



# 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 brought by the Landlord(s) requesting an additional rent increase for the above units.

A substantial amount of documentary evidence, photo evidence, and written arguments has been submitted by the landlord prior to the hearing. I have thoroughly reviewed all relevant 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 parties were affirmed.

### Issue(s) to be Decided

The issue is whether or not the landlord has established the right to an additional rent increase, over and above the amount normally allowed, and if so, in what amount..

### Background and Evidence

The landlord testified that the previous owner of this building did not raise the rent to the units for number of years, and, as a result, the monthly rent for these units is much lower than comparable units in the same geographic area.

The applicant further testified that, in his evidence package, he has provided information that clearly shows that other rental units, in the same geographic area, are renting at, or above, the amount he is requesting.

In his application the applicant states that unit 101 is a 900 ft.<sup>2</sup> one bedroom with a den which is now renting at \$541.87 per month, and he wants to increase that rent to \$875.00 per month.

The applicant further states that unit 200 is a 900 ft.<sup>2</sup> two-bedroom unit with storage, which is presently renting at \$612.00 per month, and he wants to increase that rent to \$875 per month.

The applicant further states that unit 201 is a 900 ft.<sup>2</sup> one bedroom with a den that is presently renting for \$553.28 per month, and he wants to increase that rent to \$850.00 per month.

The applicant further testified that unit 301 is a 900 ft.<sup>2</sup> one bedroom with the den that is renting for \$615.00 per month, and he wants to increase the rent to \$825.00 per month.

The respondents testified that they don't dispute that the previous landlord kept the rents lower at this rental property, however it was because they, the tenants, insured that they maintain the rental units in good condition, both inside and out.

The respondents further testified that they believe these rental increases to be excessive, claiming that they have been informed that there are rental units in the area which are renting as follows:

- One rental property is renting one bedroom units at \$575.00 per month which includes a washer and dryer.
- Another rental property is renting one bedroom units at \$550.00 per month which also includes a washer and dryer, and two-bedroom units are renting at \$600.00 per month.
- A third rental property is renting one bedroom units at \$650.00 per month.

The respondents further testified that they don't believe these rental units are 900 ft.<sup>2</sup>, they think they're probably closer to 800 ft.<sup>2</sup> and they think this rent increase is just too high.

The respondents also stated that they don't believe it's reasonable to compare this rental property to rental units in the town of Salmon Arm, as that's a much bigger urban center. They further stated that comparable rental units in the town of Enderby range from \$500.00 per month to \$750.00, and in Armstrong, a town of similar size, one bedroom units range from \$675.00 per month to \$650.00 per month.

The respondents further stated that they do believe that an increase is justified; however they believe that this amount is excessive.

In response to the tenant's testimony the landlord testified that some of the rental units that the tenants are quoting as comparable, in fact are not, as the square footage of those units is approximately 350 ft.<sup>2</sup> to 375 ft.<sup>2</sup>.

The landlord further testified that the tenants are incorrect when they state that the units are not 900 ft.<sup>2</sup> as they are, in fact, 900 ft.<sup>2</sup>, and he has provided the real estate listing for this property that clearly shows that the rental units are 900 ft.<sup>2</sup>.

### Analysis

The applicant is requesting a rent increase as follows:

Apartment number	Present rent	Percent increase requested	Monetary increase requested	Total requested rent
101	\$541.87	61.5%	\$333.13	\$875.00
200	\$612.00	43%	\$263.00	\$875.00
201	\$553.28	53.5%	\$296.72	\$850.00
301	\$615.00	34.15%	\$210.00	\$825.00

After reviewing the evidence and testimony provided by both the landlords and the tenants it is my finding that the landlord has shown that rents for these rental units are significantly lower than the rent payable for other rental units that are similar to and in the same geographic area as this rental property.

The tenants have argued that their rental property should not be compared to rental units in the Salmon Arm area; however it is my finding that these are a reasonable comparison, because, even though Salmon Arm is a larger town, it is still in a reasonably close geographic area to the dispute property.

The tenants have also argued that there are rental units in the same geographic area there are renting for signification less, however the tenants have provided no evidence as to the actual amount those units are renting for, and have not provided any information to show whether the units are comparable to these rental units.

Further, the tenants have admitted that the rents have been kept low at this rental property for a number of years, however although they have benefited from the lower rents, the landlord is not required to continue to rent the properties below market value.

It is my decision therefore, after reviewing comparable rental units, that the amounts requested by the landlord are justified, and certainly similar to other rental units of similar size and condition in the same geographic area.

It is my decision therefore that I will allow the landlord to increase the rent by the amounts requested.

### Conclusion

Pursuant to section 43 of the Residential Tenancy Act, I Order that the landlord may issue a rent increase to increase the rents as follows:

Apartment number	Amount of rent increase	Total rent after increase
101	\$333.13	\$875.00
200	\$263.00	\$875.00
201	\$296.72	\$850.00
301	\$210.00	\$825.00

The landlord is still required to give a proper notice of rent increase, and that rent increase can only take effect 12 months after the date that the last rent increase took 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: September 26, 2016

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Residential Tenancy Branch