



Order under Section 126  
Residential Tenancies Act, 2006

**In the matter of:** 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4

**Between:** RED STARLIGHT LP Landlord  
  
and  
  
Refer to attached Schedule 2 Tenants

**This order deals with the final issue outstanding based on final submissions put forth by both parties. This order contains the same contents as SOL-40297-13-RV2-IN3 save for the exterior painting section and the contents of what is ordered. This is the final order.**

RED STARLIGHT LP (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 (refer to attached Schedule 1).

This was a second review hearing which was held in St. Catharine's on June 22, 2017. The Landlord's Legal Representative, Paul Cappa, attended the hearing along with his witness Michael Leo Dorian ("M.L.D."). The following Tenants attended: Kendra McCourt, LD Blake ("L.D.B."), Lynda Johnston, Anna Karlova, and Maria Edelman. The Tenants' spokesperson was L.D.B. who spoke on behalf of the Tenants.

**HISTORY**

1. These proceedings have been lengthy. Following the first Above Guideline Increase (AGI) hearing the Tenants requested and received a review of the original order. The result from the review hearing was that the matter was sent to be re-heard as a hearing *de novo* (new hearing). The first review resulted in order SOL-40297-13-RV dated January 22, 2016.
2. The Landlord requested a review of order SOL-40297-13-RV. The Landlord argued that this order erroneously excluded some of the Landlord's claimed capital expenditures.
3. In addition to considering written submissions from the parties respecting the issues raised in the Landlord's review request a second oral review hearing was held.

4. At the second review hearing, the parties came to an agreement on the scope of the review and agreed to have oral testimony from the Landlord's expert witness. It is important to note that originally, as a preliminary matter, the Tenants said they agreed to the review and would just have the matter reheard. After both parties had a private discussion, off the record, the Tenants decided they did not wish to agree to the review and therefore the review hearing ensued.
5. The parties, at the outset of the review hearing, requested some latitude and because both sides agreed as to how they wished to present information the latitude was permitted. This included the Landlord recalling an expert witness which the Tenants agreed to.

### **The Issues**

6. Section 126(7) of the *Residential Tenancies Act, 2006* (RTA) provides the following definition of capital expenditures that can be claimed by a landlord in an Above Guidelines Increase (AGI) application:
  - (7) Subject to subsections (8) and (9), 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.
7. Specifically at issue in this second review proceeding are whether the following items meet the definition of capital expenditure:
  - a) painting of a retaining wall (expenditure #7);
  - b) replacement of balconies and as a sub-set of that capital expenditure the exterior envelope painting (expenditure #3 with exterior painting as one of the six sub-items); and
  - c) the interior common area painting of doors/hallways (expenditure #4)
8. The parties agreed that item (a) the painting of the retaining wall (expenditure #7) appeared to have been erroneously conflated with the exterior envelope building

painting in SOL-40297-13-RV. The parties further stipulated that at the first review hearing that they had all agreed this was a proper expenditure and it should be permitted. The parties also agreed that if this expenditure allowance was the only change to the order then it should be disregarded since its impact would be minimal.

9. With respect to the other two issues (b) and (c), having considered the order under review, the recording of the hearing, and the parties' written submissions, I found that an in person hearing that allowed for parties to present oral submissions was required to allow me to determine if SOL-40297-13-RV contains a serious error.

### **Review Process**

10. A review hearing is not intended to be simply an opportunity for a party to reargue the case with the hopes of a different outcome. As set out in Landlord and Tenant Interpretation Guidelines 8, the party who filed the review must establish that the order contains a serious error. Serious errors include:
  - An error of jurisdiction. For example the order relies on the wrong section of the RTA or exceeds the LTB's powers.
  - A procedural error which raises issues of natural justice;
  - An unreasonable finding of fact on a material issue which would potentially change the result of the order;
  - New evidence which was unavailable at the time of the hearing and which is potentially determinative of one or more central issues in dispute;
  - An error in law. The LTB will not exercise its discretion to review an order interpreting the RTA unless the interpretation conflicts with a binding decision of the Courts or is clearly wrong and unreasonable
11. I also note that AGI applications are often emotional for parties and this case was no different. On one side is a landlord that has typically spent a significant amount of money and is trying to recover a portion of the costs; while on the other side are tenants who, at times, are on fixed incomes, and who invariably do not feel that the landlord's expenditures should be passed along to them. However, the RTA clearly provides that if the capital expenditure meets the definition set out in section 126(7), then the landlord is entitled to pass along a portion of the expenditure to the tenants through the AGI application. There is nothing in the RTA that allows the Board to consider the financial impact of the rent increase on the tenants.

