

# **Dispute Resolution Services**

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# Residential Tenancy Branch Office of Housing and Construction Standards

#### **DECISION**

## **Dispute Codes:**

MNRL-S, MNDCL, FFL

#### **Introduction**

This hearing was convened in response to the Landlord's Application for Dispute Resolution, in which the Landlord applied for a monetary Order for money owed or compensation for damage or loss, for a monetary Order for unpaid rent, to keep all or part of the security deposit, and to recover the fee for filing this Application for Dispute Resolution.

The female Agent for the Landlord stated that on December 21, 2020 the Dispute Resolution Package and the evidence the Landlord submitted to the Residential Tenancy Branch in December of 2020 sent to each Tenant, via registered mail. The Tenants acknowledged receiving these documents and the evidence was accepted as evidence for these proceedings.

In April of 2021 the Landlord submitted additional evidence to the Residential Tenancy Branch. The female Agent for the Landlord stated that this evidence was placed in the Tenant's mailbox on April 06, 2021. The Tenants acknowledged receiving this evidence and it was accepted as evidence for these proceedings.

In March of 2021 the Tenants submitted evidence to the Residential Tenancy Branch. The female Tenant stated that this evidence was mailed to the Landlord on March 18, 2021. The Landlord acknowledged receiving this evidence and it was accepted as evidence for these proceedings.

The participants were given the opportunity to present relevant oral evidence, to ask relevant questions, and to make relevant submissions. Each participant affirmed that

they would speak the truth, the whole truth, and nothing but the truth during these proceedings.

The participants were advised that the Residential Tenancy Branch Rules of Procedure prohibit private recording of these proceedings. Each participant affirmed they would not record any portion of these proceedings.

#### Issue(s) to be Decided

Is the Landlord entitled to compensation for unpaid rent and to keep all or part of the security deposit?

# Background and Evidence

The Landlord and the Tenants agree that:

- the tenancy began on April 26, 2019;
- the tenancy ended on November 30, 2020;
- the tenancy agreement required the Tenants to pay monthly rent of \$3,500.00 by the first day of each month;
- the Tenants paid a security deposit of \$1,750.00, which is being retained by the Landlord;
- the Tenants paid a pet damage deposit of \$1,750.00, which was returned to the Tenants on December 14, 2021; and
- the Tenants provided the Landlord with a forwarding address, in writing, on October 29, 2020.

The Landlord is seeking compensation, in the amount of \$2,500.00, in unpaid rent. The Landlord and the Tenants agree that the Tenants only paid \$3,000.00 in rent for April, May, June, July, and August of 2020.

The Tenants contend that the Landlord agreed to reduce the rent for those months by \$500.00 per month. The Tenants contend that the email communications exchanged between the parties, which were submitted in evidence, support this submission. Specifically, the female Tenant stated that the emails dated July 25, 2020 (18:41); July 03, 2020 (7:41); and March 31, 2020 (2133) support a finding that the Landlord agreed to a rent reduction.

The male Agent for the Landlord stated that the Landlord did not agree to reduce the rent for those months by \$500.00 per month. He said the Landlord agreed to accept the rent of \$3000.00 in partial payment of the rent because he understood the Landlord

did not have the option to end the tenancy during that period, due to the COVID pandemic. He contends that the email communications submitted in evidence establishes that the Landlord simply agreed to defer a rent payment of \$500.00 for those five months, due to their inability to evict tenants for unpaid rent during this period of time.

The female Agent for the Landlord stated that the references to applying for government assistance with the rent was not meant to imply that the rent would be reduced by \$500.00 if the Tenants applied for the rent reduction. She stated that the information was provided to the Tenants in an attempt to assist them in paying the rent.

The female Landlord stated that they applied for the funding for rental assistance but they did not qualify for assistance. She stated that since they applied for the funding, they presumed they would be entitled to the rent reduction being discussed.

The female Tenant stated that if the Landlord had not agreed to the rent reduction of \$500.00, they would have found alternate accommodations, as mentioned in their letters request a rent reduction and their email of March 31, 2020.

# <u>Analysis</u>

On the basis of the undisputed evidence, I find that the Landlord and the Tenants entered into a tenancy agreement which required the Tenants to pay monthly rent of \$3,500.00.

