



Dispute Resolution Services

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Residential Tenancy Branch
Office of Housing and Construction Standards

DECISION

Dispute Codes: O, ARI

Introduction

This application was brought by the landlord on November 15, seeking approval of an additional rent increase beyond the allowable annual increase under section 43(3) of the *Act* on the grounds that:

1. 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—Regulation 23(1)(a).

Issues to be Decided

As directed by *regulation* 23(4), this application requires a decision on whether the additional increase is to be granted, refused, phased in over time or conditional taking into account the criteria set out under regulation 23(3), the following of which I find applicable in the present application:

- a) the rent payable for similar rental units in the residential property immediately before the proposed increase is intended to come into effect;
- (b) the rent history for the affected rental unit in the 3 years preceding the date of the application;
- (f) a relevant submission from an affected tenant;

Background and Evidence

The subject rental unit is one-half of a duplex, and the unit is made up of two separate suites totalling approximately 1,300 square feet including three bedrooms, occupied by four unrelated tenants. The primary tenant has been resident in the rental unit for approximately 22 years and the present landlords have owned the rental building for approximately five years.

Rent is currently \$845 per month and the landlord seeks authorization to raise the rent beyond the allowable annual increase of 4.3 percent to a \$1,100 per month.

The present tenants are permitted to smoke and have pets. They pay their own utilities and own their own fridge and stove, although the landlord stated he is prepared to replace those when necessary.

In support of the application, the landlord has submitted eleven recent advertisements for comparable rental units which, as there are few identical configurations to the subject rental unit, include one bedroom basement suites to a four-bedroom duplex.

Submitted comparables were as follows:

Type	Features	Rent
One bedroom suite	Separate driveway, private entrance	\$1,000.00
Two bedroom suite	650 sq. ft., recently renovated	\$950.00
Two bedroom suite	Newly renovated, utilities incl.	\$1,100.00
Two bedroom townhouse	1200 square feet	\$1,300.00
Two bedroom bsmt suite	1000 sq. ft.	\$1,300.00
Two bedroom suite	1000 sq. ft., main floor, a car garage	\$1,200.00
Three bedroom rancher	Garage	\$1,200.00
Three bedroom condo	1250 sq. ft.	\$1,300.00
Three bedroom ½ duplex	1840 sq. ft.	\$1,300.00
Four bedroom duplex	Two baths	\$1,600.00

The landlord also gave evidence that he also owned a rental unit in the immediate vicinity and of similar age, size and character of the subject unit which is currently rented for \$1,100 per month.

The advocate for the tenant noted that some of the comparable rental units were in more expensive areas of the city and had been recently renovated while the landlord noted that a number were single suites rather than the double living units in the subject rental unit. The landlord stated that, at the present rent, the rental unit was operating at a loss which left little room for maintenance. However, the landlord said that issues the tenant's had with the unit would be attended to if they advised him of what was needed.

The landlord imposed the allowable annual increase effective August 1, 2011, none in the two years previous, but had one previous additional increase.

Analysis

On examining the landlord's comparables, taking into account some variables in renovation, location and configuration, I find that the present rent is substantially below local market norms, and that the additional increase requested, to \$1,100 per month, would still be at the lower end of the scale, equaling \$550 for each of the two suites.

Therefore, I hereby authorize the landlord to issue a three month notice of rent increase to \$1,100 per month to take effect on August 1, 2012. There was a question during the hearing as to whether the additional increase could come into effect sooner, but the 12-month interval between increases set by section 42(1) of the *Act* is applicable to both the allowable annual increase and the additional increase, and no increase can be imposed before the elapse of the 12 months.

The tenant noted that she does not have a written rental agreement, and the landlord agreed to provide a copy or to draft a new one if he cannot locate an original.

Conclusion

The requested increase from \$845 per month to \$1,100 per month is allowed in the full amount and may be implemented with the required three-month notice on August 1, 2012.

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 06, 2012.

Residential Tenancy Branch