



Dispute Resolution Services

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Residential Tenancy Branch
Ministry of Public Safety and Solicitor General

Decision

Dispute Codes:

FF RI

Introduction

This hearing dealt with an Application for Additional Rent Increase by the landlord involving on rental unit in the complex. The landlord

Despite being served in person on October 27, 2010, the tenant did not appear.

The landlord submitted the application form with attached testimonial evidence in support of the application. All of the information has been reviewed and the hearing for this application proceeded on its merits

Issue(s) to be Decided

The issue to be determined based on the testimony and the evidence is whether or not the landlord has proven that an additional rent increase beyond the percentage allowed under the regulation should be allowed.

Background and Evidence

The landlord made an application showing that it was seeking to increase the rent an additional amount beyond that specified in the Residential Tenancy Act, (the Act). The requested increase for this one rental unit in a complex consisting of 15 units identified the following ground:

After the rent increase permitted by the Regulation, the rent for the rental unit or site is significantly lower than the rent payable for other rental units or sites similar to and in the same geographical area, as the rental unit or site.

The landlord testified that the property was recently purchased approximately 1.5 years ago. This particular tenancy has been in place since 1994 with the last rent increase in June 2004 and the current rent is now \$793.00.

The landlord testified that the building had been undergoing extensive and costly renovation work. The suite under dispute is a one-bedroom unit which is the largest in

the complex at 918 square feet and which features the lowest rental rate. According to the landlord, this suite is in need of a bathroom makeover and approximately \$5,000.00 is planned to upgrade the suite. However, no improvements have yet been done to the tenant's suite and the application for the additional rent increase was not based on unforeseen financial expenditures incurred for renovations.

The landlord's position was that the rent for this unit is substantially below the market value for similar units in the geographic area and in comparison with other units in the same building.

The landlord submitted written testimony including descriptions of various rental complexes and data about the average rental rates charged for what the landlord presented as equivalent rental properties in the vicinity.

Analysis

The Legislation permits a landlord to impose a rent increase up to the amount: (a) calculated in accordance with the regulations; or (b) ordered by a dispute resolution officer on application. In 2011, the allowable percentage is 2.3%. In this case the maximum increase would be \$18.23 for total rent of \$811.23. A tenant's rent can only be increased once every 12 months and a rent increase that falls within the above limit cannot be disputed by the tenant at a dispute resolution proceeding.

A landlord who desires to increase a tenant's rent by more than the amount of the allowed annual rent increase can ask the tenant to agree to an increase that is greater than that allowed amount and if the tenant agrees in writing to the proposed increase, the landlord is not required to apply to a dispute resolution officer for approval. However, the landlord must still follow all the requirements regarding the timing and approved form for the Notice of Rent Increase.

In extraordinary situations, the Residential Tenancy Act allows a landlord to apply to a dispute resolution officer for approval of a rent increase in an amount that is greater than the basic Annual Rent Increase and a landlord may apply for an additional rent increase on a single unit in a complex only in cases that satisfy the following criteria:

(a) after the allowable Annual Rent Increase, 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; or

(e) the landlord, as a tenant, has received an additional rent increase under this section for the same rental unit.

Section C on page 1 of the Application for Additional Rent Increase “C. *PERCENTAGE RENT INCREASE REQUESTED*” was not completed by the landlord. However, on page 4 of the application the landlord indicated that it is seeking to increase the rent from \$793.00 to \$993.00 per month. This would reflect an increase of \$200.00 per month instead of the \$18.23 allowed under the Regulations. By percentage the increase would be just over 25.0% instead of the 2.3% allowed under the regulation.

As support of this Application, I find that the landlord did not supply any other evidentiary submissions except for written testimony from the landlord. The data provided by the landlord consisted of a comprehensive report by the landlord listing current and future rental rates being charged or that will be charged in the same complex as well as written testimony from the landlord regarding descriptions and examples of rental units and the corresponding rates or average rates for other nearby buildings.

In the absence of independent documentary evidence such as rental records or tenancy agreements to verify what was being asserted by the landlord, I find that the standard of proof offered by the landlord in support of this application has not sufficiently met the threshold that would enable me to grant the additional increase being sought.

Therefore, I find that the landlord is not entitled to increase the rent beyond the percentage specified.

Conclusion

Based on the above, I find that the landlord’s application was not sufficiently supported. Accordingly, I hereby dismiss this application without leave to reapply.

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: February, 2011.

Residential Tenancy Branch