### **Preliminary Matter: Allegation of Bias**

12. Part way through the second review hearing the Tenants asserted that I was biased and requested that I recuse myself from the case. This claim arose after I noted that the Tenants had to put forth full submissions rather than just statements. In this instance, the Tenant's representative made a statement that the Landlord had applied an incorrect glazing to the building exterior which was simply a bald assertion unsupported by evidence on the record.
13. It is noted that L.D.B. specifically mentioned that the Tenants did not have any formal legal training. The Board does not expect or require that parties have any formal training. However, it is noted that there were several times that L.D.B. made assertions, that the Tenants wanted the Board to accept, without giving any reasons, legal or otherwise, as to why the assertion should be accepted over the Landlord's position. Since the Tenants were not formally represented, I pointed out that it is not enough to simply make assertions in the face of expert testimony.
14. In one instance, the Landlord's witness, M.L.D., who was qualified as an expert witness, testified that the building's exterior envelope had an issue with some of the glazing "popping" off the bricks and that there was water penetration. M.L.D. testified that this issue was noted by a previous report, the "Pretium Report" (July 24, 2008) and it was also a conclusion reached by M.L.D., a noted an expert in this field. To remedy this issue M.L.D. and his team applied Durex which, although it is paint, M.L.D. testified that it had the exact qualities, namely assisting to prevent water penetration, which the building required.
15. The Tenants, although they had at least two opportunities, never asked M.L.D. on cross-examination, why or how this was different than regular paint or how it was going to make a difference. Instead, the Tenants, through L.D.B., asserted that the coating that was applied was simply paint and was not doing the job intended and was now peeling. Further, L.D.B. asserted that glazed ceramic brick should never have paint applied to it. Since it was simply an assertion the Tenants were point blank asked why their position should be accepted over the Landlord's expert witness. The Tenants requested a recess to gather their thoughts which was granted as the request was reasonable. Upon resuming the session the Tenants then asserted that I was biased and requested that I recuse myself from the case.
16. The test for bias was first formulated by Justice de Grandpre in a dissenting judgment,<sup>1</sup> but was later adopted by the Supreme Court of Canada in the cases of *Newfoundland Telephone Co. v. Newfoundland (Board of Commissioners of Public Utilities)*<sup>2</sup> and *Baker v. Minister of Citizenship and Immigration*.<sup>3</sup>

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<sup>1</sup> *Committee for Justice and Liberty v. National Energy Board*, [1978] 1 S.C.R. 369 at 394.

<sup>2</sup> *Newfoundland Telephone Co. v. Newfoundland (Board of Commissioners of Public Utilities)*, [1992] 1 S.C.R. 623.

<sup>3</sup> *Mavis Baker v. Minister of Citizenship and Immigration*, [1999] 2 S.C.R. 817.

...the apprehension of bias must be a reasonable one, held by reasonable and right minded persons, applying themselves to the question and obtaining thereon the required information...[T]hat test is “what would an informed person, viewing the matter realistically and practically – and having thought the matter through – conclude. Would he think that it is more likely than not that [the decision-maker], whether consciously or unconsciously, would not decide fairly.”

17. This an objective test, measured in terms of the impression held by the reasonable observer.
18. I dismissed the Tenants’ motion that I recuse myself due to bias because, if anything, I was ensuring that the Tenants could put forth cogent arguments as unrepresented parties. Pointing out to parties that bald assertions are not going to legally win their position does not amount to bias.
19. Given the history of the Tenants’ review request of the original hearing and the original order, it is understood why, subjectively, the Tenants may have felt the same way when I pointed out that (a) they were just making assertions and (b) they had opportunities to cross examine the expert witness but never put relevant questions to the witness. However, I also pointed out to the Tenants why I was indicating that they could not just make bald assertions and what they had to do to remedy the problem, namely: put forth an argument instead of simply an assertion. The two instances are vastly different. In the first instance, the Tenants were prevented from putting forth their arguments; in the second instance, I was specifically trying to ensure that the Tenants understood that they were required to put forth actual arguments, rather than simply bald assertions.
20. As indicated no one is expected to have legal training to appear before the Board. In this case, there is a significant amount of money at stake and one side had a legal representative and the other side was not legally represented. It is important that full cogent legal arguments were put forward. Ultimately, with explanation by myself as to the issue with the bald assertions and with my pointing out that there needed to be an argument the Tenants eventually stated that, for example, glazed ceramic brick generally have properties that would not warrant painting it as the paint would not adhere.
21. Finally, it should be noted that throughout the hearing the Tenants evidence that had previously been given (most frequently by M.L.D.). Each time the misstatement occurred, I would correct the Tenants. As I pointed out at the hearing, the reason for my corrections were so the Tenants would not be basing their arguments on misstated evidence which does not help advance their case.

**Preliminary Matter: Tracy Brisco**

22. The Tenants several times during the hearing kept reiterating that the evidence that was given by Tracy Brisco (TB) at the original hearing was based on lies and

misstatements. TB was not present and did not testify at either the first or second review hearing. The issues that are the subject of this review do not rely on her testimony and her testimony was never made part of the review. Furthermore, the original order, order SOL-40297-13 issued January 22, 2016 does not seem to have put significant reliance on the evidence given by TB. As such, any of the repeated allegations that the Tenants made concerning TB's testimony at an earlier hearing are not relevant for the purpose of the second review.

**Evidence at the Second Review Hearing: Landlord's Witness: M.L.D.**

23. M.L.D. is a partner in the firm of Enerplan Building Consultants (EBC). M.L.D. has been with EBC since 1991 and has been a partner since 2000. He has a B.A. in Architectural Science. His specialties include, but are not limited to, building envelopes and balcony restoration. M.L.D. was accepted as an expert witness with respect to building construction and restoration of buildings.
24. M.L.D. testified that he was directly involved with the residential complex in question. The role of M.L.D. and Enerplan was to first inspect the residential complex and then make recommendations to the Landlord and then oversee the work from commencement to completion.
25. M.L.D. detailed the inspection process, including methods used and indicated several specific tests that were carried. Due to the technical nature of these methods and tests they are not going to be reproduced in the order. The Tenants did not question or challenge the qualifications of EBC or M.L.D. and, as such, his testimony is accepted as fact.

