



Dispute Resolution Services

Page: 1

Residential Tenancy Branch
Office of Housing and Construction Standards

DECISION

Dispute Codes DRI, FF

Introduction

This hearing was convened by way of conference call in response to an application made by the tenants disputing an additional rent increase, and to recover the filing fee from the landlords for the cost of this application.

Both landlords and one of the tenants attended the conference call hearing, provided oral testimony and were given the opportunity to cross examine each other on their evidence. All evidence and testimony provided has been reviewed and is considered in this Decision.

Issue(s) to be Decided

Are the tenants entitled to dispute an additional rent increase?

Background and Evidence

This month-to-month tenancy began on October 1, 2000 and the tenants still reside in the rental unit. Rent in the amount of \$605.00 is currently payable in advance on the 1st day of each month and there are no rental arrears. At the outset of the tenancy the landlords collected a security deposit from the tenants in the amount of \$255.00.

The tenant testified that the landlords sent a Notice of Rent Increase to the tenants by regular mail, which was received on August 6 or 7, 2011. The notice was dated August 2, 2011 and increased the rent by \$70.00 per month. The tenants disputed the notice on September 8, 2011, and then received a second notice of rent increase by email on September 10 or 11. The tenants then received an email from the landlords, which showed it was sent on October 3, 2011, however the tenants did not read email every day, and the email contained the landlord's evidence package. The tenant testified that 2.3% is the allowable increase, and the notice of rent increase shows more than 4% of an increase.

The landlords testified that the last increase was effective July 1, 2010. On September 22, 2011 the second Notice of Rent Increase was served on the tenants by posting it to the door of the rental unit. The increased amount is \$25.00 which is effective February 1, 2012. The Residential Tenancy Branch website showed that effective September 1, 2011, the allowable increase for 2012 has been increased from 2.3% to 4.3%.

Analysis

In the circumstances, I find that the notice of rent increase was properly served on the tenants when it was posted to the door of the rental unit on September 22, 2011. The *Act* states that a document served in that manner is deemed to have been served on the tenants 3 days after posting it, or September 25, 2011 in this case.

I further find that the notice of rent increase dated September 8, 2011 complies with Section 42 of the *Residential Tenancy Act* with respect to timing of the notice.

Section 22 of the Residential Tenancy Regulation states as follows:

22 (1) In this section, “inflation rate” means the 12 month average percent change in the all-items consumer Price Index for British Columbia ending in the July that is most recently available for the calendar year for which a rent increase takes effect.

(2) For the purposes of section 43(1)(a) of the *Act* [*amount of rent increase*], a landlord may impose a rent increase that is no greater than the percentage amount calculated as follows:

$$\text{Percentage amount} = \text{inflation rate} + 2\%$$

The Residential Tenancy Branch website states as follows:

“Residential tenancy landlords can increase rent annually by a percentage equal to the inflation rate plus two percent without tenants disputing the increase. The total allowable rent increase for each calendar year is available on the Residential Tenancy Branch website in September of the previous year, under the heading [“News”](#).”

When one clicks on “News,” the following information is available:

[Allowable Rent Increases for 2012](#)
September 1, 2011

Conventional Residential Tenancies:

- *For a conventional residential tenancy rent increase that takes effect in 2012, the allowable increase is 4.3 per cent.*
- *The annual allowable rent increase for conventional residential tenancies is determined by the formula in the Residential Tenancy Regulation.*

In this case, the rent increase does not take effect until February 1, 2012 and therefore I find that the landlord has complied with the *Act* and the regulations, and the allowable rent increase is a maximum of \$26.01.

The *Act* also states that a tenant may not make an application for dispute resolution to dispute a rent increase that complies with this Part. I find that this increase is not an 'additional' rent increase, but an annual increase which the landlords are entitled to do.

The landlords have provided the tenants with a notice increasing the rent by \$25.00 per month, and I find that the Notice of Rent Increase is lawful and in accordance with the legislation. The tenants' rent will increase from \$605.00 per month to \$630.00 per month effective February 1, 2012.

Conclusion

For the reasons set out above, the tenants' application is hereby dismissed 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: October 11, 2011.

Residential Tenancy Branch