



Dispute Resolution Services

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Residential Tenancy Branch
Office of Housing and Construction Standards

DECISION

Dispute Codes ARI

Introduction

This hearing dealt with applications from both the landlord and the tenants under the *Residential Tenancy Act* (the *Act*). The landlord applied for:

- An order allowing the landlord to increase the rent above the regulations and legislated amount per section 43 of the *Act*.

Both parties attended the hearing and were given a full opportunity to be heard, to present their sworn testimony, to make submissions, to call witnesses and to cross-examine one another. The parties acknowledged receipt of evidence submitted by the other. I have reviewed all evidence and testimony before me that met the requirements of the rules of procedure; however, I refer to only the relevant facts and issues in this decision.

Issue to be Decided

- Whether the landlord is entitled to a rent increase beyond the amount permitted by the legislation?

Background and Evidence

The tenancy began on or about November 18, 2004. Rent in the amount of \$1414.00 is payable in advance on the first day of each month. At the outset of the tenancy the landlord collected from the tenant a security deposit in the amount of \$637.50.

The landlord gave the following testimony:

The landlord stated that he is seeking an additional rent increase beyond the 2.5% as per the regulations for 2019 and seeks an increase in the amount of 98%. The landlord testified that he seeks this increase on the following basis:

- *The landlord, acting reasonably, has incurred a financial loss for the financing costs of purchasing the residential property or manufactured home park, if the financing costs could not have been foreseen under reasonable circumstances.*

The landlord testified that he purchased the property and took possession of it on October 31, 2018. The landlord testified that as part of the agreement for purchase, he was entitled to “vacant possession”. The landlord testified that he wanted the home empty so that he could rent it at market value which he estimated to be \$3200.00 per month. The landlord testified that the previous owner wasn’t very experienced in the process to provide vacant possession and that he was forced to take on this tenancy. The landlord testified that the previous owner advised that some plumbing work was conducted previous to his taking possession in the amount of \$2000.00. The landlord testified that he is now responsible for an additional \$48000.00 in financing the mortgage and \$5000.00 for property tax and insurance. The landlord testified that as a result of these costs, he requests a 98% rent increase.

The tenants gave the following testimony. KM testified that they were given a rent increase in May 2018. MP testified that he doesn’t understand why the tenants are responsible to help the landlord carry all costs associated with home ownership. KM testified that they were never given a notice to vacate the home and if that was a serious issue, it is something that the landlord should have discussed and negotiated with the seller and not a tenants burden to mitigate. Both tenants testified that they feel the rent increase set by the regulation is sufficient.

Analysis

Section 23 of the Regulation addresses **Additional rent increase**, and provides in part as follows:

23 (1) (c) the landlord has incurred a financial loss from an extraordinary increase in the operating expenses of the residential property;

The landlord did not provide a copy of the Contract of Purchase and Sale to reflect or support his submission that he requested vacant possession of the home as part of the agreement. In addition, the landlord did not provide documentation from his financial institution to reflect an increased cost for financing. The landlord has only submitted the Application for Additional Rent Increase as his documentation. Based on the insufficient evidence before me, I hereby dismiss this application in its entirety. The landlords request for a 98% rent increase is denied.

Conclusion

The landlords' application is dismissed.

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 03, 2019

Residential Tenancy Branch