Section 14(1) of the *Residential Tenancy Act (Act)* stipulates that **a** tenancy agreement may not be amended to change or remove a standard term. Section 14(2) of the *Act* allows a non-standard term to be amended if both the landlord and tenant agree to the amendment. I find that a rent reduction is a term of the tenancy agreement that may be changed if both parties clearly agree to the amendment.

After reading all of the communications exchanged between the parties, I find that the Landlord did <u>not</u> agree to a rent reduction of \$500.00 for April, May, June, July, or August of 2020. Although I have read and considered all of the communications exchanged, I have summarized those that I feel are particularly relevant.

In adjudicating this matter, I have specifically considered the letter written by the Tenants, dated March 20, 2020, in which the Tenants are clearly asking the Landlord for a rent <u>reduction</u> of \$500.00.

In adjudicating this matter, I have specifically considered the email of March 25, 2020, in which the Landlord appears to respond to the letter of March 20, 2020. I find that the Landlord did <u>not</u> agree to a rent reduction in that email. Rather, the Landlord provides advice regarding financial assistance that may be available to the Tenants.

In adjudicating this matter, I have specifically considered the email of March 31, 2020, in which the Landlord declares that they agreed to accept the offer of \$3,000.00 in rent for April "with the expectation that you apply to the Provincial government for the \$500.00 per month rental supplement". In this email the Landlord declares that they are "still in discussion with the owners in the event you are unable to qualify" for the provincial grant. Although the intent of the Landlord is not entirely clear in this email, I find that the Landlord is agreeing to accept \$3,000.00 in rent for April, with the understanding the outstanding rent of \$500.00 would be deferred. I find that this email should not be interpreted as an agreement to reduce the rent by \$500.00 for April of 2020.

In adjudicating this matter, I have specifically considered the letter written by the Tenants, dated May 19, 2020, in which the Tenants ask the Landlord to "extend the rent reduction". On the basis of this letter, I accept that the Tenants believed the Landlord had agreed to a rent reduction, rather than a rent referral.

In adjudicating this matter, I have specifically considered the email dated July 03, 2020 (19:41), in which the Landlord declares that they have been working with the Tenant in regard to their inability to pay the "full lease rent due" and they ask the Tenants to send the "agreed to \$3,000.00 for July". I find that this email should not be interpreted to mean that the Landlord has agreed to a rent reduction.

In adjudicating this matter, I have specifically considered the email dated July 03, 2020 (8:23 p.m.), in which the Tenants refer to a "negotiated reduce rate for July of \$3,000.00". I find that in this email, the Tenants are attempting to assert there has been a rent reduction.

In adjudicating this matter, I have specifically considered the email dated July 25, 2020. I find that in this email the Landlord clearly informs the Tenant that the rent remains at \$3,500.00 and that the Landlord is merely accepting deferred rent of \$3,000.00 as a result of the pandemic.

As there is insufficient evidence to conclude that the Landlord agreed to a monthly rent reduction of \$500.00 for April, May, June, July, and August of 2020, I find that the

Tenants remained obligated to pay rent of \$3,500.00 for those months. On the basis of the undisputed evidence that the Tenants only paid monthly rent of \$3,000.00 for those months, I find that the Tenants owe the Landlord \$2,500.00 in unpaid rent.

I find that the Landlord's Application for Dispute Resolution has merit and that the Landlord is entitled to recover the fee for filing this Application for Dispute Resolution.

## Conclusion

The Landlord has established a monetary claim, in the amount of \$2,600.00, which includes \$2,500.00 in unpaid rent and \$100.00 in compensation for the fee paid to file this Application for Dispute Resolution. Pursuant to section 72(2) of the *Act*, I authorize the Landlord to retain the Tenant's security deposit of \$1,750.00 in partial satisfaction of this monetary claim.

Based on these determinations I grant the Landlord a monetary Order for the balance \$850.00. In the event the Tenants do not voluntarily comply with this Order, it may be served on the Tenant, filed with the Province of British Columbia Small Claims Court and enforced as an Order of that Court.

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

Dated: April 30, 2021

Residential Tenancy Branch