Dispute Resolution Services

Residential Tenancy Branch
Office of Housing and Construction Standards

DECISION

Dispute Codes ARI-C

Introduction

The Landlord applies for an additional rent increase for capital expenditures pursuant to the *Residential Tenancy Act* (the "*Act*") and s. 23.1 of the Regulations.

M.D. appeared as counsel for the Landlord. K.M., C.H., S.M., and L.M. appeared as agents for the Landlord. K.M. was called to provide direct evidence as witness for the Landlord. K.M. was affirmed to tell the truth prior to providing his evidence.

Counsel advised that the Notice of Dispute Resolution for the participatory hearing was served on the respondent tenants on July 21, 2022. I was further advised by counsel that the Landlord's evidence was served via online portal as permitted in my interim reasons, with the letter being provided on September 28, 2022. The Landlord has provided a copy of the letter dated September 23, 2022 specifying access to the Landlord's evidence. Counsel confirmed that the evidence held in the portal were not removed or altered by the Landlord after being uploaded. The Landlord's evidence includes certificates of service for the respondent tenants. I find that the Landlord has served its application materials in accordance with the *Act*.

None of the named respondent tenants attended the hearing. Further, I have been provided no evidence or written submissions from any of the tenants.

Pursuant to Rule 7.1 of the Rules of Procedure, the hearing began as scheduled in the Notice of Dispute Resolution. As the tenants did not attend, the hearing was conducted in their absence as permitted by Rule 7.3 of the Rules of Procedure and concluded at approximately 10:27 AM without participation from the tenants.

Preliminary Issue – Amending the style of cause

Counsel advised that four of the named respondents, S.E., J.J., B.R., and T.C., have moved out of their respective rental units since the Landlord filed the present application.

Based upon submissions from the Landlord's counsel, I accept the named respondents are no longer tenants and no longer subject to the present application for an additional rent increase. Upon request from Landlord's counsel, I amend the style of cause to remove them as parties in this matter.

Issue to be Decided

1) Is the Landlord entitled to an additional rent increase for capital expenditures? If so, in what amount?

Background and Evidence

While I have considered the documentary evidence and the testimony of the parties, not all details of their submissions and arguments are reproduced here. The relevant and important aspects of the claim are set out below.

The Landlord's application seeks an additional rent increase for capital expenditures totalling $33.89. In its written submissions, the Landlord clarified that total rent increase it seeks is $34.44 per rental unit. Review of the application indicates the Landlord has not filed an amendment altering their claim.

The Landlord's claim, as set out in the Notice of Dispute Resolution, is for the following amounts:

Elevator Revitalization	$91,004.61
Common Area Improvements	$14,521.50
Boiler Repairs	$4,975.44
Security System Improvements	$11,117.12
Weather stripping Replacement	$23,714.00
Fitness Equipment	$1,063.71

These amounts were revised somewhat in the Landlord's written submissions as follows:

Elevator Revitalization	$89,901.14
Common Area Improvements	$14,521.50 (no change)
Boiler Repairs	$4,975.44 (no change)
Security System Improvements	$14,091.32
Weather stripping Replacement	$23,713.81
Fitness Equipment	$1,597.17

K.M. testified that he is employed as an executive for the Landlord and has over 30 years of experience in project management. He further advised that the Landlord purchased the subject property in 2017, that the property has 36 units, and that the property was built in about 1969. K.M. advised that in his role with the Landlord he was involved in the work undertaken by the Landlord at the residential property.

The Landlord's written submissions indicate that the subject residential property is on its own legal parcel but that it is one of three buildings owned by the Landlord which are near to one another. The Landlord's evidence indicates that some of the work undertaken was undertaken for all three buildings at the same time. K.M. says that this was done to capture economies of scale. Both counsel and the Landlord's written submissions explain that the costs that were shared were split proportionally to the units for each of respective buildings in which the work was undertaken.

Counsel referred me to a report in its evidence respecting an assessment undertaken of the elevator at the residential property. K.M. confirmed that the report was prepared by a consulting company when the Landlord purchased the property in 2017. The report indicates that the elevator was installed in approximately 1970 and components of the elevator, namely the hydraulic system, was replaced in 2013. The report recommended the controller system, hallway fixtures, and door operator and ancillary hall door equipment be replaced within the next 3 to 5 years. K.M. testified that the Landlord replaced those portions of the elevator as recommended by the consultant.

