



Dispute Resolution Services

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Residential Tenancy Branch
Ministry of Public Safety and Solicitor General

Decision

Dispute Codes Additional Rent Increase

Introduction

The landlord has applied for an additional rent increase. Based on the testimony of the landlord I am satisfied that the landlord served the tenant with Notice of this application and this hearing by way of registered mail sent February 23, 2011.

Issue(s) to be Decided

Should the landlord be granted leave to raise the rent from \$495.00 to \$725.77?

Background and Evidence

The current landlord/owner purchased this building six months ago. The landlord testified that this tenancy began on November 17, 1986 at a rental rate of \$275.00 per month. With the application of the allowable rent increases the rent is now \$495.00, however the landlord says this is far below the market rent in the area and in the building. The landlord submitted the rent roll for the building and states that the rent for a 1 between ranges from \$725.00 to \$775.00. The landlord says they are asking for an increase in rent by \$200.00 per month to bring the rental unit in line with other like unites.

Analysis

Unless a tenant agrees to a rent increase of an amount that is greater than the prescribed amount, a landlord must apply for arbitration for approval to give the additional rent increase. The application will be considered by the arbitrator in relation to the circumstance(s) identified as applicable to each application. In this case the landlord seeks an additional increase on the basis that this tenant is paying significantly lower rent than the market now allows. The landlord has the burden and is responsible for proving that the rent for the rental unit is significantly lower than the current rent payable for similar units in the same geographic area.

The rent for the rental unit may be considered “significantly lower” when (i) the rent for the rental unit is considerably below the current rent payable for similar units in the same geographic area, or (ii) the difference between the rent for the rental unit and the current rent payable for similar units in the same geographic area is large when compared to the rent for the rental unit. In the former, \$50 may not be considered a significantly lower rent for a unit renting at \$600 and a comparative unit renting at \$650. In the latter, \$50 may be considered a significantly lower rent for a unit renting at \$200 and a comparative unit renting at \$250.

“Similar units” means rental units of comparable size, age (of unit and building), construction, interior and exterior ambiance (including view), and sense of community.

The “same geographic area” means the area located within a reasonable kilometer radius of the subject rental unit with similar physical and intrinsic characteristics. The radius size and extent in any direction will be dependant on particular attributes of the subject unit, such as proximity to a prominent landscape feature (e.g., park, shopping mall, water body) or other representative point within an area.

Additional rent increases under this section will be granted only in exceptional circumstances. It is not sufficient for a landlord to claim a rental unit(s) has a significantly lower rent that results from the landlord’s recent success at renting out similar units in the residential property at a higher rate. However, if a landlord has kept the rent low in an individual one-bedroom apartment for a long term renter (i.e., over several years), an Additional Rent Increase could be used to bring the rent into line with other, similar one-bedroom apartments in the building.

The amount of a rent increase that may be requested under this provision is that which would bring it into line with comparable units, but not necessarily with the highest rent charged for such a unit. Where there are a number of comparable units with a range of rents, an arbitrator can approve an additional rent increase that brings the subject unit(s) into that range.

Based on the evidence of the landlord I find that the landlord has shown that the rent for this rental unit is significantly lower than other rental units and I will therefore allow the additional rent increase from \$495.00 to \$725.00 per month.

Conclusion

The landlord is required to issue a Notice of Rent Increase in the normal manner and attach a copy of this decision to that Notice.

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*.
