

## **DECISION**

Dispute Codes      DRI, SS, FF

### Introduction

This hearing dealt with an application by the tenant disputing a rent increase. Both parties participated in the conference call hearing.

### Issue to be Decided

Does the notice of rent increase comply with the Act?

### Background and Evidence

The parties agreed that the tenant was served with a notice of rent increase (the "Notice") advising that her pad rent would be increased from \$200.00 per month to \$240.00 per month. The Notice purported to raise the rent by 2% pursuant to section 32 of the *Manufactured Home Park Regulation*, by a further 3.2% pursuant to the allowable annual increase as posted on the Residential Tenancy Branch website, by \$15.15 in proportionate increases and by \$14.00 to subsidize work performed to the electrical distribution system which was required by BC Hydro to bring the campground into compliance with their safety standards.

At the hearing the landlord advised that he had a meeting with most of the tenants in the manufactured home park at which he explained that the current electrical distribution system was unsafe and further explained the steps which would need to be completed in order to correct the situation. At that meeting, the tenants in attendance agreed to a rent increase to pay for these expenses. The tenant did not participate in the meeting as she was working out of town at the time.

### Analysis

In order to increase the rent by an amount which exceeds the guidelines established by the Regulation, the landlord must either obtain the consent of the tenant or be successful in an application for additional rent increase. In this case, the tenant did not agree to an additional rent increase and the landlord has not made an application for an above-guideline increase. The notice of rent increase is defective in at least 2 points. The landlord implemented a 2% increase pursuant to section 32 of the Regulation then implemented a further 3.2% increase for inflation. Section 32 of the Regulation permits a 2% increase each year in addition to an increase equivalent to the inflation rate. The applicable inflation rate is 1.2% rather than 3.2%. The Residential Tenancy Branch website directs landlords to limit increases to 3.2% as the 2% increase and the 1.2% inflation rate have been added together for ease of communication. The landlord therefore miscalculated the inflation increase by 2%. The landlord also purported to increase the rent by \$14.00 in order to fund the changes to the electrical distribution system. While this may form the basis for an application for additional rent increase, it is not permitted on a notice of rent increase without a prior order from a dispute resolution officer.

I find that the Notice purports to raise the rent beyond what is permitted by the Regulation and accordingly I order that the Notice be set aside.

### Conclusion

The Notice is set aside and of no force or effect. As the tenant has been successful in her application, I find she is entitled to recover the \$50.00 filing fee. The tenant may deduct \$50.00 from future rent owed to the landlord.

Dated: May 14, 2010

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