K.M. testified that it hired a contractor to put the elevator revitalization out for tender and the sub-contractor that was chosen was the least expensive of the quotes obtained by the Landlord. I was referred to a letter dated September 11, 2019 from the contractor pertaining the elevator revitalization tender. K.M. further testified that associated electrical work was required for the elevator revitalization. The Landlord's documentary

evidence includes a summary table, referencing specific invoices also provided by the Landlord, indicating that the work for the elevator revitalization was $89,901.14, with the last invoice being paid on August 20, 2021.

Counsel argued that the elevator revitalization was necessary as the components that were replaced were at the end of their useful life and the work improved safety to the building's residents.

I am told that the Landlord undertook further repair and renovation work to common areas at the residential property. The Landlord's summary table for this expenditure is broken into three components: first, asbestos remediation on the third floor; second, renovations on the ground floor; and third, replacement of flooring in the laundry room. The table referenced specific invoices, which K.M. testified were paid by the Landlord.

K.M. testified that the asbestos was identified on the third floor of the property which required remediation. I was directed to a report dated April 1, 2020 regarding an asbestos audit at the residential property. The report indicates that there was some damage to the textured ceiling finish which contained asbestos and recommended its removal or repair. The Landlord's evidence includes a receipt dated December 11, 2020 for $2,782.50 for the asbestos removal identified in the consultant's report.

K.M. further testified that the finishes within the common area on the main floor appeared to be original to the building, were old, and in need of replacement. He advised that the walls repaired and repainted. The Landlord's evidence includes an invoice dated October 30, 2020 for $9,350.46 respecting the work undertaken in the lobby area of the residential property. The invoice indicates that plasterwork was undertaken and the trim and baseboards were replaced.

I am further advised by K.M. that flooring within the laundry room was old, damaged, and in need of replacement. The Landlord's evidence includes an invoice dated November 30, 2020 for $2,388.54 for the flooring replacement.

Counsel argued that the repairs and renovations to the common area were necessary as the items that were replaced were passed their useful life and, in the case of the asbestos remediation, was necessary to comply with relevant health and safety standards. In the Landlord's written submissions, there is mention that new electrical fixtures were replaced with LED lights, which reduced energy use. Counsel made no reference to this point at the hearing nor does that appear to be consistent with the work

detailed within the invoices referred to me by counsel, though an invoice is included for another building in which LED fixtures were installed.

The Landlord also seeks to increase rent for repairs to the boiler system. K.M. testified that the residential property heats the rental units from a central natural gas boiler. He further testified that a pot/side stream filter was installed on the boiler, which he says improves the performance and increases the lifespan of the boiler. The Landlord's evidence includes an invoice dated May 6, 2021 for $2,100.00 for the installation of the pot/side stream filter.

K.M. further testified that there was a sever plug in the plumbing drain, which caused a leak in the fitness room of the residential property. I am advised that the work required the affected section of the plumbing to be cut out and replaced. The Landlord's evidence includes an invoice dated March 16, 2021 for $2,875.44 for this repair.

Counsel argued that the boiler and plumbing repairs were necessary for the Landlord to comply with its obligation under s. 32(1) of the *Act* to maintain the residential property.

I am further advised by K.M. in his testimony that the Landlord installed a new camera system for the residential property. I am told the system monitors various common areas at the property. The Landlord's evidence includes a summary table for the installation of the camera systems, indicating that the work was undertaken for two buildings at the same time. The Landlord submits that the proportion attributable to the residential property is $14,091.32. The Landlord provides an invoice date July 28, 2021 for $30,531.20. The same invoice, however, itemizes the portions attributable to each building and indicates that the combined subtotal for the installation of the CCTV at the residential property was $9,926.00 without tax.

Counsel argued that the new camera system is an eligible capital expenditure as it enhanced security at the residential property.

K.M. further testified that the Landlord replaced the weatherstripping for windows at the property. I am told by K.M. that the previous weatherstripping appeared to be original to the building, some of which I am told had degraded completely. K.M. testified that the Landlord received complaints from the residents that the windows in their rental unit were drafty. K.M. advised that rather than replace the windows the Landlord opted to refurbish them to save on costs. The Landlord's evidence includes an invoice dated May 11, 2021 for $83,002.50 for the window refurbishment at the three buildings owned

by the Landlord. The Landlord's written submissions indicate $23,713.81 is attributable to the residential property based on the proportional division amongst the units within the three buildings.

