



# Dispute Resolution Services

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

## Decision

Dispute Codes: O

### Introduction

This hearing dealt with an application by the landlord for a rent increase beyond that which is permitted under the Act and Regulations. Both parties participated in the conference call hearing and had opportunity to be heard.

### Issue(s) to be Decided

Is the landlord entitled to an above guideline rent increase on the basis that the rent is significantly lower than the rent payable for other rental units similar to and in the same geographic area as the rental unit?

Is the landlord entitled to an above guideline rent increase on the basis that the landlord has completed significant repairs or renovations to the residential property in which the rental unit is located that could not have been foreseen under reasonable circumstances and will not recur within a time period that is reasonable for the repair or renovation?

Is the landlord entitled to an above guideline rent increase on the basis that the landlord has incurred a financial loss from an extraordinary increase in the operating expenses of the residential property?

### Background and Evidence

The parties agreed that the rental unit is a 3 bedroom single family dwelling with monthly rent payable at a rate of \$807.00 per month. Pursuant to the Act, the landlord may raise the rent for the rental unit by 3.7%, or \$29.86 per month. The landlord seeks an order permitting him to raise the rent by \$173.00 per month, which is a 21.5% increase.

The landlord claims that the rent payable for the rental unit is significantly lower than the

rent payable for other rental units similar to and in the same geographic area as the rental unit. The landlord submitted copies of newspaper advertisements for rentals in and around Cumberland which show that 3 bedroom homes are renting in a range from \$1,100.00 to \$1,300.00 per month. The landlord had no knowledge of the age, exact location or character of any of these homes which he submitted as comparables. The tenant testified that there are a number of new homes in the area which attract a high rent and that heritage homes are currently renting at a premium, suggesting that the comparables were not true comparables.

The landlord claims that he has completed repairs to the property, including painting the outside of the house which had degraded due to the weather and replacing the roof approximately 5 years ago. The landlord further testified that he will soon have to replace a sliding glass door whose seal has failed. The landlord acknowledged that he did not do regular upkeep in the home for some time and that now the neglected repairs have been catching up with him. The landlord further acknowledged that the repairs were foreseeable under reasonable circumstances.

The landlord claims that the cost of water, sewer and garbage services has increased by \$254.10 per year and that this increase represents an extraordinary increase in operating costs.

### Analysis

In order to be successful in his application for a rent increase based on the rent being significantly lower than that of other comparable rental units, the landlord must submit evidence of the rent payable for other rental units and must prove that those units are comparable in terms of age, geographic location, amenities, and character. According to Residential Tenancy Policy Guideline 37, the “same geographic area” means the area located within a reasonable kilometer radius of the subject rental unit with similar physical and intrinsic characteristics. The radius size and extent in any direction will be dependant on particular attributes of the subject unit, such as proximity to a prominent landscape feature (e.g., park, shopping mall, water body) or other representative point within an area. The landlord submitted advertisements which indicated that the rental units being advertised were in Cumberland, but there was no means by which to

determine whether those rental units were in the same area of Cumberland or their proximity to a representative point of reference. I find that the landlord has failed to meet his burden of proving that similar rental units in the same geographic area attract higher rents.

In order to be successful in his application for a rent increase based on repairs having been completed on the rental unit, the landlord must prove that those repairs could not have been foreseen under reasonable circumstances. As the landlord acknowledged that the repairs could have been foreseen, I find he has failed to meet his burden of proof.

In order to be successful in his application for a rent increase based on financial loss resulting from an extraordinary increase in the operating expenses of the property, the landlord must prove that he has suffered a financial loss. The landlord did not submit an audited or certified financial statement which includes a statement of profit and loss or any financial records showing his financial position. I find that the landlord has failed to meet his burden of proof.

### Conclusion

The landlord has failed to meet his burden of proving that he is entitled to an order permitting an above guideline rent increase and accordingly his application is dismissed.

Dated October 07, 2008.