



# Dispute Resolution Services

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Residential Tenancy Branch  
Office of Housing and Construction Standards

A matter regarding Panorama Terrace Mobile Home  
Park and [tenant name suppressed to protect privacy]

## **DECISION**

Dispute Codes      OL

### Introduction

This hearing dealt with the Landlord's Application for an additional rent increase, pursuant to section 36 of the *Manufactured Home Park Tenancy Act* (the "Act").

All parties were represented at the hearing. The corporate Landlord was represented by its agents, with agent AK primarily speaking (the "landlord"). The tenants were primarily represented by the tenant from unit 4, HR (the "tenant") who confirmed she also represented the tenants who were not in attendance at the hearing. Both parties were given a full opportunity to present their evidence orally and in written and documentary form, to cross-examine the other party, and make submissions.

The parties confirmed that there were no issues with service. The tenants confirmed receipt of the landlord's materials and that they had not served any materials. Based on the undisputed testimonies I find that each of the respondents have been served with the landlord's materials in accordance with sections 88 and 89 of the Act.

At the outset of the hearing the landlord testified that they have settled the matter with the residents of Units 16, 26, and 68 and withdrew the portion of their application pertaining to those units.

### Issue(s) to be Decided

Is the landlord entitled to increase the rents for these tenancies above the amount permitted under the Act and Regulations?

## Background and Evidence

While I have turned my mind to all the documentary evidence and the testimony of the parties, not all details of the respective submissions and/or arguments are reproduced here. The principal aspects of the landlord's claims and my findings around each are set out below.

The rental property is a manufactured home park with 70 individual pads. The parties agree that the current rent for the subject properties range between \$309.19 and \$333.45 payable on the first of each month.

The landlord seeks an annual and additional rent increase of 4.30% for the next 8 years to cover the costs of major repairs, replacements and upgrades to the water system of the park, completed in 2017. The landlord submits that the rent increase will be in addition to the annual allowable rent increases for the duration and that at the end of the period when additional rent increases apply, the next annual rent increase will be based on the rent only as increased by the amounts allowable under the Act.

The parties agree that the last rent increase for all of the relevant sites was on January 1, 2020 and therefore the next rent increase will be on the latter of January 1, 2021 or the first of the month following the lifting of Ministerial Order M089 restricting rental increases.

The landlord initially submitted that the total cost of the work is \$376,618.12 but amended their figure when it was pointed out by one of the tenants that the figure includes an invoice for unrelated work. The parties agreed that the actual cost of the work including construction, repairs, management and financing is \$373,068.12.

The landlord included in their application their calculations based on the total cost of the work and the proportionate rent increases for each of the subject tenancies. As the current monthly rent varies for each tenancy the amount of the rent increases also varies though they are all based on a yearly increase of 4.30% above the amount allowed under the Act. The parties noted some typographic and calculation errors in the landlord's written submissions but did not object to the underlying principle of applying a rent increase of 4.30%.

The landlord's witness gave evidence on the scope of the work undertaken, the nature of the repairs and upgrades that were implemented in the water system of the park and testified that the work is not expected to recur for several decades. The landlord submitted into documentary evidence numerous receipts and invoices outlining the work

performed. The witness explained that the work was necessary as the park's previous water system was not functioning properly and that the upgrades will ensure the park's residents have access to potable water and disposal systems.

The tenants posed a number of questions to the landlord and their witness to obtain clarity about the impact of the upgrade work, and the duration of the intended rent increase the landlord is seeking.

### Analysis

Section 36(3) of the Act provides that 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. Section 33(1)(b) of the Regulations provides that a landlord may apply for a greater rent increase if the landlord has completed significant repairs or renovations to the manufactured home park in which the manufactured home site is located that

- (i) Are reasonable and necessary, and
- (ii) Will not recur within a time period that is reasonable for the repair or renovation.

Section 33(2) of the Regulations provides that the application to raise the rent for all sites must be for an equal percentage.

Section 33 (3)(f) of the Regulations provides that a relevant submission from an affected tenant must be considered in deciding whether to approve an application for a rent increase.

In the present circumstances I accept the undisputed evidence of the parties that the landlord has performed major repairs and upgrades to the water system of the manufactured home park. The tenants gave evidence about the condition of the park prior to this work being performed and I find that the work was reasonable and necessary to ensure that the park was suitable for habitation. I have reviewed the invoices submitted by the landlord and am satisfied that they are related to the work. I further accept the evidence of the landlord that the financing and management were reasonable expenditures to complete the work in a professional fashion. I am satisfied with the landlord's witness' explanation that the project was performed diligently and find that the expenses incurred is reasonable and reflects the magnitude of the project.

I further accept the evidence of the landlord that the nature of the project and the upgrades are not expected to recur or require additional maintenance for a period of several decades. I find that the explanation provided to be reasonable and the landlord's witness cogently explained the expected lifespan of the upgrades installed.

The parties identified one invoice that pertained to work outside of this project and they agreed that the total cost of work is \$373,068.12. Therefore, I find that the landlord is entitled to an additional rent increase based on this amount.

I accept the calculations of the landlord that the total cost of work proportionately distributed among the units in the park is an increase of 34.44% above the allowable rent increase. I accept the landlord's calculation that over a span of 8 years the annual increase will be 4.30% above the allowable rent increase amount. The parties provide that the monthly rent for the units in the park range are \$309.19, \$312.60, \$323.38, \$325.00, and \$333.45.

Therefore, I allow the landlord annual rent increases for those units at a rate of 4.30% above the allowed amount as follows:

<b>2020 Rent</b>	<b>4.30% Additional Annual Rent Increase</b>
\$309.19	\$13.30
\$312.60	\$13.44
\$323.38	\$13.91
\$325.00	\$13.98
\$333.45	\$14.34

If there are other amounts being paid for 2020 rent that were not noted to which this application applies, their rents may be raised by the equivalent 4.30% above the allowable rent increase amount annually.

The landlord must serve each of the tenants with the notice of the allowed rent increases as required by the Act.

Conclusion

The landlord is entitled to an additional rent increase based on the costs of the work as set out above.

This decision is made on authority delegated to me by the Director of the Residential Tenancy Branch under Section 9.1(1) of the *Manufactured Home Park Tenancy Act*.

Dated: July 24, 2020

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Residential Tenancy Branch