**No Written Report/Previous Work Completed-Previous Report**

26. In Order SOL-40297-13-RV issued January 22, 2016, the Hearing Member found that at paragraph 21:

Although the engineering report finds the covering of the slab edge by the lower panel of the guards will lead to accelerated deterioration of the guard panel and balcony slab, it does not find that major repair or replacement is required. It notes, "*If left as is, concrete deterioration will continue and extensive repairs will eventually be required.*" The evidence before me is that some work was done in 2010. There was no subsequent engineering report with respect to the continued deterioration of the balconies. The only evidence before me in support of the Landlord's position was that of MLD who testified that he witnessed significant

concrete cracks and deterioration as well as corrosion of rebar and support posts.

27. And further at paragraph 22:

Given the lack of a subsequent engineering report, the evidence of MLD with respect to the reason for the recommendation, and the fact that there is no requirement that the balcony guards be retrofitted to meet a change in the Building Code, I find that this capital expenditure is not eligible.

28. At the review hearing on June 22, 2017, the Tenants questioned why EBC did not have a written report regarding their findings. M.L.D. indicated that EBC was not hired to do a Condition Survey Report (CSR). M.L.D. indicated that the owner of the building had previous information about work that needed to be done. Furthermore, M.L.D. stated that a CSR is typically used for financial planning. M.L.D. believed that due to the fact that there had been previous isolated repairs and there were water leaks the owners knew that work now needed to be done. As a result, the owners chose to skip the preliminary step of the CSR and went straight to specifications.
29. The Tenants position is that the Landlords had predetermined what work they would do as soon as they purchased the building. The Tenants allege that the Landlords were branding the entire building as the Tenants allege the Landlord has done in many other instances. M.L.D. was specifically asked about whether or not the work was predetermined. His response was that the Landlords knew that work needed to be done but they did not know the scope or the cost. As such, EBC was hired to determine the areas of need and prepare specifications that the Landlords then made decisions from.
30. The Tenants also argued that because the RTA is silent on whether a building condition report is necessary before a capital expenditure is eligible to be included in an AGI application filed under section 126 of the RTA that means that the Hearing Member had the discretion as to whether to make it a requirement. With respect, I disagree. While a Hearing Member is the one that weighs evidence and assesses credibility, no Board Member can effectively read into the RTA an additional requirement that must be satisfied by an AGI applicant. If the legislature had intended such reports to be mandatory it would have so indicated. There was an inappropriate negative inference drawn because there was not a written report. There were no reasons given why the expert witness's evidence on this issue was lacking, not credible or somehow insufficient.
31. The "previous information" was also at issue between the parties. This is a reference to the previous Pretium report written July 24, 2008 that indicated that various work was either suggested or should be completed. Subsequent to that

report being written some work was done. The Tenants' position was that the fact that there was work done meant that the Pretium Report was not valid any longer and that there should have been another report completed. The Tenants allege the Landlords must prove that the work needed to be done. As explained to the Tenants during the hearing the standard of proof that the Board must apply in all of its proceedings is a balance of probabilities not the "reasonable certainty" that the Tenants argued should apply.

32. In my view, the fact that there was a previous report has no bearing at all on the present case. First, as pointed out there was work completed subsequent to the creation of that report. However, even if no work had been done it is still of little value because a significant amount of time had passed since the inspection of the residential complex (and completion of the report). In these circumstances an updated analysis would seem necessary to support a determination as to what work is necessary to protect or restore the physical integrity of the residential complex. The Landlord did exactly this and hired EBC to provide recommendations. The Landlord then decided what work would and would not take place and then EBC created specifications and entered into a tendering process and ultimately oversaw the project.
33. In this case, the Landlord chose to hire a qualified company, EBC, to inspect and make recommendations and to give approximate monetary estimates so that the Landlord could make an informed decision about what work to go forward with. Those recommendations are outlined in the relevant sections below.

**i. Balconies**

34. The Landlord argues that the balcony replacement expense should be considered an eligible capital expenditure under several different grounds.
35. With respect to the balcony system it was not disputed that the balconies and railings were likely original to the building, and therefore approximately 50 plus years old. M.L.D. testified that he observed severe cracking and concrete deterioration. He stated that the railing panels cover the slab edge which then collects debris, moisture and ultimately accelerates deterioration. M.L.D. acknowledged that there were isolated repairs that had previously been done.
36. One of the issues noted by M.L.D. was that the structural supports from the original building were significantly deteriorated. The issue was that these were embedded, cast in place in concrete. While it was suggested that the Landlord could have just attempted further repair, M.L.D. stated that current codes (Building Codes) had changed significantly and once any modifications are started then the Landlord must ensure compliance with the current building code requirements. The existing guardrails were not to the current code which was also a safety concern and potential liability issue.