It was argued by counsel that window refurbishment is an eligible capital expenditure on the basis that it was necessary to maintain the residential property, the weatherstripping had degraded and failed, and that the increased sealing will decrease energy consumption to heat the residential property in the winter months.

Finally, the Landlord claims capital expenditures for fitness equipment, which K.M. indicates comprised of the replacement of a motor for a treadmill and the purchase of dumbbells at the request of some residents. The cost attributable for the residential property, as evidenced by receipts provided by the Landlord, is $1,597.17. The Landlord's written submissions indicate the fitness facility is shared by the residents for two of the buildings owned by the Landlord.

Counsel argued that the fitness equipment is provided as a service or facility to the tenants under the tenancy agreement and, should the service or facility be withdrawn, the tenants would likely be eligible to ta rent reduction. It was argued that the equipment was necessary as it had reached the end of its useful life.

K.M. confirmed the invoices and receipts in the Landlord's evidence relate to the work undertaken at the residential property, that the Landlord paid the amounts listed, and that Landlord did not obtain funding for any of the work from any other source. It was further confirmed by K.M. that he did not expect any of the work undertaken would reoccur again within the next 5 years.

Landlord's counsel argued that all the work undertaken constituted major components and systems of the residential property and were incurred within 18 months of the application. It was confirmed by counsel the Landlord has not obtained an additional rent increase for capital expenditures with respect to the subject property within the past 18 months.

Analysis

The Landlord seeks authorization to impose an additional rent increase for a capital expenditure. Sections 21.1, 23.1, and 23.2 of the Regulation set out the framework for

determining if a landlord is entitled to impose an additional rent increase for capital expenditures.

Landlords seeking an additional rent increase under s. 23.1 of the Regulations must prove, on a balance of probabilities, the following:

- The landlord has not successfully applied for an additional rent increase against the tenants within 18 months of their application.
- The capital expenditure was incurred for the repair, replacement, or installation of a major component or major system for the property.
- The capital expenditure was incurred for one of the following reasons:
    - to comply with the health, safety, and housing standards required by law in accordance with the landlord's obligation to repair the property under s. 32(1) of the *Act*;
    - the major component or system has failed, is malfunctioning or inoperative, or is close to the end of its useful life; or
    - the major component or system achieves one or more of either reducing greenhouse gas emissions and/or improves security at the residential property.
- The capital expenditures were incurred in the 18-month period preceding the date on which the landlord has applied for the increase.
- The capital expenditures are not expected to be incurred again for at least 5 years.

Tenants may defeat a landlord's application for additional rent increases for capital expenditures if they can prove on a balance of probabilities that:

- the repairs or replacements were required because of inadequate repair or maintenance on the part of the landlord; or
- the landlord has been paid, or is entitled to be paid, from another source.

Once the threshold question has been met, the Landlord must also demonstrate how may dwelling units are present in the residential property and the total cost of the capital expenditures are incurred.

Section 21.1(1) of the Act contains the following definitions:

"**dwelling unit**" means the following:

a. living accommodation that is not rented and not intended to be rented;
b. a rental unit;

[…]

"major component", in relation to a residential property, means

a. a component of the residential property that is integral to the residential property, or
b. a significant component of a major system;

"major system", in relation to a residential property, means an electrical system, mechanical system, structural system or similar system that is integral

a. to the residential property, or
b. to providing services to the tenants and occupants of the residential property;

"**specified dwelling unit**" means

a. a dwelling unit that is a building, or is located in a building, in which an installation was made, or repairs or a replacement was carried out, for which eligible capital expenditures were incurred, or
b. a dwelling unit that is affected by an installation made, or repairs or a replacement carried out, in or on a residential property in which the dwelling unit is located, for which eligible capital expenditures were incurred.

Upon review of the information on file and in consideration of Rule 2.6 of the Rules of Procedure, I find that the Landlord filed its application on February 22, 2022. Section 23.1(4)(b) of the Regulations requires all eligible capital expenditures to have been incurred within the 18-months of the application being filed, which in this case means the last date the expenditures could have been incurred is August 22, 2020. I accept that for larger projects it is impractical to expect landlords to complete the work within a specified 18-month window. Sometimes, projects last longer than 18-months. I find that invoices paid in advance of August 22, 2020 fall under the general umbrella of the project provided the word is substantially undertake within the 18-month window.

