

# Dispute Resolution Services

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

## Decision

**Dispute Codes:** RI

## **Introduction**

This hearing dealt with an application by the landlords for an additional rent increase beyond that which is permitted in the Manufactured Home Park Tenancy Regulation (the “Regulation”). Tenants from 3 of the # sites in the manufactured home park participated in the conference call hearing. The tenants in the remaining # sites were unrepresented.

## **Issue(s) to be Decided**

Is the landlord entitled to a rent increase above the amount permitted by the Regulation?

## **Background and Evidence**

Section 36(1) of the *Manufactured Home Park Tenancy Act* limits the amount of a rent increase a landlord can give. Generally, a rent increase must be calculated in accordance with the Regulation, which provides that an annual rent increase may not exceed the inflation rate (currently 1.7%) plus 2%.

In some circumstances, a landlord may make an application under section 36(3), for approval of a rent increase in an amount that is greater than the amount permitted under section 36(1). The policy intent is to allow the landlord to apply for dispute resolution only in “extraordinary” situations. The Regulation sets out the limited grounds for such an application. In this case, the landlord has applied for an additional rent increase on the basis that after the allowable annual rent increase, the rent for these

manufactured home sites is significantly lower than the rent payable for other manufactured home sites that are similar to, and in the same geographic area as, those in the subject park.

Of the 14 sites whose tenants are named as respondents in this application, 13 currently pay \$203.00 per month in rent. A 14<sup>th</sup> site is rented at a rate of \$208.00 per month. The landlord seeks to raise the rent by \$41.00 per month, which is approximately a 16% increase. The landlord testified that the average lot size in the park is 592.75 m<sup>2</sup>. The park is not paved, but yard lights, sewer, water and snow removal are included in the rent.

The landlord canvassed other manufactured home parks within a 13 km. radius of the subject park to determine the average rent paid and average size of sites in each of 10 other parks. One of the parks, the XYZ, has a swimming pool and most of the parks are paved. One park that charges just \$12.00 per month more than the subject park does not offer the amenities offered at the subject park. The tenants suggested that only 5 of the parks should be considered comparable as the others are not within the same community as the subject park. The site rental in these parks ranges from \$215.00 to \$273.20 per month. The average rent is \$244.71 per month. The average lot size among those parks is 412 m<sup>2</sup>.

The tenants questioned why the landlord had not included the statistics for a park which charged just \$200.00 per month and was situated immediately beside the subject park. The landlord testified that she was of the understanding that the area was not a manufactured home park, but an RV park and had just three sites.

The landlord provided further evidence regarding increases in the cost of providing water and maintaining the septic fields and tanks, but as the application was made on the basis that the rent is significantly lower than that of comparable sites rather than on the basis that there has been an extraordinary increase in operating expenses, this evidence has not been considered in my decision.

### **Analysis**

The landlord bears the burden of proving that the rent for the sites is significantly lower than other comparable sites. Having reviewed the evidence and testimony provided by both the landlord and the tenants, I find that the 10 parks presented by the landlord as comparables are indeed comparable. Although most are paved, I find this to be a difference insufficient to distinguish the overall similarity of the parks. As all of the parks are within 13 kilometres of the subject park, I find that they are all in the same geographic area. Although the XYZ has a swimming pool, the average lot size is approximately 40% smaller than that of the subject park and this, in my view, balances the overall appeal of that park. As for the park immediately adjacent to the subject park, I find that there is insufficient evidence to show that it is a manufactured home park and accordingly I find that it cannot be considered comparable.

When reviewing the rents payable at comparable parks, I note that all of the parks charge more for rent than the subject park. One park with an average lot size of 557 m<sup>2</sup>, which is roughly equivalent to that of the subject park, charges \$52.00 per month more in pad rent. 6 of the 10 comparable parks charge at least \$40.00 more in rent and most have smaller average lot sizes.

Residential Tenancy Policy Guideline 37 provides as follows:

The rent for the rental unit may be considered “significantly lower” when (i) the rent for the rental unit is considerably below the current rent payable for similar units in the same geographic area, or (ii) the difference between the rent for the rental unit and the current rent payable for similar units in the same geographic area is large when compared to the rent for the rental unit. In the former, \$50 may not be considered a significantly lower rent for a unit renting at \$600 and a comparative unit renting at \$650. In the latter, \$50 may be considered a significantly lower rent for a unit renting at \$200 and a comparative unit renting at \$250.

I find that when comparing the rents payable in the subject park with comparable parks, taking into account the average lot sizes and amenities available, the rent payable in the subject park are significantly lower than rent payable for sites in comparable parks in the same geographic area. Even after implementing the proposed increase the rent will

still be slightly lower than that in comparable parks. I find that the landlord has satisfied the burden of proving that rent is significantly lower and I find the landlord's proposed increase to be reasonable.

**I order that the landlord be permitted to raise the rent on sites 1, 2, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16 and 17 to \$244.00 per month and to raise the rent on site 4 to \$249.00 per month. The landlord must serve the tenants with a 3-month notice of rent increase in the proper form together with a copy of this decision.**

### **Conclusion**

The landlord's application is successful.

Dated: December 31, 2008