



Dispute Resolution Services

Residential Tenancy Branch
Office of Housing and Construction Standards
Ministry of Housing and Social Development

Decision

Dispute Codes: DRI

Introduction

This hearing dealt with the tenants' application to dispute a rent increase. Both parties were adequately represented at the hearing and had an opportunity to be heard and respond to other party's submissions.

Issue(s) to be Decided

1. Whether the Notice of Rent Increase is valid and should be upheld.

Background and Evidence

Upon hearing testimony from both parties, I make the following relevant findings. The tenancy started approximately two years ago and the tenancy agreement provides that the tenant is required to pay rent in the amount of \$850.00 on the 1st day of every month. The tenant has always paid in cash; however, the landlord has not provided receipts to the tenant. On June 28, 2008 the landlord verbally notified the tenant that the rent would be increased to \$1,000.00 per month effective July 1, 2008. The tenant requested a Notice of Rent Increase in writing and a Notice of Rent Increase was given to him on or about September 1, 2008. The tenant has continued to pay rent in the amount of \$850.00 per month and disputed the Notice of Rent Increase.

The Notice of Rent Increase was submitted as evidence for the hearing. The Notice is signed by the landlord but is not dated. The effective date of the rent increase is retroactive to July 1, 2008, and the amount of the rent increase is \$150.00 per month which is 17.6%.

The agent testified that the tenant had verbally agreed to pay \$1,000.00 in rent when the landlord made the request in June 2008. The tenant denied agreeing to pay \$1,000.00 and stated that he told the landlord he wanted to discuss it with his girlfriend.

The agent was informed of the landlord's obligation under the Act to issue receipts to a tenant upon receipt of rent paid in cash whether the tenant requests a receipt or not. Alternative payment options were also discussed, such as direct deposit or payment by cheque. The agent made assurances that receipts would be issued in the future.

Analysis

Upon hearing undisputed testimony of the parties concerning rent receipts, the landlord is ORDERED to comply with the Act by providing the tenant with receipts for rent immediately upon receiving cash payments from the tenant.

Upon review of the Notice of Rent Increase, I find the Notice does not comply with the requirements of the Act in several ways. The Act requires that a rent increase be in writing. The discussion between the landlord and tenant does not constitute a notice of rent increase. Furthermore, to increase rent by more than the allowable amount (3.7% in 2008) the tenant's consent must be obtained, in writing, prior to issuing a Notice of Rent Increase. Therefore, it is irrelevant whether the tenant gave verbal acceptance of the proposed rent increase in June 2008 as verbal acceptance is not sufficient under the requirements of the Act.

In addition to the above, any Notice of Rent Increase given by a landlord must be provided in the approved form and include the signature and date of the landlord. The amount of the rent increase can not exceed the allowance amount of 3.7%, unless, as mentioned previously, the additional increase is authorized by the tenant in writing, or upon the Order of a Dispute Resolution Officer. Finally, the effective date for any

amount of rent increase must be at least 3 clear months after the written Notice is given to the tenant. An effective date can never be back dated as was done in this case.

The Notice of Rent Increase given to the tenant on or about September 1, 2008 does not comply with the Act as the landlord's signature is not dated and does not indicate when the Notice was issued. The amount of the rent increase exceeds 3.7% and the effective date is not at least 3 months after the notice was given to the tenant. For these reasons, I cancel the Notice of Rent Increase with the effect that the tenant shall continue to be required to pay rent in the amount of \$850.00 per month until such time the tenancy ends or the rent is changed in accordance with the provisions of the Act.

I have enclosed a copy of *A Guide for Landlords and Tenants in British Columbia* for both parties to ensure both parties are aware of their rights and obligations under the Act and Residential Tenancy Regulations.

Conclusion

The Notice of Rent Increase does not comply with the requirements of the Act and it is cancelled. The tenant is required to pay rent in the amount of \$850.00 per month until the tenancy ends or until such time the rent changes in accordance with the requirements of the Act. The landlord is ORDERED to provide rent receipts to the tenant immediately upon receiving rent in cash.

October 23, 2008

Date of Decision