I accept the undisputed evidence from the Landlord that there are 36 dwelling units within the residential property. I further accept that the proximate buildings owned by the Landlord in which some of the costs were shared contain the dwelling units as specified by the Landlord in its written submissions.

Looking first at the elevator revitalization, I accept the undisputed evidence from Landlord that the elevator components that were replaced were at the end of their useful life as set out in the consultant's report prepared in 2017 when the Landlord purchased the property. I accept that the elevator, and its associated equipment, is a

major system within the residential property. Review of the invoices indicate that the work for the project was substantially completed within the 18-month window, with only the cost of the main contractor's report falling outside the window. I accept that all the invoices fall within the scope of the same project and find that, as a whole, they were incurred within the 18-month imposed by s. 23.1(4)(b) of the Regulations. I further accept that the expenditure will not be incurred again for at least 5 years.

I find that the elevator revitalization is an eligible capital expenditure under s. 23.1 of the Regulations. I have reviewed the Landlord's evidence and find that the cost of the replacement of the elevator components was $89,901.14. I accept that the proportional sharing of cost per dwelling unit for the three buildings, which affected the cost for the main contractor and the electrical sub-contractor, is appropriate and complies with the formula set out under s. 23.2 of the Regulations and the guidance set out in Policy Guideline #37 at pages 11 and 12.

Looking next to the asbestos removal and renovations to the common areas, this portion of the Landlord's claim raises some of the more fraught aspects of s. 23.1 of the Regulations. As a matter of statutory interpretation, I note that "the words of an Act are to be read in their context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament" (*Canada Trustco Mortgage Co. v. Canada*, 2005 SCC 54 at para 10).

Policy Guideline #37 provides the following guidance with respect to the type of work that would qualify for a capital expenditure under s. 23.1 of the Regulations:

> Generally, in order to qualify, the repairs should be substantive rather than minor. Cosmetic changes are also not considered a capital expenditure. However, a cosmetic upgrade will qualify if it was part of an installation, repair or replacement that otherwise qualified. For instance, if the carpeting in the lobby of the residential property was at the end of its useful life, an additional rent increase can be granted for a cosmetic upgrade, such as porcelain tiles, even if this cost more than a new carpet.
>
> The following is a non-exhaustive list of expenditures that would **not** be considered an installation, repair, or replacement of a major system or major component that has failed, malfunctioned, is inoperative or is close to the end of its useful life:
>
> - repairing a leaky faucet or pipe under a sink

- painting walls
- patching dents or holes in drywall
- fixing a broken window

Policy Guideline #37 draws a distinction between significant rather than cosmetic work due to one of the first aspects that ought to be clear upon reading of s. 23.1: only capital expenditures incurred with respect to major components or systems qualify. If all fixtures or aspects of a residential property qualified, then it would make the definitions set out under s. 21.1 meaningless.

The issue with the definitions set under s. 21.1 can be seen when looking at the Landlord's present claim related to the asbestos remediation and the repair work to the lobby. Both relate to repairs undertaken to the interior wall finishings, being either drywall, plaster, or a textured ceiling finish. When viewed at a macro level, drywall may seem like a major component to the residential property. Without it, the building would be bare studs. Undoubtedly be a problem for a tenant's expectation to privacy within their rental unit.

However, and accepting for a moment that drywall is a major component of a residential property for a moment, if we were to apply s. 23.1(4)(a)(ii) of the Regulations, there would need to be a finding that either the drywall failed, malfunctioned, became inoperative, or was at the end of its useful life. Policy Guideline #40, which provides guidance on the useful life of building elements, suggests drywall has a useful life of 20 years. As a matter of practice, however, I would note that property owners are not in the habit of replacing their drywall every 20 years. On its own, drywall does not generally fail, malfunction, or become inoperative. Drywall is only repaired as needed, whether due to intentional damage, leaks from plumbing within the walls, shifting in the structure, or holes made to access utility services. On the face of this application, none of these are present.

