

CITATION: Parousis v. Centurion Property Associates Inc., 2025 ONSC 6864
DIVISIONAL COURT FILE NO.: 065/25
DATE: 20251210

**SUPERIOR COURT OF JUSTICE – ONTARIO
DIVISIONAL COURT**

RE: IRENE PAROUSIS, Appellant

AND:

CENTURION PROPERTY ASSOCIATES INC., Respondent

BEFORE: D.L. Corbett, Emery and Faieta JJ.

COUNSEL: *Irene Parousis*, self-represented Counsel for the Moving Party

Martin P. Zarnett, for the Respondent Centurion

Nicola Mulima, for the Landlord and Tenant Board

HEARD: September 24, 2025

ENDORSEMENT

D.L. Corbett J.

[1] Ms Parousis appeals from the decision of Member Begg of the Landlord and Tenant Board (“LTB”) dated October 23, 2024 (2024 ONLTB 79929) (the “Decision”), and Member Quattrociocchi of the LTB’s denial of Ms Parousis’ request for review, dated November 27, 2024 (unreported), finding that Ms Parousis was persistently late in paying rent, and ordering consequential terms for timely payment of rent in future.

[2] Ms Parousis’ primary argument is that, although she may have had arrears in her rent, she did not pay her rent late.

[3] I see little merit to this argument. Any non-payment of rent is rent that is both (i) late and (ii) in arrears, until that rent is paid. If the arrears are eventually paid, the rent will still have been late but will no longer be in arrears. As this court has stated, repeatedly, it is a fundamental obligation of a tenant to pay rent in full when it is due.

[4] The *Residential Tenancies Act, 2006*, SO 2006, c. 17 (the “RTA” or the “Act”) confers exclusive original jurisdiction on the LTB to adjudicate residential tenancy disputes, including disputes about rent. Among other things, the Act recognizes two distinct yet related sets of issues: (i) arrears of rent; and (ii) persistent late payment of rent. Both may arise from the same fact

situation. Both may be pursued by a landlord, and it is for the LTB to decide how it will process the issues before it – whether (i) in two proceedings, with two sets of potential remedies – or (ii) in one proceeding with remedies encompassing the entire course of conduct.

[5] In this case, the landlord pursued separate complaints regarding persistent late payment and rent arrears. The LTB dealt with the late payment issue first, on a final basis, finding that Ms Parousis had been persistently late in paying her rent, and ordering her to pay the full amount of her rent, every month, on time, for a year, or face an eviction order. This is a remedy made in the ordinary course by the LTB when it finds persistent late payment of rent.

[6] At the same time, proceedings were ongoing before the LTB in respect to arrears. Those proceedings had not been concluded at the time of this appeal. Those proceedings will determine outstanding issues over the total shortfall (if any) as of the time of the hearing into arrears.

[7] The appellant essentially makes three arguments to this court for her position that the “persistent late payment” order was made in error:

- a. Her rent was not late because she made substantial partial payments of rent each month: “rent” in the context of “persistent late payment of rent” means the “entire rent” – where a partial payment is made on time, there may be “arrears” but not “late payment” of rent;
- b. The Act permits a tenant to raise counterclaims against a landlord in defence of a landlord’s claims for arrears. Such counterclaims are not available in defence of a landlord’s claims that rent was persistently late. To give effect of the ability to counterclaim against arrears, the Act must be construed to preclude claims of persistent late payment when those claims are related to an outstanding claim for abatement; and
- c. It is an abuse of process to vex tenants with two separate proceedings before the LTB for essentially the same conflict.

[8] I would not give effect to these arguments for the following reasons:

- a. The statutory scheme is clear and unambiguous on this point: “rent” means the entire amount of rent that is due each month. Common sense dictates that persistently underpaying rent should give rise to recourse for a landlord: the extent of the underpayment, and any reason(s) for that underpayment may be taken into account by the LTB when it considers the appropriate remedy to grant if it finds that any rent has been persistently late;

- b. Rent is due, in full, each month (for most residential tenancies). Tenants are not permitted to grant themselves a rent abatement and for that reason underpay their rent. In the absence of an order from the LTB granting a rent abatement, failure to pay rent as it falls due is “non-payment” of rent to the extent of the shortfall. Where a landlord pursues a claim for arrears before the LTB, it is efficient for the LTB to determine the state of accounts between landlord and tenant on a final basis. Thus, the Act permits that abatement claims may be raised in an arrears proceeding: this provision does no more than confer on the LTB the ability to deal “with everything outstanding” in the arrears proceeding, but it is not a legal excuse for the tenant to have failed to pay rent as it fell due. Where a landlord pursues both a “persistent late payment” claim and an arrears claim, it is open to the LTB, and consistent with sound application of the Act, for the LTB to order a tenant to pay the full amount of rent monthly, without abatement, and for the LTB to subsequently adjudicate whether rent abatements should be granted when calculating any arrears that may be owing.

- c. The LTB is entitled to establish processes to adjudicate claims of arrears and claims of persistent late payment. These processes are not unduly complex, and I see no unfairness to a tenant who has purported to grant herself an abatement of rent to be told that she is not entitled to do this and must pay her rent as it falls due pending decision by the LTB on her abatement claims.