37. M.L.D. testified that because the structural support going into the building attached to the building, the necessary work could not just be done with repair. Therefore, due to the original design of the balconies they had to be removed and replaced. The new railing that was put on does not cover the slab. The new rails are lighter and stronger and bolts down to the top-side of the slab and is a widely used system.
38. The Tenants argued that the previous Pretium Report did not require repair or replacement of the slab edge which was covered by a metal guard panel. The Pretium report also noted that the railing were in “fair” structural condition and that some repair was needed, but replacement could be considered. EBC inspected the residential complex four years later. At that time, EBC did extensive testing and found that there were significant issues with the slab/rail. Due to the deterioration of the structural integrity and safety issues, EBC recommended replacement. Additionally, M.L.D. testified that additional repairs were needed due to the degree of deterioration.
39. As argued by the Landlord, section 20 of the *Residential Tenancies Act, 2006* requires that any landlord ensure appropriate maintenance of every aspect of the residential complex. If a landlord fails to comply with appropriate maintenance then the Board can impose remedies. The Landlord also pointed out that maintenance obligations can also be for preservation and can be proactive or reactive.
40. The Landlord argued that section 126 also indicates that even if something is deemed to be unnecessary work, if it promotes security, it can also be included in an AGI application.
41. The Tenants took issue with the testing that was done by EBC and specifically M.L.D. and argued that it was not extensive and that M.L.D. could not remember specifics or identify certain photographs. L.D.B. testified that the Tenants did their own testing of many balconies and felt that it was not necessary to replace them.
42. First, it must be pointed out that the Tenants did not provide any evidence that would qualify any of them as experts with respect to structural integrity of a building. Second, as pointed out by the Landlord, it is reasonable to expect that M.L.D. so many years after the fact (the initial inspection and even the work that was completed) may not have full recall with regards to all details. It is noted that M.L.D. did testify extensively about many specific types of tests and examinations that were performed on the building prior to recommendations being made to the Landlord.

#### Analysis

43. I find that the balcony repair was necessary for the integrity of the building. The physical integrity of the building was at risk and the restoration of the balconies was necessary to protect the residential complex. The expert evidence of M.L.D. was credible and he was knowledgeable about the conditions of the residential complex. M.L.D. gave detailed specifics about the various major issues that the balconies had. In addition to the integrity of the building, I also accept that there was a safety issue with respect to the balconies. Once the Landlord determined that it was necessary to do work on the balconies to ensure their structural integrity then the railing had to be likewise brought up to code.
44. I do not accept the Landlord's Legal Representative's argument that there is a positive requirement to retroactively make changes to a building any time the Building Code changes. Rather if a building met code at the time it was built it can stay that way until someone starts to make changes to the building. Once some kind of work starts then the newest building code (with respect to whatever area the person is working on) then has to be brought up to code. So, in this case, once the Landlord decided to do work on the balconies then the railing had to be likewise brought up to code.
45. I am not satisfied, on a balance of probabilities, that there was extensive work completed in 2010 (by the previous landlord) that would have rendered the subsequent 2012 work claimed in this AGI unnecessary. In fact, on the contrary, M.L.D. testified that the way in which some of the 2010 work was completed made it more difficult to do the 2012 work and made the project more extensive.
46. As the Landlord has sufficient evidence to establish, on a balance of probabilities, that the work was necessary both for integrity of the building and for security reasons, I find that the Landlord has met the test for the capital expenditure and it is allowed.

**ii. Exterior Painting: Entire Building Envelope**

47. M.L.D. testified that the building envelope consisted of glazed masonry units that had an exposed slab edge. M.L.D. stated that he personally observed that there was significant deterioration of the bricks that included spalling and water leakage. He testified that there was a general deterioration of the building surface, including that some of the faces of the glazed bricks were popping off which then allowed water to infiltrate.
48. M.L.D. stated that there were two options. One was to do exterior cladding which would involve significant cost and involved putting something physical on top of the brick. The other option was to put a coating on the outside. A coating on the outside of the brick is less costly. The Landlord entered as an exhibit the properties that the coating, Durex, used on the building is said to have. The Landlord's expert witness testified that the colours used were irrelevant and that the Landlord could have chosen any colour for the coating.

49. Based on the firm's recommendation the Landlord decided to use the less expensive coating option and there is no dispute that it was completed.
50. The Tenants believe that the exterior painting of the building envelope was done merely for cosmetic purposes. The Tenants submitted a list of different buildings owned by this Landlord which they believe establish "a pattern" of purchasing buildings and then painting the exterior with similar colours so that the Landlord's brand would become apparent.
51. The Tenants also asserted, without corroborating evidence, that the building was made from ceramic glazed brick and that ceramic brick should never be painted as this type of brick is "impenetrable". However, as noted above, the Tenants never asked M.L.D., the Landlord's expert witness, why they chose to paint ceramic glazed brick or whether there was any problem with doing so.
52. Furthermore, the Tenants argued that the new paint/coating is peeling already, allegedly because it is glazed brick, and that it has not stopped water penetration.

#### Analysis

53. The original hearing order did not contain sufficient reasons weighing the evidence. Rather, the hearing order found, without explanation, that the Landlord was simply painting the same branding colours to the buildings. One of the only reasons given for the exclusion of the same as the balcony replacement: that there was no subsequent written report that supported the coating. There was no analysis as to why the Landlord's Expert Witness's testimony was not given sufficient weight, especially since he gave direct evidence and was also cross-examined. As the reasons are insufficient to understand the conclusion, I find that there is an error in the order with respect to this issue.
54. In SOL-40297-13-RV2-IN the parties were given an additional opportunity to put forward any further arguments with respect to this issue. Although the parties had given extensive submissions at the review hearing the last thing that was agreed upon after the full hearing day was that if I found there was an error with respect to this issue that the parties would have an opportunity to put forward additional submissions. Ultimately, no additional submissions were received and thus my decision is based on the arguments previously made.
55. It was noted by the Landlord that the Pretium Report from July 2008 indicated that an application of a "water repellent or breathable coating should be considered" with respect to the bricks/building envelope. Regardless of this report, M.L.D. specifically also testified to this issue. M.L.D. indicated that it was recommended to the Landlord that due to the deterioration of the bricks and water infiltration that it was recommended to either put cladding or a coating on the building. The coating was substantially less expensive. The Landlord also argued

that although the coating may make the building look nicer the colours should not be the primary focus. The colours chosen, the Landlord argued, were incidental to the reason the product was chosen. The Landlord argued that the qualities of the coating should be carefully considered. The Landlord argued that a coating was necessary for the physical integrity of the building, since it also assisted with preventing water infiltration; protected the bricks and the joints themselves. The Landlord had an expert witness testify at previous hearings as well as at the review hearing.