If we were to consider drywall within the context of s. 23.1(4)(a)(i) of the Regulations, only those repairs to major components or systems required to comply with the health, safety, and housing standards required by law in accordance with s. 32(1) of the *Act* are eligible. It should be noted that s. 32(1) of the *Act* makes specific reference to a landlord's obligation to maintain the property "in a state of decoration" that is specifically excluded from the wording within s. 23.1(4)(a)(i) of the Regulations. There is also specific exclusion of 32(1)(a), which includes an obligation for landlords to maintain and repair the residential property in a state of decoration and repair that have regard to the

age, character and location of the rental unit, making it suitable for occupation by a tenant. Therefore, upon consideration of s. 32(1) of the *Act* and s. 23.1(4)(a)(i) of the Regulations, there must be an implication that matters of a cosmetic nature do not qualify as eligible capital expenditures.

Looking broadly at the legislative scheme, s. 32 of the *Act*, sets out the responsibilities of tenants and landlords with respect to repairing and maintaining the residential property. Section 32(4) of the *Act* specifically states that "[a] tenant is not required to make repairs for reasonable wear and tear". This point is raised once more under s. 37(2)(a) of the *Act* as it relates to the expectation of tenants to return a rental unit at the end of tenancy in a reasonably clean and undamaged state except for reasonable wear and tear. In the context of a tenancy, ss. 32(4) and 37(2)(a) of the *Act* are applied to prevent landlords for making claims for damages in relation to reasonable wear and tear to walls even if they are caused by a tenant, this point being made clear by reference to Policy Guideline #1. It is expected that walls will be dinged and marked to a certain extent. Tenants will put up pictures or wall hangings as part of their tenancy. So long as the holes are not large or excessive, they will not be responsible for repairing them. In the normal course of events, walls will be patched and painted and patched and painted again.

The prohibition of claiming for reasonable wear and tear for wall damage is consistent with the protective purpose of the *Act*, which provides protections to tenants and sets out procedures that do not exist for tenants at common law. As arbitrators with the Residential Tenancy Branch, we must keep the protective purpose of the *Act* in mind when construing the meaning of its provisions (see *Senft v Society For Christian Care of the Elderly*, 2022 BCSC 744 at para 38).

The question remains: is repair or remediation associated with drywall damage an eligible capital expenditure. I find that it cannot qualify. Though notionally drywall may be considered a major component of a residential property, that cannot be squared with the general prohibition under ss. 32(4) and 37(2) of the *Act* preventing tenants from being responsible for reasonable wear and tear. Upon consideration of the protective purpose of the *Act*, it seems wholly inconsistent, in my view, to find a tenant responsible for paying for repairs to interior finishes to the common property in the form of an additional rent increase when those same expenses would not generally be found to be their responsibility if they were to occur within their rental unit. In light of this inconsistency and in consideration of the protective purpose of the *Act*, drywall, as an

interior finishing, cannot be considered a major component of the residential property under s. 21.1 of the Regulations upon consideration of the wider context of the *Act*.

I pause to provide further consideration of the asbestos remediation, which could conceivably fall within the ambit of s. 23.1(4)(a)(i) of the Regulations as a repair necessary to comply with the Landlord's obligation under s. 32(1) of the *Act* to maintain the residential property in a state of repair that complies with health, safety, and housing standards. I note that the remediation was in relation to a textured ceiling finish. Even if I am wrong on the general point that drywall as an interior finishing is not a major component of the residential property, I would find that a textured ceiling finish is surely outside the ambit the definition of a major component under s. 21.1, much as baseboards and door trim would be as well.

Similarly, I find that the flooring replacement in the laundry area is not an eligible capital expenditure. Flooring has an expected useful life, arguably triggering s. 23.1(4)(a)(ii) of the Regulations. However, it is, again, inappropriate in my view to have tenants pay for new flooring that has degraded due to normal wear and tear when they would not be found responsible for similar damage had it occurred within their rental unit. I accept that Policy Guideline #37 suggests flooring is an eligible capital expenditure. However, I am not bound to apply the policy guidelines as they are merely an interpretative aid. Further, as noted in *Jozipovic v. British Columbia (Workers' Compensation Board)*, 2012 BCCA 174 at para 91 to 101, which arose in the context of another piece of legislation, it is improper to rely upon a policy if it misconstrues the statute. To the extent Policy Guideline #37 suggest flooring that has reached the end of its useful life is an eligible capital expenditure, I find that it is wrong as it fails to consider the application of s. 23.1 within the wider context of the *Act*. Flooring, as an interior finish, is not a major component of the residential property.

