



Dispute Resolution Services

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Residential Tenancy Branch
Office of Housing and Construction Standards

DECISION

Dispute Codes

ADR

Introduction

This hearing dealt with an Application for Dispute Resolution by the landlord for an additional rent increase.

The landlord appeared and the tenant KW appeared.

The landlord stated that two of the named tenants have moved out of the rental unit and one has passed away. The landlord stated that those names should be removed from the style of cause as there are only the two unit that are now subject to this application.

Since these named parties no longer reside in the rental premises, I find it appropriate to remove them from the style of cause.

As the tenants KB and JB did not attend the hearing, service of the Notice of Dispute Resolution Hearing was considered.

The Residential Tenancy Branch Rules of Procedure states that each respondent must be served with a copy of the Application for Dispute Resolution and Notice of Hearing.

The landlord testified the Application for Dispute Resolution and Notice of Hearing were served in person on January 17, 2017. I find the tenants KB and JB have been duly served.

The landlord stated that they were informed that they would not be participating in the hearing.

The parties confirmed receipt of all evidence submissions and there were no disputes in relation to review of the evidence submissions.

Issue to be Decided

Is the landlord entitled to an additional rent increase?

Background and Evidence

The landlord testified that they seek an additional rent increase that is greater than the annual allowable rent increase because the rent for the units identified are significantly lower than the rent payable for other rental units in the same geographic area.

The landlord testified that the rental premises is six unit building and was built in the 1974's. The landlord stated that the rental unit identified are two bedrooms. The landlord stated that the rent for unit 33825 is currently \$995.00 per month and unit 38827 is \$790.00 per month.

The landlord testified that they have applied for rent increases for these two units as all other units in the building are rented between \$1,250.00 and \$1,300.00, which they are seeking to increase these units to \$1,150.00, which is below the comparable units for the geographical area.

The landlord testified that the both units have received rent increase. Unit 38825 last increase was in November 1, 2015 and unit 28827 was May 1, 2016. However, rent is still significantly below the other units within their building and below the comparable units outside their building.

The landlord testified that they have submitted advertisements for two-bedroom apartments in the geographical area that are approximately within 4 km radius of the subject units and the lowest rent is \$1,200.00 and the highest rent is \$1,500.00.

The relevant rents comparable are as follows:

Example #1	Basement suite
Rental unit	2 bedroom, 1 bathroom
Rent	\$1,200.00

Example #2	Basement
Rental unit	2 bedroom 1 bathroom,
Rent	\$1,400.00

Example #3	Second story
Rental unit	2 bedroom, 1 bathroom, jacuzzi bathtub, updated kitchen
Rent	\$1,500.00

The tenants testified that the building needs upgrades, the bedroom sizes are smaller, and there are no balconies. The tenant stated that they are disappointed that the other tenants did not attend. The tenant confirmed they did not provide any comparable for me to consider.

The landlord responded that has been lots of people working on the building, and said the tenant has had no problems or has not asked for anything. The landlord stated the tenant KW originally agreed verbally to this increase.

Analysis

Based on the above, the testimony and evidence, and on a balance of probabilities, I find as follows:

In this case, the landlord bears the burden of proving any claim for a rent increase that is greater than the prescribed amount.

The Residential Tenancy Regulations provide circumstances where a landlord may seek to increase the rent greater than the prescribed rent increase. In this case, the landlord is seeking to increase the rent on the basis the rent payable for the rental unit, after applying the prescribed rent increase, remains significantly lower than the rent payable for similar units in the same geographic area.

Residential Tenancy Policy Guideline 37 provides the policy intent of the legislation with respect to rent increases. The policy guideline provides an interpretation of the terms “similar units” and the “same geographic area”, as follows:

“Similar units” means rental units of comparable size, age (of unit and building), construction, interior and exterior ambiance (including view), and sense of community.

The “same geographic area” means the area located within a reasonable kilometer radius of the subject rental unit with similar physical and intrinsic characteristics. The radius size and extent in any direction will be dependent on particular attributes of the subject unit, such as proximity to a prominent landscape feature (e.g., park, shopping mall, water body) or other representative point within an area.

I accept the evidence of the landlord that the identified units are similar units of comparable size, age and sense of community. I further accept the comparable examples are within the same geographic area.

In this case, the landlord has requested that the rental units 38825 and 38827, rent be increased from their current amount to the amount of \$1,150.00. Even after considering the difference such as having a upgraded kitchen and a Jacuzzi tub that rents for \$1,500.00 and would demand a higher rent. The subject units identified are below the lowest of the comparable units of \$1,200.00; even after applying the rent increase permitted under the Act. The tenants did not provide any comparable for me to review or consider. Accordingly, I find the landlord has been successful with their application.

I hereby granted an ORDER allowing an additional rent increase raising the tenants' rent for unit 38825 from the amount of \$995.00 to \$1,150.00. This includes the 3.7% allowed by the Act.

I hereby granted an ORDER allowing an additional rent increase raising the tenants' rent for unit 38827 from the amount of \$790.00 to \$1,150.00. This includes the 3.7% allowed by the Act. Had the tenants for this subject unit appeared, I would have considered phasing this rent increase over a period of two years; however, the tenants did not attend to provide any testimony for me to consider.

The landlord is required to serve the tenants with three months notice of rent increase, on the prescribed form, indicating the amount as listed above if they wish to proceed with implementing this Order.

Conclusion

The landlord's application for an additional rent increase is granted.

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 18, 2017

Residential Tenancy Branch