



Dispute Resolution Services

Page: 1

Residential Tenancy Branch
Ministry of Housing and Social Development

DECISION

Dispute Codes O

Introduction

This hearing dealt with an application by the landlord for an additional rent increase on the basis that the rent 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 in question.

The landlord applied to increase the rent for three rental units, but at the time of the hearing the landlord stated that he wished to withdraw the application in regard to two of the three units, as one of those tenants had since moved out and the landlord had settled the issue of rent with the other tenant. The other tenant appeared in the hearing and acknowledged that he had settled with the landlord. I therefore amended the application to only name one respondent, AM.

Issues(s) to be Decided

Is the landlord entitled to an additional rent increase?

If so, by what amount should the rent be increased?

When should the increase take effect?

Background and Evidence

The tenancy began in January 2006. The rental unit in question is a two bedroom apartment on the third floor of a three storey building in the Commercial Drive area of Vancouver, with close access to the Skytrain station and other amenities. The current

monthly rent is \$1011.08 including hot water and parking. The landlord seeks to increase the rent to \$1400. The landlord's evidence was that most of the 30 suites in this building rent for \$1400 per month, including other identical units on the third floor that are on the same side of the building and have the same floor space. The only difference between those units and the tenant's unit is that the other units have new laminate flooring, and the tenant's unit has the original carpeting installed in 1992. The landlord also provided three other comparables in nearby buildings, as follows:

- 1) \$1500 for two bedrooms plus den, two bathrooms, gas fireplace, 900 square feet
- 2) \$1450 for two level two bedroom "penthouse," 900 square feet
- 3) \$1200 for one bedroom newly renovated "luxury" apartment, 600 square feet

The tenant's response was that the landlord's comparables were not accurate, as there are several listings for units in the neighbourhood that range from \$850 to \$1100. The tenant's unit cannot be compared to the other units in her building because they have new laminate flooring and her unit has very old carpeting.

Analysis

I find that the landlord's comparables in other buildings are not helpful, as they have more features such as additional rooms, bathrooms, levels and features, and are marketed as "penthouse" or "luxury" units. In regard to the other units in the tenant's buildings, they too are not exact comparables, given the clear difference in flooring. However, I do not find that the difference in flooring alone is worth a nearly \$400 difference in rent. I accept that the market rent of the units with laminate flooring is \$1400, and I find that a reasonable market rent for the tenant's unit is \$1200.

Conclusion

I order that the rent increase be phased in as follows. The landlord must serve on the tenant a notice of rent increase in the prescribed form together with a copy of this decision. The first notice will increase the rent to \$1100 per month and will take effect 3

full months after the notice is served. After the first rent increase has taken effect, the landlord may serve another notice of rent increase in the prescribed form which will take effect no earlier than 6 months after the first notice has taken effect and no earlier than 3 full months after the landlord serves the notice. The second notice will increase the rent to \$1200 per month.

For the sake of clarification, if the first notice is served in the month of December 2009, the first rent increase will take effect April 1, 2010. If the landlord serves the second notice in June 2010, the second rent increase will take effect October 1, 2010. The landlord may not then increase the rent again for one year after the second rent increase takes effect, and at that time he may only increase it by the prescribed amount.

This decision is made on authority delegated to me by the Director of the Residential Tenancy Branch under Section 9.1(1) of the *Residential Tenancy Act*.

Dated: December 14, 2009.

Dispute Resolution Officer