



# 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 was scheduled in response to the Landlord's Application for Dispute Resolution, in which the Landlord has made application for approval of a rent increase that is greater than the amount calculated under the Regulations, pursuant to section 43(3) of the *Residential Tenancy Act (Act)*. Specifically, the Landlord is asking that the rent be increased from \$500.00 to \$1,000.00 per month.

Both parties were represented at the hearing. They were provided with the opportunity to submit documentary evidence prior to this hearing, all of which has been reviewed, to present relevant oral evidence, to ask relevant questions and to make relevant submissions.

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

The issue to be decided is whether the Landlord should be permitted to raise the rent from \$500.00 to \$1,000.00, which is an increase of 100%.

## **Background and Evidence**

The Landlord and the Tenant agree that the tenancy began approximately eleven years ago. The parties agree that the rental unit was purchased by this Landlord on October

31, 2008. The parties agree that the rental unit is a manufactured home with three bedrooms, in fair condition.

The Tenant stated that the rent at the beginning of the tenancy was \$500.00, and that it has not increased since the tenancy began, partially due to the fact that the Tenant was responsible for maintaining the rental unit and rental site. The Tenant stated that the Landlord made no significant changes to the rental unit during the tenancy, with the exception of new flooring in the kitchen and bathroom.

Were the rent to be increased on this rental unit pursuant to section 43(1)(a) of the Act, the rent for this rental unit would become \$518.50. The Landlord and the Tenant agree that the Tenant has been served with a Notice of Rent Increase that indicates their rent will increase to \$518.50 on March 01, 2009.

The Landlord is seeking an additional increase of \$481.50, which is 96.3%. The Landlord is requesting the additional rent increase on the basis of section 23(1) of the *Regulation*, which stipulates that after the rent increase allowed section 22, the rent for the rental unit is significantly lower than the rent payable for other rental units that are similar to, and in the same geographic area as, the rental unit.

The Agent for the Landlord stated that he currently lives in a two-bedroom manufactured home, which is in worse condition than the subject rental unit, for which he pays monthly rent of \$800.00. He stated that this rental unit is 1.5 blocks away from the subject rental unit, and that he has lived in the rental unit since September 31, 2008.

The Landlord submitted a receipt for a two-bedroom manufactured home that is located on the same block as the subject rental unit, which indicates it is currently rented for \$2,000.00 per month. This rental unit has two bedrooms, is in approximately the same

condition as the subject rental unit, and has been rented by the current occupants since August of 2008.

The Landlord submitted a receipt for another two-bedroom manufactured home that is located on the same block as the subject rental unit, which indicates it is currently rented for \$1,200.00 per month. This rental unit has two bedrooms, is in approximately the same condition as the subject rental unit, and has been rented by the current occupants since November of 2008.

The Landlord submitted a receipt for a three-bedroom manufactured home that is located one street over from the subject rental unit, which indicates it is currently rented for \$1,050.00 per month. This rental unit has three bedrooms, is in worse condition than the subject rental unit, and has been rented by the current occupants for approximately two years.

The Tenant stated that they have spoken with several people in the area that are paying slightly above the amount of rent that is currently being paid for the subject rental unit. The Tenant stated that he was unable to provide documentation of other rent being paid in the area, as the occupants of those rental units were not willing to provide documentation. The Tenant stated that they realized they have been getting a “good deal” for their rental unit, but they feel a rent increase of 100% is unreasonable. They stated that they would be willing to pay \$750.00 or \$800.00 per month.

### **Analysis**

I find that the Landlord has submitted sufficient evidence to show that after the allowable annual rent increase for 2008, the rent for this rental unit would still be significantly lower than the rent payable for other similar units in the same geographic area. On this basis, I find that the Landlord has established grounds for a rent increase

that is greater than the amount calculated under the regulations, pursuant to section 43(3) of the *Act* and 23(1)(a) of the *Regulation*.

The evidence shows that similar rental units in this geographic area are renting for between \$800.00 and \$2,000.00 per month. In these circumstances, I find that the Landlord has established that monthly rent of \$1,000.00 is reasonable for this rental unit. In reaching this conclusion, I was strongly influenced by the evidence that establishes that rental units with fewer bedrooms are renting for more than that amount. I was also strongly influenced by the fact that the rent in this rental unit has not been increased in eleven years, and that the Tenant has paid rent that is below market value for a significant period of time.

In considering this matter, I am acutely aware that a rent increase of 100% is extraordinary and is likely to impose an undue hardship on the Tenant. For this reason, I hereby determine that this rental increase will be phased in over a period of time, pursuant to section 23(4)(c) of the *Regulation*.

### **Conclusion**

After reviewing all of the relevant evidence, I grant the Landlord approval to incrementally increase the rent to a total of \$1,000.00.

As the Landlord has already given notice that the rent will increase to \$518.50 on March 01, 2009, the first incremental increase can be no more than be \$81.50, which will become effective three months after serving notice of the this rent increase on the approved form. The second incremental increase can be no more than \$100.00 and will become effective three months after the first incremental increase became effective. The third incremental increase can be no more than \$100.00 and will become effective

six months after the first incremental increase became effective. The fourth incremental increase can be no more than \$100.00 and will become effective nine months after the first incremental increase became effective. The fifth and final incremental increase can be no more than \$100.00 and will become effective twelve months after the first incremental increase became effective. For the purposes of section 42 of the *Act*, the Landlord is only required to give one notice of this rent increase, in which the Landlord specifies the dates that each of the incremental rent increases will become effective.

Dated: December 15, 2008