



Dispute Resolution Services

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Residential Tenancy Branch
Office of Housing and Construction Standards

A matter regarding BAYNE ADAM HARNETT
and [tenant name suppressed to protect privacy]

DECISION

Dispute Codes AARI

Preliminary matter

At the start of the hearing the Landlord was told that the provision to apply for an additional rent increase based on comparable rents in a geographic area had been deleted from the Act, regulations and policy guidelines as of December 11, 2017. As the Landlord's application was dated October 25, 2017 the Landlord's application is governed by the provisions in affect prior to the changes of December 11, 2017. The Landlord's application proceeded on that basis.

Introduction

This matter dealt with and application by the Landlord for an Additional Rent Increase.

Issue to be Decided

1. Is the Landlord entitled to an additional rent increase and if so how much?

Background and Evidence

The Landlord said he served the Tenant with the Application and Notice of Hearing (the "hearing package") by personal delivery on or about November 10, 2017. 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 in the Tenant's absences.

This tenancy started on March 1, 2015 as a month to month tenancy. Rent is \$1,235.00 payable on the first day of each month. The Tenant paid a security deposit of \$550.00 at the start of the tenancy. No condition inspection report was completed at the start of the tenancy.

The Landlord said he has applied for an the annual allowable rent increase of 4% and an additional rent increase of 17.5% to bring his rental more inline with the rental amounts in the area for the type of rental unit he has. The total rent increase would be 21.5% changing the rent from \$1,235.00 per month to \$1,500.00 per month. At the present time the rent is \$1,235.00 and with the 4% annual rent increase of \$49.40 the rent would increase by \$49.40 to \$1,284.40. Further the Landlord said the requested 17.5% additional rent increase of \$215.60 to bring the total rent to \$1,500.00 per month.

The Landlord said when he first rented the unit in 2009 the rent was \$1,350.00 and when a tenant moved out who had a dog he reduced the rent to \$1,100.00. Since that time the Landlord has implemented annual allowable rent increases. The Landlord said he has tried to be reasonable to keep the rental amount affordable for the tenants.

The Landlord continued to say that his taxes have increased due to property values increasing and his mortgage payments have increased due to interest rate increases. As well there have been other costs that have also increased, which has put him in the position that he is subsidizing the rental property by over \$200.00 per month. The Landlord said as a result he reviewed rents in the area and he found that the rent on his unit is \$500.00 to \$700.00 less than comparable properties rented in the area. The Landlord submitted 3 comparable rental advertisements.

Comparable #1 is a similar 2 bed room one bathroom two blocks away from the Landlord's unit on the same street. The Landlord said this is a very similar unit and both are in similar condition. The Landlord said his unit has been painted inside and outside and has a new hot water tank and counters. The Landlord said this unit is asking \$1,900.00 per month and is no longer advertised.

Comparable #2 the Landlord said is a smaller house further away from the city center but still in the general area. The Landlord said this unit is asking \$2,000.00 per month as rent. The Landlord thought his unit may be more desirable because it is closer to the city center to walk to work and services.

Comparable # 3 the Landlord said is further away from his unit and is the only unit he saw at a price of \$1,650.00. The Landlord said rental demand in his city is very high and he has not seen any other comparable rentals for \$1,650.00.

The Landlord continued to say he thinks his request of increasing the rent to \$1,500.00 is reasonable and is still below market. The Landlord continued to say if he did not have a Tenant in the unit he could ask \$2,000.00 to \$2,200.00 for the rent and it would be rented quickly. The Landlord said he has a good relationship with his tenants and he thinks this is a reasonable request for the rental amount for the unit and area.

Analysis

It should be noted the Tenant was served with the Landlord's application and hearing package in person on or about November 10, 2017 and the Tenant did not appear at the hearing to dispute the request for an additional rent increase of 7.5% above the authorized annual rent increase of 4%.

Section 23 (1) of the regulations says: 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;

Further it should be noted this provision was repealed from the Act and deleted from the regulations and policy guidelines as of December 11, 2017. The Landlord's application was made October 25, 2017 therefore the previous provisions in the Act and regulations apply to the Landlord's application.

I accept the Landlord's evidence that the average rent for units comparable to the Landlord's rental unit are renting for more than \$1,500.00 per month. The Landlord submitted three rental units that are physically and geographically comparable to the Landlord's rental unit. Comparable #1 is a 2 bedroom 1 bathroom on the same street and within 2 blocks of the Landlord's unit. The Landlord provided a photograph and said the units were in comparable condition. The Landlord said this unit is advertised at \$1,900.00 per month. The second comparable the Landlord submitted was a two bedroom one bathroom further away from the city center and was advertised for rent at \$2,000.00 per month. The third comparable the Landlord said was the only rental unit comparable to his unit at a rental of \$1,650.00. The Landlord said he has not seen any other rentals in his area with a rental rate that low. The Landlord said he is requesting a total rent increase of 21.5 % which would increase the rent on his unit from \$1,235.00 to \$1,500.00. I accept the Landlord has proven that the geographic rental rate in the area for units comparable to the Landlord's unit is \$1,500.00 or more.

Conclusion

I find the Landlord is entitled to an additional rent increase of 17.5 % above the legislated increase of 4% as requested by the Landlord. This results in the allowed rent of \$1,500.00 per month for the subject unit commencing three months from the service of the notice of rent increase in accordance with section 43 of the Act. I find this rent increase is a reasonable amount compared with the average rents in the geographic area of similar physical and intrinsic rental units.

The Landlord's request for a total rent increase of 21.50% 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: January 23, 2018

Residential Tenancy Branch