



# Dispute Resolution Services

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Residential Tenancy Branch  
Office of Housing and Construction Standards

A matter regarding AJIT PROPERTIES LTD  
and [tenant name suppressed to protect privacy]

## **DECISION**

Dispute Codes      ARI

### Introduction

This hearing was convened by way of conference call in response to the landlord's application for an additional rent increase.

Service of the hearing documents, by the landlord to the tenants, was done in accordance with section 89 of the *Act*; served by registered mail on April 26, 2017. Canada Post tracking numbers were provided by the landlord in documentary evidence. The tenants were deemed to be served the hearing documents on the fifth day after they were mailed as per section 90(a) of the *Act*.

The landlord appeared, gave sworn testimony, was provided the opportunity to present evidence orally, in writing, and in documentary form. There was no appearance for the tenants, despite being served notice of this hearing in accordance with the *Residential Tenancy Act*. All of the testimony and documentary evidence was carefully considered.

### Preliminary Issues

At the outset of the hearing the landlord advised that the tenant in unit 203 (TR) has since vacated the rental unit. The landlord therefore removed his request for an additional rent increase for this unit from this application.

### Issue(s) to be Decided

Is the landlord entitled to an additional rent increase above the amount permitted for 2017?

### Background and Evidence

The landlord testified that the tenants in unit 104 and 205 both pay rent of \$495.00 per month. This rent includes electricity, cable TV, water and parking if the tenants require it. Both units are bachelor units. The rent paid for these units is significantly lower than rent paid for the other two bachelor units in the building and in other similar units in the same geographical area.

The landlord testified that this building consists of 16 units. Of these, four units have one bedroom and are larger units and the rent is \$830.00 per month; four units have one bedroom but are smaller units and the rent is \$720.00 per month and four units are bachelor units. One of the bachelor units already has a monthly rent of \$620.00 and the tenant in another bachelor unit has already agreed to pay rent of \$620.00 from August 01, 2017. All units have electricity, cable TV, water and parking.

The landlord testified that other bachelor units in the same geographical area pay a significantly higher rent. The landlord referred to his documentary evidence showing a bachelor suite with a mountain view where the rent is \$875.00 per month with fewer utilities included in the rent and it is in the same geographical area. Another bachelor unit 25 minutes away, out of town, pays \$700.00 including utilities. The landlord has also provided documentary evidence showing the rent for the other bachelor unit in the building of \$620.00 per month.

The landlord testified that he purchased the building in 2016 and has updated all the important work on the building including new balconies and decks. The units also have air conditioning. The building has a good ambiance and is located two blocks from the beach and although it is in the downtown area it is away from the downtown core so is not noisy.

The landlord seeks to increase the rent for these two units to keep it in line with market value to an amount of \$620.00 per month. This is a 25.25 percent increase in rent. The landlord testified that although the rent for his bachelor units will still be lower than other units in the same area he wants to keep his tenants and to make them happy so has not requested a higher rent than \$620.00. The landlord testified that he had served the tenants with a three month rent increase notice starting for August 01, 2017 for the allowable amount of \$18.30 but if the landlord is

successful today the landlord understands he must serve the tenants with a new three month rent increase notice.

### Analysis

I refer the parties to s. 43(3) of the *Residential Tenancy Act (Act)* that provides for an additional rent increase above the allowable amount:

**43** (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.*

The Residential Tenancy Regulations s. 23(1)(a) states:

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

*(a) after the rent increase allowed under section 22 [annual rent increase], the rent for the rental unit is significantly lower than the rent payable for other rental units that are similar to, and in the same geographic area as, the rental unit;*

The landlord seeks to increase the rent for these two units because the rent payable currently is significantly lower than other units in the building and in the same geographical; area.

I have reviewed the evidence before me and am satisfied that other bachelor units in the building and in the same geographical area do command a higher rent then the rent paid for these units 104 and 205.

The evidence provided shows that all units in the building have the same amenities and utilities included in the rent and the comparable units in the same geographical area have either less or the same utilities included in rent. This building is located in the downtown area and is close to the beach. I am satisfied from the undisputed evidence before me that updates have been made to the building to ensure it shares the same ambiance as other comparable buildings.

Consequently, I find the rent for units 104 and 205 is significantly lower to comparable units and I uphold the landlord's application to increase the rent for units 104 and 205 to \$620.00 per month.

I refer the parties to s. 23(4) of the Regulations that states:

- (4) In considering an application under subsection (1), the director may*
- (a) grant the application, in full or in part,*
  - (b) refuse the application,*
  - (c) order that the increase granted under subsection (1) be phased in over a period of time, or*
  - (d) order that the effective date of an increase granted under subsection (1) is conditional on the landlord's compliance with an order of the director respecting the residential property.*

As this increase of \$125.00 per month may create some hardship for tenants if the entire increase was granted immediately, then under s. 23(4)(c) I will allow the increase to be phased in over a six month period starting after the Notice Of Rent Increase has been provided to the affected tenants. The first increase of \$62.50 may start three months after a Notice of Rent Increase has been provided to the tenants and a further \$62.50 may start six months after the first increase.

I direct the landlord to the Residential Tenancy Policy Guidelines # 37 which states:

If a landlord applies for an additional rent increase and the application is successful in full or in part,

- (a) the landlord may give a notice of rent increase to one or all tenants of rental units in the residential property for a rent increase of an amount up to that ordered; and
- (b) the landlord may give a notice of rent increase to one or all other tenants agreeing to an additional rent increase in writing, for a rent increase of an amount up to the amount agreed.

Conclusion

The landlord's application for an additional rent increase has been approved. This increase may be phased in as shown above over a six month period.

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: May 31, 2017

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Residential Tenancy Branch