



Dispute Resolution Services

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Residential Tenancy Branch
Office of Housing and Construction Standards

DECISION

Dispute Codes ARI

Introduction

This hearing dealt with an application by the landlord for an order approving a rent increase greater than the amount calculated by section 22 of Residential Tenancy Regulation. Both parties attended the hearing and had an opportunity to be heard.

This matter was adjourned from September 6, 2011 to today's date to allow the tenant to submit evidence in response to the landlord's application. The parties had both agreed to the adjournment because the tenant had not had enough time to prepare and submit her evidence. Ultimately, the tenant did not submit any evidence.

Issue(s) to be Decided

Is the landlord entitled to the requested order?

Background & Evidence

This tenancy began more than 30 years ago. The rent is \$600.00 per month. The rent has been increased to this amount over the past seven years in \$25.00 increments. The residential property is located in a rural area on the outskirts of Ladysmith and is comprised of two duplexes. Tenants occupy all four units. The tenancy agreements for the other three units were all entered into in the past two years and the rents for them are \$800.00, \$850.00 and \$850.00. Copies of these tenancy agreements were submitted by the landlord. The landlord also submitted documentary evidence which shows that the roofs on both duplexes have been replaced and that the septic field for the property has been repaired. The total cost of the repairs was approximately \$46,000.00.

The tenant did not submit any evidence.

Analysis

Under the Residential Tenancy Regulation the landlord is entitled to a rent increase of 2.3% for 2011. As a result, under section 22, the landlord is entitled to increase the rent for this unit by \$12.62 to \$612.62.

However, the landlord seeks an additional rent increase of 18.6% for a total rent of \$725.00 pursuant to sections 23(1)(a) & (b) of the Regulation which provide as follows:

Additional rent increase

23 (1) A landlord may apply under section 43 (3) of the Act [*additional rent increase*] if one or more of the following apply:

(a) after the rent increase allowed under section 22 [*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;

(b) the landlord has completed significant repairs or renovations to the residential property in which the rental unit is located that

(i) could not have been foreseen under reasonable circumstances, and

(ii) will not recur within a time period that is reasonable for the repair or renovation;

.....

(2) If the landlord applies for an increase under paragraph (1) (b)... the landlord must make a single application to increase the rent for all rental units in the residential property by an equal percentage.

As pointed out by the tenant's representative at the hearing, the landlord is not entitled to apply for an additional rent increase on the basis of significant repairs because he is not seeking an additional rent increase for "*all rental units in the residential property*". Accordingly, I dismiss the landlord's application on this ground.

However, the landlord may still apply for an additional rent increase on the basis of rent payable for comparable units in the same geographic area. In this regard, the tenant has argued that the only comparisons the landlord has provided are for units that are in the same residential property. The tenant argued that the landlord should be required to provide some 'arm's length' examples of other rents. The tenant also argued that she should not be penalized for being a long term tenant and be suddenly subjected to a large rent increase.

The landlord responded that there are really no other rental units in the same geographic area because it is a rural area with larger homes. Further, I note that the Act does not require that the landlord provide any 'arm's length' examples of other rental units but rather only that the other rental units be "*similar to, and in the same geographic area as, the rental unit.*" Clearly, the other three rental units in the residential property are similar to and in the same geographic area as the rental unit.

In sum, the landlord has, in my view, complied with the regulations and provided evidence which shows that the after the rent increase allowed under section 22 [*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. Accordingly, I find that the landlord is entitled to a total rent increase in the amount of \$125.00.

Conclusion

Pursuant to section 69 of the Residential Tenancy Act I hereby order that the rent for the rental unit may be increased to \$725.00. The landlord may give a notice of rent increase for this amount.

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*.