



Dispute Resolution Services

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Residential Tenancy Branch
Office of Housing and Construction Standards

DECISION

Dispute Codes DRI

Introduction

This hearing dealt with an Application for Dispute Resolution by the Tenants to dispute an additional rent increase.

The parties appeared at the teleconference hearing, acknowledged receipt of evidence submitted by the Tenants and gave affirmed testimony. At the outset of the hearing I explained how the hearing would proceed and the expectations for conduct during the hearing, in accordance with the Rules of Procedure. Each party was provided an opportunity to ask questions about the process however each declined and acknowledged that they understood how the conference would proceed.

During the hearing each party was given the opportunity to provide their evidence orally, respond to each other's testimony, and to provide closing remarks. A summary of the testimony is provided below and includes only that which is relevant to the matters before me.

Issue(s) to be Decided

Should the rent increase be cancelled or upheld?

Background and Evidence

The Tenants submitted documentary evidence which included, among other things, copies of: their written statement; e-mails and letters written between the parties; hydro invoices; photos which were faxed; a notice of rent increase dated August 22, 2012; and a Dispute Resolution Decision issued March 5, 2012.

The parties confirmed the tenancy began in March 2005 and that the Tenants' rent was increased from \$600.00 to \$624.00 effective December 1, 2011. The Tenants paid \$300.00 as the security deposit at the onset of the tenancy.

The Tenants confirmed that they were not disputing the rent increase which became effective December 1, 2011 however they are disputing the increase that is to become effective February 1, 2013 raising their rent from \$624.00 to \$649.00.

The Landlord advised that the notice of rent increase was issued in the approved form and was served to the Tenants in November 2012 for an increase effective February 1, 2013. She acknowledged that she used the 2012 allowable increase amount of 4.3 % in her calculation and rounded the amount down to \$649.00.

Analysis

The *Residential Tenancy Act* and *Regulation* stipulate the amount for an annual rent increase. The annual rent increase cannot exceed the allowable percentage for the year in which the increase is scheduled to take effect.

In this case the notice of annual rent increase was served in November 2012, therefore the increase could not take effect until March 1, 2013, three full months after it was served. Furthermore the increase was issued for an amount of 4.01% raising the rent from \$624.00 to \$649.00 effective February 1, 2013. The posted allowable rent increase for 2013 is only **3.8%**.

Based on the foregoing, I find the notice of rent increase that is scheduled to take effect February 1, 2013, does not meet the legislated requirements, and it is hereby cancelled.

Conclusion

I HEREBY UPHOLD the Tenants' application. The Notice of Rent Increase scheduled to take effective February 1, 2013 to raise the rent to \$649.00 is HEREBY CANCELLED and is of no force or effect.

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: January 22, 2013

Residential Tenancy Branch