56. The Tenants put forth many theories including that the coating was done for the primary purpose of “branding” the Landlord’s building. The Tenants put forth lists, compiled by tenants’ associations that were allegedly all buildings that the Landlord purchased and then subsequently painted in their similar “brand” colours. The issue with this argument is that there is no evidence that those buildings are the same as the current one. Specifically, were those buildings in a “good”, “bad”, or “deteriorating” condition and the Landlord painted them and then tried to pass along the costs? There is nothing preventing a Landlord from painting a building. There is nothing wrong with a Landlord painting their properties similar colours. Where the issue lies is whether or not the primary purpose for the painting was substantially cosmetic because, if it is, then this would not be permitted as a capital expenditure. I cannot make any comment with respect to any other building because they are not the subject of this application. Therefore, I turn my mind solely to this building and these circumstances.
57. In this circumstance, I find that there was an undisputed issue with water infiltration into the building. The Pretium Report, and the subsequent experts involved with this project, recommended that to try to fix this issue it would be wise to either put a cladding or a coating on the outer envelope of the building. M.L.D. testified that the Landlord chose the coating and he testified about the properties of the coating.
58. The Tenants alleged that one should never paint, or coat, glazed ceramic brick. None of the Tenants were qualified as experts with respect to this issue and did not provide evidence, other than oral assertions, that glazed ceramic brick should never be coated. Additionally, the Tenants did not supply the Board with evidence to contradict the Landlord’s expert other than their oral assertions. As explained at the hearing, assertions must be supported. In this case, based on both the original Pretium Report that recommended the coating and the Landlord’s subsequent expert that also recommended the coating, I find that the coating was not simply cosmetic. I find that the primary purpose of the coating that was put on the building envelope complies with section 126(7) in two respects: section 126(7)(a) that it was necessary to protect or restore the physical integrity of the residential complex; and section 126(7)(b) that it was necessary to comply with section 20 of the RTA which lays out the Landlord’s maintenance obligations. I accept the Landlord’s position that the colours were incidental to the coating and that any colours could have been chosen. Therefore, this is an eligible capital expenditure.

**iii. Interior Painting: Hallways and Doors**

59. The Hearing Member found that this expense was not an eligible capital expenditure as it did not meet the test for being a “major” repair or renovation. The Hearing Member found that this painting was done mostly to “spruce up” the residential complex, specifically the Hearing Member wrote at paragraph 14:

The Landlord also claimed painting the interior corridors as an extraordinary capital expenditure. The Landlord painted the corridor walls and the outside of the rental unit doors. I find that the painting of the hallways and the exterior of the rental unit doors is not an eligible capital expenditure because the painting of the corridors and doors is not a major repair or replacement nor is it related to a major repair or replacement. The evidence before me was that this was done to spruce up the corridors.

60. The Landlord argued that given the number of rental units and hallways in the building the painting did rise to the level of being major.
61. The Tenants position is that the Landlord did not fully establish why the painting was necessary. L.D.B., testified that, in fact, the hallways had just been painted in approximately 2009 which would therefore be less than the suggested useful life. The Tenants pointed out some of the Exhibits regarding this issue. Specifically the Tenants questioned the reliability of the photographs as they were extremely difficult to view.
62. The Tenants also suggested that perhaps painting should not be considered a renovation eligible for inclusion in an AGI application. In the *Residential Tenancies Act, 2006* Ontario Regulation 516/06 the Schedule sets out the “useful life” of various items. Specifically, for interior painting the Regulation indicates there is a useful life of 10 years. Since, there is an entry in the regulations which clearly sets out the useful life of painting, I do not accept that painting cannot be part of an above guideline increase application.
63. Order SOL-40297-13-RV fails to adequately explain why the Tenants position on this issue was preferred over the Landlords’. As such, the order contains a serious error with respect to the exclusion of the hallway painting expenses.
64. Both parties agreed that if portions of the decision of the Hearing Member could not be upheld, that I could substitute my own decision based on the evidence on already the record and the evidence provided during the second review hearing.

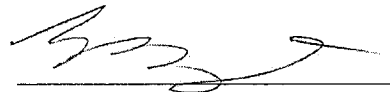
65. I do not find that there was sufficient evidence put forth by the Landlords to make it clear why repainting the hallways was necessary. The Landlord did not explain how the test in section 126(7) was met with respect to the interior painting. Furthermore, I do not find that the Landlord pointed to any evidence that contradicted the Tenants' position that the useful life of the previous painting (done by a prior landlord) had not expired. The Tenants argued that the halls and doors had been painted in 2009. The Landlords challenged that information and asked where the Tenants' proof or photos were. Essentially, for this issue, neither party had very compelling evidence. However, it is the applicant/Landlords who must meet the burden of proof and I find that this was not done. As such, the Landlords' request for the inclusion of the hallways and doors (expenditure #4) is denied.