The Landlord further seeks to include the cost of plumbing repairs and preventative maintenance to the boiler. I accept that the boiler and plumbing system are major systems within the residential property, both of which are integral and provide services to the tenants. I accept that the plumbing repair and installation of the pot/side stream filter for the boiler qualify as maintenance to the residential property of the plumbing and heating system to the building, thus qualifying under s. 23.1(4)(a)(i). As evidenced in the receipts, these costs were incurred on March 16, 2021 and May 6, 2021 placing them within the 18-month window imposed by s. 23.1(4)(b) of the Regulations. I further accept that the cost will not reoccur again within the next 5 years. I find that the cost for

these capital expenditures, totalling $4,975.44, are eligible under s. 23.1 of the Regulations.

The Landlord also seeks the cost of installing security cameras at the residential property. I accept that the cameras improve the security of the residential property, thus qualifying under s. 23.1(4)(a)(iii)(B) of the Regulations. I further accept, as evidenced by the invoice, that the cost was incurred on August 20, 2021, placing the expense within the 18-month window imposed by s. 23.1(4)(b) of the Regulations. I accept the expense will not reoccur again within the next five years. I find that the installation of security cameras is an eligible capital expenditure.

The Landlord's submissions indicate that the cost for the security cameras was shared between two of the Landlord's buildings and proportionally split that cost, attributing $14,091.32 for the subject residential property. However, review of the invoice clearly sets out which portion of the work was attributable to each building such that a proportional split is inappropriate. The net cost without tax for the installation of the cameras at the residential property, as evidenced by the invoice, shows it to be $9,926.00 ($7,344.00 + $2,582.00). I find that, with tax, the cost of this capital expenditure to be $11,117.12 ($9,926.00 x 1.12) as evidenced in the invoice provided by the Landlord.

The Landlord seeks the cost of replacing weatherstripping for the windows at the residential property. I accept that the windows, and the associated weatherstripping, are major components of the residential property. I further accept the Landlord's evidence that the weatherstripping had failed and degraded, which prompted residents to complain of drafty windows. I have little difficulty finding that the replacement of the weatherstripping falls within s. 23.1(4)(a)(i) and 23.1(4)(a)(ii) of the Regulations. I further find that by improving air sealing, the weatherstripping replacement also reduces energy loss and decreases the residential property's greenhouse gas emissions since the boiler is natural gas. The invoice, dated May 11, 2021, demonstrates the expenditure was incurred within 18-months of the application. I accept the expenditure will not reoccur within the next five years. I find that the weatherstripping replacement is an eligible capital expenditure. I have reviewed the invoice for the weatherstripping, which sets out a flat rate for the replacement to all three buildings. I accept that the proportional sharing of the flat rate incurred is appropriate and find that the capital expenditure attributable to the residential property is $23,713.81.

Finally, the Landlord seeks the cost for replacing and purchasing exercise equipment. It is difficult to imagine how exercise equipment could be considered a major component or system of the residential property as defined by s. 21.1 of the Regulations. These items are mere chattel. I find that this expense is not an eligible capital expenditure as the exercise equipment is not a major component or system to the residential property.

I find that the Landlord has established the following eligible capital expenditures:

Elevator Revitalization	$89,901.14
Boiler/Plumbing Maintenance/Repair	$4,975.44
Security Camera Installation	$11,117.12
Weather Stripping	$23,713.81
TOTAL	$129,707.51

Applying the formula under s. 23.2 of the Regulations, the Landlord has established the basis for an additional rent increase for capital expenditures totalling $30.02 ($129,707.51 ÷ 36 dwelling units ÷ 120).

If this amount exceeds 3% of a tenant's monthly rent, the landlord is not be permitted to impose a rent increase for the entire amount in a single year. The parties may refer to Policy Guideline #37, section 23.3 of the Regulation, s. 42 of the *Act* (which requires that a landlord provide a tenant three months' notice of a rent increase), and the additional rent increase calculator on the RTB website for further guidance regarding how this rent increase may be imposed.

Conclusion

The Landlord has been largely successful in its application. I grant the application for an additional rent increase for capital expenditures of $30.02. The Landlord must impose this increase in accordance with the *Act* and Regulations.

I order the landlord to serve the tenants with a copy of this decision in accordance with section 88 of the *Act*.

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: November 25, 2022

Residential Tenancy Branch