The Impugned Decision

[9] The LTB found as follows (at paras. 4 to 9 of the Decision):

For the following reasons, I find the tenant has persistently failed to pay the rent on the date it was due.

During the hearing, the Tenant submitted that she may not have paid the rent in full, however she never paid it late – she paid the unincreased rent, but on time. This was because she was disputing the rent increase given by the Landlord.

The issue of the rent increase was determined in LTB-L-016714-24-IN1, issued July 23, 2024. The order determines that the lawful monthly rent is \$1,446.04, due on the 1st day of each month.

Section 58 of the Act allows a landlord to serve a notice of termination if the tenant has persistently failed to pay rent on the date it becomes due and payable. The Act provides a framework for a landlord to increase the rent and in certain circumstances does not require the permission of the Board for it to take effect (as in this case).

The rent increase was lawful; therefore, the Tenant was required to pay it. There is nothing in the Act that allows the Tenant to withhold rent. If the Tenant felt as though the increase given by the Landlord was illegal, they ought to have filed their own application with the Board under section 135 of the Act.

The rent is due on the 1st day of each month. The Tenant did not pay the full amount on the date it was due and payable – therefore, I find that the Tenant has been persistently late in paying their rent.

(a) The LTB correctly concluded that “rent” means ‘all of the rent’

[10] Section 58(1)1 of the Act provides:

A landlord may give a tenant notice of termination of their tenancy on any of the following grounds:

1. The tenant has persistently failed to pay rent on the date it becomes due and payable.

[11] The word “rent” is defined in the Act as follows (s. 1):

“rent” includes the amount of any consideration paid or given or required to be paid or given by or on behalf of a tenant to a landlord or the landlord’s agent for the right to occupy a rental unit and for any services and facilities and any privilege, accommodation or thing that the landlord provides for the tenant in respect of the occupancy of the rental unit, whether or not a separate charge is made for services and facilities or for the privilege, accommodation or thing, but “rent” does not include,

- (a) an amount paid by a tenant to a landlord to reimburse the landlord for property taxes paid by the landlord with respect to a mobile home or a land lease home owned by a tenant, or
- (b) an amount that a landlord charges a tenant of a rental unit in a care home for care services or meals; (emphasis added)

The underlined portion of the definition, above, sets out the operative terms that apply to the issue raised by Ms Parousis in this appeal:

“rent” includes the amount... required to be paid... by... a tenant to a landlord... for the right to occupy a rental unit....

[12] The LTB found that “the amount required to be paid” by Ms Parousis was “\$1,446.04, due on the 1st day of each month.” The LTB found that Ms Parousis did not pay “the amount required to be paid” for 12 consecutive months. These are factual findings, not subject to appeal, and the monthly quantum and payment date were determined authoritatively in a prior LTB decision. The LTB further found that the failure to pay “the amount required to be paid” for 12 consecutive months was “persistent... failure to pay rent on the date payment it [became] due and payable,” a mixed finding of fact and law that discloses no extricable error of law and is, indeed, an ineluctable conclusion given the LTB’s factual findings.

[13] In effect, the LTB found the Act requires payment of rent, in full, on the date rent is payable, and any shortfall in a payment constitutes “late payment” of rent for the purposes of s. 58(1) of the Act. I see no error of law in this finding.

(b) There is nothing in the Act that permitted Ms Parousis to withhold the rent she withheld

[14] The LTB stated that “[t]here is nothing in the Act that allows the Tenant to withhold rent” (Decision, para. 8, quoted above).

[15] Ms Parousis argues that s. 82(1) of the Act does permit withholding of rent.¹

[16] Subsection 82(1) of the Act provides:

At a hearing of an application by a landlord under section 69 for an order terminating a tenancy and evicting a tenant based on a notice of termination under section 59, the Board shall permit the tenant to raise any issue that could be the subject of an application made by the tenant under this Act....²

[17] Subsection 82(1) does not expressly authorize a tenant to withhold rent.

[18] Ms Parousis argues that withholding of rent is implicitly authorized by s. 82(1): if it was not so, then there would be no need or purpose permitting tenants to assert rent abatement claims

¹ During oral argument, the court noted that payment of rent may be suspended where a landlord fails to provide a tenant with a copy of the written lease as prescribed by the Act (see for example Act, s. 12). Failure to provide a lease was not a basis of Ms Parousis’ withholding claims, and so these provisions are not material to this appeal.

² This provision goes on to stipulate procedural requirements for a tenant raising these issues before the LTB pursuant to s. 82(1). These procedural requirements are not in issue in this appeal.

in proceedings brought by landlords respecting rent arrears (applications brought under s. 69 of the Act).

[19] With respect, the implication proposed by Ms Parousis does not flow from s. 82(1). The language of s. 82(1) is restricted to proceedings respecting arrears pursuant to s. 69 of the Act, making it clear that tenants are not entitled to self-abate their rent: s. 82(1) does not apply to proceedings for persistent late payment of rent brought pursuant to s. 58(1) of the Act.