**It is ordered that:**

1. Order SOL-40297-13-RV issued on January 22, 2016, is varied as set out in the schedules. Capital Expenditures #3 and #7 have been permitted. 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.

**December 14, 2017**

Date Issued



**Elizabeth Usprich**

Vice Chair, Landlord and Tenant Board

**Southern-RO  
6th Floor, 119 King Street West  
Hamilton, ON, L8P4Y7  
Fax No: 905 - 521 - 7870**

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. The ordered increase does not affect tenants who moved into the complex on or after September 2, 2013. The landlord cannot add the ordered increase to the rents these tenants pay.

165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4

115	414	709
116	416	711
117	417	712
118	418	714
119	420	715
120	502	716
201	503	717
205	504	718
207	506	719
208	507	801
210	508	802
211	509	803
212	510	804
214	511	806
215	512	807
216	514	809
217	516	810
218	517	811
219	519	814
220	520	815
302	601	816
303	602	817
304	603	818
305	604	819
306	605	820
307	606	901
308	607	902
309	608	903
311	609	904
312	610	905
314	611	906
315	612	907
317	615	908
320	616	909
401	617	910
402	618	911
403	619	912
404	620	914
405	701	915
406	702	916
407	703	918
409	705	919
410	707	920
412	708	



**Schedule 2 - Tenants who are Affected by this Order: File Number:SOL-40297-13-RV2**

ACHEAMPONG, VIVIAN  
ADAM, SMELSER  
AL HUSAINI, FAROOG  
AL SHAIBANI, MOHAMMED  
AMIR, ZAINAB MOHAMED  
ANAM, FAIZA  
ANDREW, NAGY  
ANGLE, VIRGINIA  
ANIOL, ANGELA  
ARMSTRONG, JESSICA  
BARNHARDT, BRENT  
BAUMBARTNER, ANDREW  
BENNICI, JESSE  
BERING, JACOLYNNE  
BERNICKY, BARBARA  
BLACKMORE, TREVOR  
BLAKE, LD  
BOESE, JAMES  
BRANSTON, COLLIN  
BRODGEN, NANCY  
BROWN, MARK  
BROWN, MICHELE  
BROWN, ROSEMARY  
BROWN, TABITHA  
BURKE, JESSIE  
BURNS, ASHLEY  
CAIN, MARGARET  
CAMPBELL, BARBARA  
CAPASSO, JOSEPH  
CECCHI, JORDAN MICHAEL  
COOK, DEBORAH  
CORBI, AMANDA  
COURCHESNE, NANCY  
COUSINS, JANE  
CRUISE, HOLLY  
CSUKA, WILLIAM  
CUMMING, STEVEN  
DERTINGER, NICHOLAS  
DIEUZ, CAROL  
DRESSEL, CAROLYN ANN  
DUGUAY, ADAM  
DUVAL, CATHIE  
DZUIBANOWSKI, MAURICE  
EATON, CLAYTON  
EDELMAN, MARIA  
ELZOWAWI, ALHUSSEIN

FEATHER, JANICE  
FISHER, KARLI  
FITZGIBBON, MARY JO  
FLEMING, W M MACRIS  
FORTIN, DONNA  
FRANCIS, ASHTONNE GORING  
FREDERICK, ALEX  
FREEMAN, SHAWN  
GALLOWAY, SUSAN  
GARCIA, MAYELAYNE  
GORING, KERRY  
GREEN, CHARLES  
HABTOM, FEVEN  
HEBERT, BERTRAND  
HERSTEK, BENNY  
HIGNETT, DAVIS  
HOUDE, JOANNE  
HOUSING, NIAGARA REGIONAL  
HURSON, DEBORAH  
JACQUES, KENNETH  
JASINSKI, STEVEN  
JOHNSON, BRANDEN  
JOHNSTON, LYNDIA  
JONES, JUSTYN  
KARLOVA, ANNA  
KOSTROMA, VLADIMIR  
KRAVCIK, STEPHANIE  
KRIKUN, DARIA  
LAI, STANFORD  
LANCASTER, TIM  
LARSEN, SIMONE  
LEE, STEVEN  
LI, MENGXUE  
LIN, LIANG  
MACDONALD, JANET  
MADOLE, DON  
MAHLE, LAURIE  
MALANGIS, JOCELYN  
MASON, LINDA  
MCCOURT, KENDRA  
MCFADDEN, SEAN  
MCLAUGHLIN, DIANNE  
MCNABB, RANDY  
MELLEN, KENNETH  
MIAN, JAVID  
MOATE, JAMES

**Schedule 2 - Tenants who are Affected by this Order: File Number:SOL-40297-13-RV2**

MULVIHILL, ERIN  
MURPHY, KARI  
MURPHY, MAXINE  
NEIRA, MERCEDES  
NESBITT, LAURA  
NICKERSON, RUBY  
PENNER, MARY  
PETCH, DEBORAH  
PETTIPAS, KATHY LYNN  
PIETIKAINEN, ERIKKI  
PRENTICE, ROB  
RAGOONATH, FATIMA ALYSSA  
REDDICK, RONNIE  
REID, DANIELLE  
REID, DARREN  
ROMEIKO, DEBBIE  
RYAN, SYLVIA  
SAAD, MOHAMED ABUEL  
SALIU, MYSLIM  
SAWATSKY, MARLENE

