



Dispute Resolution Services

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Residential Tenancy Branch
Office of Housing and Construction Standards

DECISION

Dispute Codes O

Introduction

This is an application for an additional rent increase of 22.8% over and above the allowable 2.2% for the above two units in this rental property.

Some documentary evidence and written arguments has been submitted by the parties prior to the hearing. I have thoroughly reviewed all submissions.

I also gave the parties the opportunity to give their evidence orally and the parties were given the opportunity to ask questions of the other parties.

All testimony was taken under affirmation.

Issue(s) to be Decided

The issue is whether or not the rent for these two particular rental units is significantly lower than the rent payable for other rental units similar to and in the same geographic area as these rental units, and if so is the landlord entitled to an additional rent increase.

Background and Evidence

The applicant testified that:

- The two units in question are virtually identical to other rental units in the rental property that have rented for substantially more.
- Unit number 7 is presently rented at \$500.00 per month, however an identical unit in the rental property is rented out at \$625.00, a \$125.00 difference
- Unit number eight is presently rented out at \$545.00 per month; however an identical unit in the rental property is rented out at \$610.00, a \$65.00 difference.

- Further the CMH see market report recommends that one-bedroom units in the Penticton area should be rented for \$676.00 per month.
- He is therefore requesting a rent increase of 25% for each of these rental units and therefore the additional increase requested is 22.8% over and above the allowable 2.2%.

The respondent of unit #7 testified that:

- The reason his rent is lower than the rent to a similar unit is because the previous landlord allowed him to have lower rent because he had improved the rental unit by renovating it at his own expense. The landlord did not want to do renovations to the rental unit; however he agreed to keep the rent lower if he did the renovations himself.

The respondent of unit #8 testified that:

- The reason his rent is lower than the rent of a similar unit is because the previous landlord allowed him to replace the carpet and all appliances at his own expense.
- This unit therefore is not similar to the other unit, as the unit which was used as a comparison, has all appliances and carpets supplied by the landlord.

Analysis

It is my decision that the applicant has not shown that the rents for these units are significantly lower than similar rental units.

Additional rent increases under this section are granted only in exceptional circumstances. It is not sufficient for a landlord to claim a rental unit has a significantly lower rent that results from the landlord's recent success at renting out similar units in the residential property at a higher rate.

Further, I am not convinced that the units that the landlord has used as similar units are comparable to the units for which he is requesting the increase. Landlord does not dispute that the tenant of unit 7 has done significant improvements to the unit himself at his own expense, nor does he dispute the fact that the tenant of unit 8 has replace the carpets and all appliances at his own expense.

Therefore although these units may now be comparable to the other units that are rented at a higher rent, they were not comparable when rented to these tenants, and the only reason they are comparable is because the tenants have invested time and money of their own into improving these rental units.

It is not reasonable to expect a tenant to pay an increased rent because improvements he made at his own expense have now made his unit comparable to a unit rented at a higher rent.

Further, a unit in which the tenant supplies his own carpeting and all appliances cannot be considered comparable to another unit in which carpeting and all appliances are included in the rent.

Conclusion

This application for an additional rent increase is denied.

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 17, 2014

Residential Tenancy Branch

