



# 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 a two-bedroom apartment of approximately 800 square feet. on the second floor of a three-storey triplex. The rent includes use of an attached garage, air conditioning and appliances. Rent is currently \$475 per month and the landlord is requesting approval to give notice to increase the rent by \$200 to \$675 per month and submits that similar units in the market area rent at \$700.

The landlord gave evidence that he had spent over \$11,000 in the past year for materials to replace the roof, windows and siding on the rental building and did the work himself.

The landlord submitted a list of advertisements from a local newspaper of January 16, 2012 listing units for rent.

Of the 19 rentals listed that day, two-bedroom units included three offered at \$700 per month one at \$800, another was \$950 and one had no price indicated.

While the tenant noted that the percentage increase of 42 percent was substantial, he did not challenge the evidence of market norms submitted by the landlord.

## **Analysis**

On examining the landlord's comparables, taking into account some variables in amenities, I find that the present rent is substantially below local market norms, and that the additional increase requested to \$675 per month would still be below local market values.

Therefore, I hereby authorize the landlord to issue a three month notice of rent increase from \$475 per month to \$675 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 \$475 per month to \$675 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.

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Residential Tenancy Branch