SEGUIN, ROANNE  
SMITH, MARTIN  
SPECIAINY, GERALD  
STAVROU, PETER  
SWEENEY, JOHN  
TAYLOR, BETTY  
THOMPSON, DIANE  
THOMPSON, THEODORE  
TRIPP, DIANE  
VANDERVAART, JULIE  
VILBRUN, STALL  
VON BORMANN, NIKI  
WEISS, ROBIN  
WITTIW, STELLA  
WOLBERT, KEVIN  
XHEMALI, BEXHET  
YI, ZHAN  
YOUNG, RAMONA  
YU, FANG  
ZHU, HAI

**Schedule 3 - Ordered Rent Increase Above the Guideline****First Effective Date of Rent Increase in this Order is December 1, 2013**

The Landlord may increase the rent charged for the units affected by this order by the total percentages set out below and within the time periods set out below. These percentage increases may be taken in addition to the annual guideline in effect on the increase date for the unit.

**For the period December 1, 2013 to November 30, 2014****December 1, 2014 to November 30, 2015**

Unit	% inc for Taxes	% inc for Cap. Exp.	% inc for Utili- ties	% inc for Sec. Serv.	Total Increase (excludes guideline)
115, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
116, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
117, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
118, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
119, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
120, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
201, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
205, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
207, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
208, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
210, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
211, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
212, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
214, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
215, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
216, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
217, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
218, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
219, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
220, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
302, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
303, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
304, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
305, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00
306, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00

% inc for Cap. Exp.	% inc for Sec. Serv.	Total Increase (excludes guideline)
1.76	0.00	1.76
1.76	0.00	1.76
2.62	0.00	2.62
1.76	0.00	1.76
2.62	0.00	2.62
2.62	0.00	2.62
2.62	0.00	2.62
2.62	0.00	2.62
1.76	0.00	1.76
2.62	0.00	2.62
1.76	0.00	1.76
1.76	0.00	1.76
2.62	0.00	2.62
2.62	0.00	2.62
2.62	0.00	2.62
2.62	0.00	2.62
1.76	0.00	1.76
1.76	0.00	1.76
2.62	0.00	2.62
2.62	0.00	2.62
2.62	0.00	2.62
1.76	0.00	1.76
1.76	0.00	1.76
2.62	0.00	2.62
2.62	0.00	2.62
1.76	0.00	1.76
2.62	0.00	2.62
1.74	0.00	1.74
1.76	0.00	1.76

Weighted Useful Life for Capital Exp. *	Total % for Cap. Exp.
13.00	4.76
13.00	4.76
13.00	5.62
13.00	4.76
13.00	5.62
13.00	5.62
13.00	5.62
13.00	5.62
13.00	4.76
13.00	5.62
13.00	4.76
13.00	4.76
13.00	5.62
13.00	5.62
13.00	5.62
13.00	5.62
13.00	4.76
13.00	4.76
13.00	5.62
13.00	5.62
13.00	4.76
13.00	5.62
13.00	4.74
13.00	4.76

\* 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 4 for information about the date and amount of the rent reduction.

The annual guideline for 2013 is 2.5%. On or before August 31<sup>st</sup> of each year, the government will announce the guideline for the following year.

**Schedule 3 - Ordered Rent Increase Above the Guideline****First Effective Date of Rent Increase in this Order is December 1, 2013**

The Landlord may increase the rent charged for the units affected by this order by the total percentages set out below and within the time periods set out below. These percentage increases may be taken in addition to the annual guideline in effect on the increase date for the unit.

**For the period December 1, 2013 to November 30, 2014**

Unit	% inc for Taxes	% inc for Cap. Exp.	% inc for Utili- ties	% inc for Sec. Serv.	Total Increase (excludes guideline)	December 1, 2014 to November 30, 2015		Weighted Useful Life for Capital Exp. *	Total % for Cap. Exp.
						% inc for Cap. Exp.	Total Increase (excludes guideline)		
307, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.88	1.88	13.00	4.88
308, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	2.62	13.00	5.62
309, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	2.62	13.00	5.62
311, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	2.62	13.00	5.62
312, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	1.76	13.00	4.76
314, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.88	1.88	13.00	4.88
315, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	1.76	13.00	4.76
317, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	1.76	13.00	4.76
320, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	1.76	13.00	4.76
401, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	2.62	13.00	5.62
402, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	2.62	13.00	5.62
403, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.74	1.74	13.00	4.74
404, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	1.76	13.00	4.76
405, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	2.62	13.00	5.62
406, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	1.76	13.00	4.76
407, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	1.76	13.00	4.76
409, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	2.62	13.00	5.62
410, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	2.62	13.00	5.62
412, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	2.62	13.00	5.62
414, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	2.62	13.00	5.62
416, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	2.62	13.00	5.62
417, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	2.62	13.00	5.62
418, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	2.62	13.00	5.62
420, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	2.62	13.00	5.62
502, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	2.62	13.00	5.62

\* 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 4 for information about the date and amount of the rent reduction.

The annual guideline for 2013 is 2.5%. On or before August 31<sup>st</sup> of each year, the government will announce the guideline for the following year.

