



Dispute Resolution Services

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Residential Tenancy Branch
Office of Housing and Construction Standards

DECISION

Dispute Codes DRI MNDC

Introduction

This hearing was convened by way of conference call in response to an Application for Dispute Resolution (the “Application”) made by the Tenant to dispute an additional rent increase and for a monetary order for compensation for damage or loss under the *Act*, regulation or tenancy agreement, pursuant to section 67.

Both parties attended the hearing and provided testimony. The Landlord confirmed receipt of the Tenant’s Application and both parties confirmed receipt of each other’s documentary evidence provided prior to the hearing.

All parties were provided the opportunity to present evidence orally and in written and documentary form, and to make submissions to me. Both parties confirmed receipt of each other’s documentary evidence.

I have reviewed all oral and written evidence before me that met the requirements of the Rules of Procedure. However, only the evidence relevant to the issues and findings in this matter are described in this Decision.

Issue(s) to be Decided

- Has the Landlord imposed an illegal rent increase?
- Is the Tenant entitled to a monetary order for the rent increase he has been paying?

Background and Evidence

The Tenant stated that on October 31, 2017, he received notice from his Landlord by way of a letter, indicating that his lease was expiring on January 31, 2018. This documentation was provided into evidence by the Tenant. In this evidence, the Landlord

indicated that the amount of rent per month would increase from \$940.00 to \$1,040.00 as of February 1, 2018, if the Tenant chose to sign a new lease agreement.

The Tenant stated that he signed a new one year lease with the Landlord on December 5, 2017, for the same rental unit at a monthly rate of \$1,040.00, and the new lease would commence on February 1, 2018.

The Tenant acknowledged that rules and regulations changed on December 11, 2017, with respect to rent increases and consecutive fixed term leases. However, he stated that because the new lease did not begin until February 1, 2018, he should have the benefit of the new protections offered to Tenants as of December 11, 2017, despite signing the new lease on December 5, 2017.

The Landlord stated that he had no way of knowing the laws and rules would change on this matter, and he was operating legally as of the time he signed the new lease agreement with the Tenant. The Landlord stated that the Tenant is still well below market rent and he does not feel he is being unfair or illegal. The Landlord stated that he and the Tenant entered into an agreement on December 5, 2017, and the laws changed on December 11, 2017. The Landlord feels the Tenant is upset that he signed an agreement prior the laws changing and the Landlord does not feel he did anything wrong.

Analysis

Part 3 of the Act and Policy Guideline 37 to the Act explain the requirements a landlord has to follow in order to affect a legal rent increase. Specifically, Section 43 states the following:

Amount of rent increase

- 43** (1) A landlord may impose a rent increase only up to the amount
- (a) calculated in accordance with the regulations,
 - (b) ordered by the director on an application under subsection (3), or
 - (c) agreed to by the tenant in writing.

I acknowledge that, as of December 11, 2017, there were changes to the regulations and the Act which impact a Landlord's ability to increase rent for a tenant continuously occupying a rental unit. The Landlord acknowledged these changes and stated that he will keep these changes in mind going forward.

After reviewing the totality of the evidence before me, I find the Landlord has not increased rent unlawfully. The Landlord and the Tenant signed a new tenancy agreement on December 5, 2018, and agreed in writing that rent would be \$1,040.00 as of February 1, 2018. Rent for the previous year, under the previous rental agreement was \$940.00. I note the new agreement was signed by the Tenant prior to any changes to the applicable regulations and law, and I find the Landlord did not err in proceeding as he did. Further, I find there is insufficient evidence to suggest that this agreement was unconscionable, and I note the Landlord stated he had no knowledge that any of the laws would change as they did, when they did.

As the Tenant and the Landlord agreed in writing, by way of a new tenancy agreement on December 5, 2017, that rent going forward would be \$1,040.00, I find there is insufficient evidence that the Landlord increased rent illegally at the time he did. I find the most recent tenancy agreement, signed December 5, 2017, is valid and binding on the parties. I find it important to note that under the new regulations and law going forward, that the Tenant is not required to vacate at the end of the one year lease agreement, and the Tenant is not required to sign a new rental/lease agreement each year. Further, the Landlord should also note that future rent increases must be done in accordance with section 43 of the Act, and these amounts are capped annually.

With respect to the Tenant's application for monetary compensation for the extra rent he has been paying under the new tenancy agreement, I find he is not entitled to any remedies for this issue. As stated above, the Landlord did not increase rent illegally, and as such, I dismiss this portion of the Tenant's application.

Conclusion

The Landlord has not imposed an illegal rent increase. The Tenant's Application is dismissed without leave to re-apply.

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: June 04, 2018

Residential Tenancy Branch