



Dispute Resolution Services

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Residential Tenancy Branch
Ministry of Public Safety and Solicitor General

DECISION

Dispute Codes O

Introduction

This hearing dealt with an application by the landlord for an additional rent increase. An agent for the landlord and five tenants participated in the teleconference hearing. One of the five tenants, CL, acted as spokesperson and agent for all of the tenants named on the application.

Issue(s) to be Decided

Is the landlord entitled to an additional rent increase?

Background and Evidence

The landlord has applied for an additional rent increase of 38.85 percent beyond the permissible amount. In their application, the landlord indicated that the reason they applied for an additional rent increase was that the landlord has completed significant repairs or renovations to the residential property that could not have been foreseen under normal circumstances.

The evidence of the landlord was as follows. The building in question is a 42-unit apartment building. The landlord purchased the building in 2002. At that time, the building was 25 years old. The landlord's agent was not aware of whether there was an inspection of the building at the time of purchase, but he acknowledged that there was a lot of damage to the building at that time. The building has had a history of leaks and deterioration which the landlord referred to as "leaky condo" syndrome.

In April 2006 an assessment of the building exterior was carried out, and it was determined that extensive work needed to be done. For that reason, the landlord has not raised the rent since May 2006. The landlord knew of the conditions of the building, but could not afford to immediately carry out the necessary renovations.

The renovations were gradually carried out over a 20 month period, and completed in 2010. The total cost of the work done was \$2,023,253.46.

The response of the tenants was that the landlord could have foreseen the need for extensive repairs and renovations when they bought the building, and therefore the landlord's application must fail. The problems with the building were not due to a "leaky condo" situation; rather, they were the result of a slow deterioration of the building with no repairs done at all. The tenants referred to several specific points of damage that were obvious at the time the landlord purchased the building, including balconies that had outlived their useful life and were rotting, stucco falling off, mould problems and leaks.

Analysis

In considering all of the evidence, I find that the landlord could very well have foreseen, and in fact likely did foresee, that the building required extensive repairs or renovations. The landlord did not provide any inspection report from the time they purchased the building, and the landlord's agent testified in the hearing that the building was in poor condition at the time of purchase. Further, the landlord was fully aware by April 2006 that extensive repairs were required.

I therefore find that the landlord's application for an additional rent increase must fail.

Conclusion

The landlord's application is dismissed.

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: March 2, 2011.

Residential Tenancy Branch