



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 February 3, 2012, 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)*;
2. The landlord has completed significant repairs or renovations that could not be reasonably foreseen and will not recur within a reasonable time - *Regulation 23(1)(b)*.;
3. The landlord has incurred a financial loss from an extraordinary increase in operating expenses - *Regulation 23(1)(c)*..

Issues to be Decided

On the claim of rent significantly lower than comparable units, 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;
- c) a change in a service or facility that the landlord has provided for the residential property in which the rental unit is located in the 12 months preceding the date of the application;
- (d) a change in operating expenses and capital expenditures in the 3 years preceding the date of the application that the director considers relevant and reasonable;
- (f) a relevant submission from an affected tenant;

If the rent increase is found to be not to be warranted on the claim of rent significantly lower than market, then I must address the issue of whether the need for renovations could be reasonably foreseen and will not recur within a reasonable time, and whether the landlord has incurred a financial loss from an extraordinary increase in operating expenses.

Background and Evidence

The subject rental unit is on the ground floor of a three-storey triplex. The landlord submits that the unit is approximately 600 square feet while the tenant believes it to be closer to 500 square feet. Rent is currently \$335 per month and the landlord is requesting approval to give notice to increase the rent by \$90 per month to \$425 and submits that similar units in the market area rent at \$500. The tenant is responsible for paying for electrical use, but other utilities are included in the rent.

The landlord gave evidence that he had spent over \$11,000 in the past year replacing the roof, windows and siding on the rental building.

The landlord submitted a list of advertisements from a local newspaper of January 16, 2012 listing units for rent, including the one of the top floor the subject building which was offered at, and now rents for, \$450 per month.

Of the 19 rentals listed that day, three other one-bedroom apartments were offered at \$575, \$650 and \$500. There were two bachelor apartments offered at \$400 per month and one at \$500 per month. Two and three bedroom units ranged from \$700 to \$1,400.

While the tenant noted that the subject rental unit was not fully updated, he did not challenge the listings offered by the landlord as examples of the market norms in the area.

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 \$425 per month, would still be below the scale.

Therefore, I hereby authorize the landlord to issue a three month notice of rent increase from \$335 per month to \$425 per month. If this notice is served in the current month, it would take effect on July 1, 2012.

Having found that the requested increase on the grounds that current rent is significantly below similar units in the market area, it is not necessary that I canvass the landlord's evidence on the grounds of capital expenditures and increased operating costs.

Conclusion

The requested increase from \$335 per month to \$425 per month is allowed in the full amount and may be implemented with the required three-month notice on for the tenant.

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 02, 2012.

Residential Tenancy Branch