore dismiss the appeal, and, as agreed between the parties, would order costs payable by the appellant to the represented respondents in the amount of \$5,000 inclusive of disbursements and HST.

Justice Brownstone

I agree

Justice Varpio

I agree

Justice Vermette

Released: July 6, 2026

Schedule A

Ruling on Motion for Leave to Intervene

The Canadian Centre for Housing Rights has brought a motion for leave to intervene as a friend of the court in this matter pursuant to Rule 13.02 of the *Rules of Civil Procedure*.

The motion was brought at the eleventh hour. The Notice of Motion and the supporting affidavit are dated June 3, 2026. The proposed intervener has obtained the consent of the Respondents who are represented by counsel, but not the consent of the two self-represented Respondents. The Appellant is not taking a position on the motion.

The proposed intervener did not submit a draft factum that it would deliver if permitted to intervene. While the proposed intervener provided a high-level overview of its intended submissions, providing a draft proposed factum would have particularized the submissions that it intends to make should it be granted leave to intervene, identified the authorities on which the proposed intervener would rely, and allowed the parties and the Court to know its precise position. See *Vento Motorcycles, Inc. v. United Mexican States*, 2024 ONCA 480, at para. 16.

In determining motions for leave to intervene as a friend of the court, the court will generally consider the nature of the case, the issues which arise and the likelihood of the proposed intervener being able to make a useful contribution to the resolution of the appeal without causing injustice to the immediate parties. Given that this is a private dispute, as opposed to one involving the state, the standard to be met by the proposed intervener is more onerous or more stringently applied. See *Vento Motorcycles*, at paras. 12-13.

While the proposed intervener has expertise in relation to housing and tenant issues and does important work, we are not satisfied that its proposed intervention will usefully assist the Court in the particular circumstances of this case and/or that the proposed submissions are not already addressed by the Respondents, particularly with respect to the issue of the purpose of the legislation. In addition, the fact that we do not have the position of the two self-represented Respondents raises some concerns. Further, the proposed logistics are problematic in that they could require the panel and the parties to reconvene should the panel have any questions raised by the interveners' submissions and the parties' responses.

Therefore, the motion of the proposed intervener is dismissed.

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REASONS FOR JUDGMENT

BROWNSTONE, J.

Released: July 6, 2026