



Dispute Resolution Services

Page: 1

Residential Tenancy Branch
Office of Housing and Construction Standards

DECISION

Dispute Codes: RI

Introduction

This hearing concerns the landlord's application for a rent increase above the limit set by the Residential Tenancy Regulation (the "Regulation"). The landlord and tenant "TI" attended and gave affirmed testimony.

The landlord testified that the application for dispute resolution and notice of hearing ("hearing package") were served on tenant "CDB" by registered mail. The landlord also testified that for reasons unrelated to the landlord's application for an additional rent increase, tenant "CDB" gave notice and vacated his unit effective November 3, 2013. In the result, the landlord's application concerning tenant "CDB" is withdrawn.

Issue(s) to be Decided

Whether the landlord is entitled to a rent increase for tenant "TI's" unit, which is above the limit set by the Regulation.

Background and Evidence

Pursuant to a written tenancy agreement, a copy of which is not in evidence, tenant "TI's" tenancy began in 2010, and the yearly history of monthly rent is as follows:

2010: \$685.00
2011: \$710.00
2012: \$735.00
2013: \$762.00

The effective date of the last rent increase is June 1, 2013.

Section 43 of the Act addresses **Amount of rent increase**, and provides in part as follows:

43(1) A landlord may impose a rent increase only up to the amount

- (a) calculated in accordance with the regulations,
- (b) ordered by the director on an application under subsection (3), or
- (c) agreed to by the tenant in writing

(2) A tenant may not make an application for dispute resolution to dispute a rent increase that complies with this Part.

(3) In the circumstances prescribed in the regulations, a landlord may request the director's approval of a rent increase in an amount that is greater than the amount calculated under the regulations referred to in subsection (1)(a) by making an application for dispute resolution.

Pursuant to the Regulation, the allowable amount of rent increase that takes effect in 2014 is 2.2%. In this case, the allowable amount of rent increase would be 2.2% of \$762.00, which is \$16.76, bringing the monthly rent to \$778.76. In his application the landlord seeks an increase of \$99.00 which is approximately 13%, and which would bring the monthly rent to \$861.00. Grounds in support of the landlord's application for an additional rent increase are identified as "significant repairs or renovations."

Section 23 of the Regulation addresses **Additional rent increase**, and provides in part:

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

- (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), (c), or (d), the landlord must make a single application to increase the rent for all rental units in the residential property by an equal percentage.

Section 23(4) of the Regulation provides, in part:

23(4) In considering an application under subsection (1), the director may

- (a) grant the application, in full or in part,
- (b) refuse the application,...

During the hearing the parties undertook to try to resolve the matter between them.

Analysis

The full text of the Act, Regulation, Residential Tenancy Policy Guidelines, Fact Sheets, forms and more can be accessed via the website: www.rto.gov.bc.ca

Section 63 of the Act speaks to the **Opportunity to settle dispute**, and provides that the parties may attempt to settle their dispute during a hearing. Pursuant to this provision, discussion between the parties led to a resolution and it was specifically agreed as follows:

RECORD OF SETTLEMENT

- that the rent increase introduced in 2014 will be limited to **\$78.00**;
- that the above rent increase will have the effect of increasing the current rent of **\$762.00** to **\$840.00** (\$762.00 + \$78.00), which reflects an increase of between 10.23% and 10.24%;
- that the earliest effective date of the rent increase introduced in 2014 is **June 1, 2014**.

The parties are informed that a rent increase cannot be introduced in advance of the required 3 months' notice and, thereafter, that the new rent remains fixed for the next 12

months. In this regard, section 42 of the Act speaks to **Timing and notice of rent increases**, as follows:

42(1) A landlord must not impose a rent increase for at least 12 months after whichever of the following applies:

(a) if the tenant's rent has not previously been increased, the date on which the tenant's rent was first established under the tenancy agreement;

(b) if the tenant's rent has previously been increased, the effective date of the last rent increase made in accordance with this Act.

(2) A landlord must give a tenant notice of a rent increase at least 3 months before the effective date of the increase.

(3) A notice of rent increase must be in the approved form.

(4) If a landlord's notice of a rent increase does not comply with subsections (1) and (2), the notice takes effect on the earliest date that does comply.

The "approved form" is RTB – 7 and is produced by the Residential Tenancy Branch.

Conclusion

I hereby order that the parties comply with the terms of their agreement which is set out in the **Record of Settlement**, as above.

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: November 18, 2013

Residential Tenancy Branch

