



Dispute Resolution Services

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Residential Tenancy Branch
Office of Housing and Construction Standards

A matter regarding UMESH KUMAR
and [tenant name suppressed to protect privacy]

DECISION

Dispute Codes ARI

Introduction

This matter dealt with an application by the Landlord for an additional rent increase above the annual rent increase of 2.9%.

The Landlord said he served the Tenant with the Application and Notice of Hearing (the "hearing package") by personal delivery on March 19, 2016. Based on the evidence of the Landlord, I find that the Tenant was served with the Landlord's hearing package as required by s. 89 of the Act and the hearing proceeded with both parties in attendance.

Issues(s) to be Decided

1. Is the Landlord entitled to an additional rent increase above the annual rent increase?

Background and Evidence

This tenancy started in October, 2003 as a month to month tenancy. The Tenant said he started the tenancy in the 1 bedroom suite and moved to the 2 bedroom suite in February 2007. Rent is \$643.15 per month payable in advance of the 1st day of each month. The Tenant paid a security deposit of \$225.00 at the start of the tenancy in October 2003.

The Landlord said the rent in this unit is below market value and as his costs have gone up over the years the Landlord said he has applied for an additional rent increase of 9.1% on top of the annual rent increase of 2.9%. The Landlord said a rent increase of 12% total would put the rent at \$700.00 which he believes is still lower than the market rent in the area, but would help cover his increased costs.

The Landlord gave evidence of two examples of basement suites on his street that are comparable in age and size to that the Tenant's rental unit. These two rental units were \$750.00/month for a 2 bedroom with utilities included and \$800.00/month for a two bedroom with utilities included. The Landlord said the rent on his unit is \$643.15 and it

is a two bedroom and utilities are included. The Landlord said he is requesting an additional rent increase of 9.1% for the 2016 rent.

The Tenant said it appears the rent on his unit may be below market value, but the Landlord has already implemented the annual rent increase of 2.9% on April 1, 2016. The Tenant said his rent increased from \$625.00 to \$643.15. The Tenant continued to say it is his understanding that a landlord can only increase the rent once every 12 months. The Tenant said if that is the case the Landlord cannot increase the rent again until April 1, 2017.

The Landlord agreed he has already increased the rent on April 1, 2016 by the annual rent increase amount of 2.9%. The Landlord continued to say he made his application on March 1, 2016 and the hearing was not until July 25, 2016 so he thought it would be alright to increase the rent by the annual amount before the hearing and then if successful at the hearing he would increase the rent by the additional increased rent amount.

The Arbitrator said he understood both parties position. The Tenant said the Landlord is only entitled to one rent increase in a 12 month period and the Landlord has implemented the rent increase for this year. The Landlord said he made the application a month before the annual rent increase was done and he was waiting for the hearing for the addition rent increase.

Analysis

Policy Guideline #37 of the Residential Tenancy Branch says a tenant's rent cannot be increased unless the tenant has been given proper notice in the approved form at least 3 months before the increase is to take effect. **The tenant's rent can only be increased once every 12 months.**

Section 42 of the Act says (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.**

Although both parties said the rent on the unit may be below market rent for the area the Act and guidelines are clear. A Landlord may only increase the rent once in a 12 month period. As the Landlord has implemented a rent increase on April 1, 2016 from \$625.00 per month to \$643.15 per month the Landlord is not eligible to issue another rent increase until April 1, 2017.

I understand the Landlord's position that the additional rent increase was applied for before the annual rent increase was issued, but I have researched and consulted with authorities in the Residential Tenancy Branch and found the Act and guidelines plainly say a rent increase can only be issued once in a 12 month period. Consequently I dismiss the Landlord's request for an additional rent increase for 2016 due to the rent increase the Landlord has already issued for this year (2016).

The Landlord is at leave to apply for an additional rent increase for April 1, 2017 at his convenience.

Conclusion

The Landlord's application for an additional rent increase for 2016 is dismissed without leave to reapply for 2016.

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: July 25, 2016

Residential Tenancy Branch