[20] What s. 82(1) does is to restrict proliferation of separate proceedings before the LTB. A tenant may wrongly self-abate rent, and this self-abatement may be bound up in a landlord's application in respect to rent arrears. Where this has happened, it is expedient for the LTB to adjudicate the arrears and the abatement issues at the same time. Thus, when the hearing is over, outstanding issues related to the state of rental accounts will be resolved.

[21] Persistent late payment is different. Where a tenant fails to pay the full amount of rent, repeatedly, the LTB has the jurisdiction to order that rent be paid in full, on time, on an ongoing basis, even if there is an outstanding contest over arrears and claims to abatement. Nothing in s. 82(1) provides anything to the contrary, either expressly or by implication.

(c) Application of *Tataw v. Minto Developments*, 2023 ONSC 4238

[22] The LTB cited and quoted from paras. 14, 19 and 21 of this court's decision in *Tataw v. Minto Developments*, 2023 ONSC 4238 in its consideration of the appropriate remedy to grant for persistent late payment of rent in this case, following which the Board found:

The Landlord's arrears will be determined pursuant to their non-payment of rent application. The Tenant has lived in the rental unit since 2012 and has historically shown that she can pay the rent on time. Therefore, I believe that the Tenant will comply with an order if issued. The conditional order also fairly addresses the Landlord's concerns with getting their rent on time and in full. Therefore, a conditional order shall issue.

[23] The conditional order provided for the prospective payment of rent, in full, on time, for a period of 12 months, ending with the payment on October 1, 2024, failing which the Landlord could apply to the LTB, without notice to the Tenant, for an eviction order.

[24] The LTB correctly interpreted and applied *Tataw* in this case. Remedies are available for persistent late payment of rent where that persistent late payment is also the subject of an arrears application before the LTB. The LTB's order was prospective, directing future payment of rent in full, and on time, and did not decide questions related to the calculation of arrears or the tenant's

abatement claims.³ The parties drew to this court's attention a competing lines of authority at the LTB which, it is argued, hold that payment default issues may be addressed in arrears proceedings, or in persistent late payment proceedings, but should not be addressed in both. These lines of authority appear to misread *Tataw* and should not be followed in future cases: the approach taken by the Board in this case was correct in law.

[25] The LTB, in its factum, also noted that there are cases in which the LTB has found that landlords may apply rent payments first to arrears, leading to a situation where any case involving continuing arrears will give rise to "late payment" until arrears have been extinguished (*O'Brien v. Nutson*, 2021 CanLII 9188 (ON LTB), paras. 8-12; *Re TSL-57374-RV*, 2015 CanLII 9133 (ON LTB), para. 4; *Behfar v. Ellis*, 2022 CanLII 13761 (ON LTB), para. 12). These cases all pre-date *Tataw*, and do not seem consistent with it. However, the LTB did not address this principle in the case at bar, and there is no need to say anything further in this case beyond finding that the LTB dealt with the arrears issue appropriately in this case, in accordance with the facts it found, the applicable legal principles, and through an appropriate exercise of the LTB's discretion.

[26] *Tataw* answers Ms Parousis' concerns about procedural unfairness. It is not unfair that a tenant be ordered, prospectively, to pay their rent in full and on time pending final disposition of arrears and abatement issues. It is open to the LTB to make such an order in a separate proceeding, rather than within the arrears / abatement proceedings. I see no unfairness in the procedural choices made by the LTB in this regard. Further and in any event, if both sets of issues were in one proceeding, rather than two, this would not be a basis to defer an order arising from persistent late payment until final adjudication of the arrears / abatement issues. To the contrary, it is consistent with the Act that the LTB deal with persistent late payment allegations promptly to respond to tenants purporting to self-abate their rent – something tenants are not entitled to do under the Act.

Disposition

[27] As was noted by the LTB, Ms Parousis has been a tenant of the landlord since 2012 and had a long history of timely payment of rent. It was evident that Ms Parousis sincerely believes that the Landlord has failed in its obligations, and she has been pursuing her claims respecting those alleged failures with determination. What she may take from this decision is that her decision to withhold rent in response to her assessment of the Landlord's conduct was not authorized by the Act. She was not entitled to withhold rent. She was entitled to pursue her claims that the rent charged was not lawful or that the rent ought to be abated, but until those issues were decided in her favor by the LTB, she was required to pay the full amount of the rent, on time, each month.

³ Subsequent to oral argument in this court, the LTB has decided the arrears and abatement issues: 2025 ON LTB 80325 (CanLII). Nothing in this court's decision should be taken to comment on the merits of this recent LTB decision.

[28] The result below was not much more than an order that Ms Parousis comply with her monthly rent payment obligation prospectively, without prejudice to her claims against the Landlord. I appreciate that the consequence of a further late payment could have been drastic: eviction. However, the LTB order was one month away from being spent by the time this appeal was heard. On the record and argument before us, I see no basis on which to interfere with the LTB's exercise of discretion as to remedy in this case.

[29] I would dismiss the appeal, with costs of \$3,000, inclusive, payable by Ms Parousis to the Landlord within ninety days.

“D.L. Corbett J.”

I agree: “Emery J.”

I agree: “Faieta J.”

Released: December 10, 2025