**Schedule 3 - Ordered Rent Increase Above the Guideline****First Effective Date of Rent Increase in this Order is December 1, 2013**

The Landlord may increase the rent charged for the units affected by this order by the total percentages set out below and within the time periods set out below. These percentage increases may be taken in addition to the annual guideline in effect on the increase date for the unit.

**For the period December 1, 2013 to November 30, 2014****December 1, 2014 to****November 30, 2015**

Unit	% inc for Taxes	% inc for Cap. Exp.	% inc for Utili- ties	% inc for Sec. Serv.	Total Increase (excludes guideline)	% inc for Cap. Exp.	% inc for Sec. Serv.	Total Increase (excludes guideline)	Weighted Useful Life for Capital Exp. *	Total % for Cap. Exp.
503, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
504, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
506, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
507, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
508, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
509, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
510, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
511, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
512, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
514, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
516, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
517, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
519, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
520, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
601, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
602, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
603, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
604, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.74	0.00	1.74	13.00	4.74
605, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.74	0.00	1.74	13.00	4.74
606, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
607, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
608, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
609, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
610, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
611, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62

\* 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 4 for information about the date and amount of the rent reduction.

The annual guideline for 2013 is 2.5%. On or before August 31<sup>st</sup> of each year, the government will announce the guideline for the following year.

**Schedule 3 - Ordered Rent Increase Above the Guideline****First Effective Date of Rent Increase in this Order is December 1, 2013**

The Landlord may increase the rent charged for the units affected by this order by the total percentages set out below and within the time periods set out below. These percentage increases may be taken in addition to the annual guideline in effect on the increase date for the unit.

**For the period December 1, 2013 to November 30, 2014****December 1, 2014 to November 30, 2015**

Unit	% inc for Taxes	% inc for Cap. Exp.	% inc for Utili- ties	% inc for Sec. Serv.	Total Increase (excludes guideline)	% inc for Cap. Exp.	% inc for Sec. Serv.	Total Increase (excludes guideline)	Weighted Useful Life for Capital Exp. *	Total % for Cap. Exp.
612, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
615, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
616, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
617, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
618, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
619, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
620, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
701, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
702, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
703, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
705, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
707, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
708, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
709, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
711, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
712, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
714, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
715, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
716, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
717, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
718, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
719, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
801, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
802, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
803, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62

\* 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 4 for information about the date and amount of the rent reduction.

The annual guideline for 2013 is 2.5%. On or before August 31<sup>st</sup> of each year, the government will announce the guideline for the following year.

**Schedule 3 - Ordered Rent Increase Above the Guideline****First Effective Date of Rent Increase in this Order is December 1, 2013**

The Landlord may increase the rent charged for the units affected by this order by the total percentages set out below and within the time periods set out below. These percentage increases may be taken in addition to the annual guideline in effect on the increase date for the unit.

**For the period December 1, 2013 to November 30, 2014**

Unit	<b>December 1, 2013 to November 30, 2014</b>					<b>December 1, 2014 to November 30, 2015</b>			<b>Weighted Useful Life for Capital Exp. *</b>	<b>Total % for Cap. Exp.</b>
	% inc for Taxes	% inc for Cap. Exp.	% inc for Utilities	% inc for Sec. Serv.	Total Increase (excludes guideline)	% inc for Cap. Exp.	% inc for Sec. Serv.	Total Increase (excludes guideline)		
804, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
806, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
807, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
809, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
810, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.52	0.00	2.52	13.00	5.52
811, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
814, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
815, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
816, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
817, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
818, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
819, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
820, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
901, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
902, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
903, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
904, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
905, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
906, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
907, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.74	0.00	1.74	13.00	4.74
908, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
909, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
910, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
911, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
912, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76

\* 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 4 for information about the date and amount of the rent reduction.

The annual guideline for 2013 is 2.5%. On or before August 31<sup>st</sup> of each year, the government will announce the guideline for the following year.

**Schedule 3 - Ordered Rent Increase Above the Guideline****First Effective Date of Rent Increase in this Order is December 1, 2013**

The Landlord may increase the rent charged for the units affected by this order by the total percentages set out below and within the time periods set out below. These percentage increases may be taken in addition to the annual guideline in effect on the increase date for the unit.

**For the period December 1, 2013 to November 30, 2014**

Unit	December 1, 2014 to November 30, 2015					December 1, 2014 to November 30, 2015			Weighted Useful Life for Capital Exp. *	Total % for Cap. Exp.
	% inc for Taxes	% inc for Cap. Exp.	% inc for Utilities	% inc for Sec. Serv.	Total Increase (excludes guideline)	% inc for Cap. Exp.	% inc for Sec. Serv.	Total Increase (excludes guideline)		
914, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
915, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	1.76	0.00	1.76	13.00	4.76
916, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
918, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
919, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62
920, 165 ONTARIO STREET, ST CATHARINES, ON, L2R5K4	0.00	3.00	0.00	0.00	3.00	2.62	0.00	2.62	13.00	5.62

\* 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 4 for information about the date and amount of the rent reduction.

The annual guideline for 2013 is 2.5%. On or before August 31<sup>st</sup> of each year, the government will announce the guideline for the following year.



## **Schedule 4 - 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 2013 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 Schedule 3).

*Example:*

*If the Tenant's rent was increased on June 1, 2007 and the weighted useful life for capital expenditures is 10 years, then the rent will be reduced on May 31, 2017.*

**If the Tenant's rent was *not* increased based on capital expenditures during the period 2013 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.*

### **B. Amount of the 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.

