



# Dispute Resolution Services

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Residential Tenancy Branch  
Ministry of Housing and Municipal Affairs

A matter regarding 1127728 B.C. Ltd.  
and [tenant name suppressed to protect privacy]

## **DECISION**

### **Introduction**

On September 12, 2024 (the “Application date”) the Landlord applied for an additional rent increase for significant repairs or renovations, under s. 36(3) of the *Manufactured Home Park Tenancy Act* (the “Act”) and s. 33(1)(b) of the *Manufactured Home Park Tenancy Regulation* (the “Regulation”).

The Landlord attended the hearing. A number of Tenants (hereinafter, the “Tenant” when referring to an individual’s statements/submissions/evidence) attended the scheduled hearing. I provided all parties the opportunity to be heard and to provide statements.

### Service of Documents

The Landlord’s Application date was September 12, 2024. The Notice of Dispute Resolution Proceedings is dated September 20, 2024.

The Landlord provided proof of their service of the Notice of Dispute Resolution Proceedings to each Tenant, either in person or by attaching the documents to the door of each rental unit on individual sites. In each case, as documented by the Landlord, their service to individual tenants was on September 22, 2024. The Landlord listed certain exceptions to service, based on their ownership of certain sites in the manufactured home park, rent-to-own agreements, or one tenancy that started very recently.

The Landlord specified that they served a copy of their Application for Additional Rent Increase (i.e., the form #RTB-52) to each Tenant, save for an additional page that listed all rents for each individual unit.

The Landlord also provided evidence in the form of invoices and spreadsheets that set out the significant repairs/renovations to the manufactured home park for which they are applying for a rent increase.

The Tenant in the hearing did not raise any issues with the Landlord's service. In sum, I find the Landlord served their materials to all Tenants as required, in accordance with s. 82(1) of the *Act*.

In the hearing, the Landlord acknowledged they received prepared evidence from two of the listed tenant respondents. Where necessary and relevant, the material the Tenant provided received my consideration herein.

#### Issue to be Decided

- Is the Landlord entitled to an additional rent increase for significant repairs or renovations?

#### Background and Evidence

I have reviewed the evidence and testimony of the attending parties. I am not reproducing all the details of the submissions and statements here. The relevant and necessary elements of the Landlord's Application, any relevant Tenant responses, and my findings, are set out below.

The manufactured home park (the "Park") has 30 manufactured home sites. The Landlord in the hearing was specific that 6 sites are park-owned, and one additional site was subject to a tenancy that started very recently (i.e., within the previous 12 months). When calculating a rent percentage increase, all sites in the park form part of the calculation.

The Landlord submitted this Application seeking an additional rent increase because they installed/repaired/renovated the following:

	<b>work completed</b>	<b>date</b>	<b>cost</b>
1.	replaced well system pump	Sep 12, 2022	\$1,422.75
2.	septic field repair – installed 2 effluent filters	Aug 28, 2023	\$4,399.50
3.	septic field repair – pump replacement	Sep 12, 2023	\$5,579.53

4.	repaired leaks in septic, installed 2 clean-outs	Dec 28, 2023	\$4,663.49
5.	second phase of drainage work	Jan 31, 2023	\$5,029.50
6.	pothole repairs – asphalt overlay, for driveway	June 15, 2022	\$16,380.00
7.	replaced broken community mailbox	May 17, 2024	\$5,482.54
			<b>\$42,957.31</b>

In section 9 of the Application for Additional Rent Increase (i.e., the form #RTB-52), the Landlord set out a calculation based on the total amount set out above. The Landlord seeks authorization to implement a 5% rent increase arising from what they submit are significant repairs/renovations. This is in addition a permitted rent increase amount of 3%.

Pursuant to s. 33(2) of the *Regulation*, the Landlord applied for a rent increase applicable to 23 sites in the Park. The Landlord provided the 2022-2024 rent record for each individual rental unit they seek to apply for a rent increase.

In the allotted hearing time, the Landlord had the opportunity to present on each issue, and the Tenant had the opportunity for a response, where appropriate, as follows:

1. septic issues

The Landlord cited ongoing problems with parts breaking down and becoming worn out over time. Because of groundwater entering the septic system lines, they created a new drainage system to deal with groundwater entering the Park.

The invoices the Landlord provided for the septic work set out the following:

- “years ago” when the pump line was connected, “a very, very poor job was done” – this “has allowed water into the septic system and leaked for many years!!!” – as set out in a contractor’s invoice
- repaired property with pipe and fittings – installed 2 clean-outs that allow access in 2 directions into the sewer main
- this required installation of pumps to control water and assess the best place to install the main drainage system
- a chlorine pump was replaced
- recirculation pump tank replacement
- installed two effluent filters on the existing septic tank

- the second phase of drainage work involved pipe installation and fitting.

In total, the Landlord spent \$21,094.77 for work associated with the septic system.

The Tenant, in their written submission, drew attention to the Landlord's responsibility to maintain a park in a reasonable state of repair. This also stemmed from the Landlord's duty to inspect the property upon their purchase in 2017. They highlighted that sewage and drainage issues continued since approximately 1996 when there was a new septic system. In sum: "regular maintenance and upkeep would drastically reduce septic repairs and failures."

The Tenant in their evidence included a copy of the Landlord's notice to all residents about the main septic system experiencing an overflow in August 2023. The Landlord also advised Tenants to reduce water usage during a heavy rainfall, in October 2024.

In their written piece the Tenant also questioned the timeline, where "expenses for additional rent increase can include 18 mths from date arbitration papers were filed Sept/20/24."

Another Tenant in writing stated the previous landlord "had not had professional maintenance in place for the parks overall septic system, nor the very complicated system within the Septic Field." This Tenant was aware of companies that provide quotes for regular maintenance, yet the Landlord was not willing to pay for these expensive plans. This led to the Landlord dealing "one by one" on problems. This Tenant puts forth their position that, had these companies been hired to perform regular maintenance, the overall cost of this project for which the Landlord now claims expenditures would have been "tempered." This Tenant stressed the need for "quarterly or even bi-yearly pre-agreed upon maintenance and tests", making the Landlord's expenses in this Application not reasonable and necessary.

The Tenant in their written work also referred to the *Residential Tenancy Regulation* s. 23(1) 18-month period preceding the Application date.

## 2. pothole/driveway repairs

The Landlord presented the completed work invoice that notes:  
Asphalt overlay pothole repairs varying depths at [manufactured home park] as per our Proposal and Contract dated May 20, 2022.

The Landlord also provided an image of the cheque they paid to the contractor for the completed work, dated June 22, 2022.

In the hearing, the Landlord specified the work involved was for the area for use of all park residents, being the main entrance driveway. Approximately 3 months prior, the Landlord discussed a substantial budget for this purpose, and the Landlord speculated that problems with the paving had been ongoing throughout the park “since the beginning”.

The Tenant in the hearing spoke to the history, with one resident providing that the whole park was repaved in 2003. Another resident in a written submission spoke to pothole repairs as merely a band-aid solution to an ongoing problem. This resident provided images of the paving in question.

### 3. broken community mailbox replacement

The Landlord provided an invoice for the mailbox replacement, showing delivery for \$535.50. The Landlord paid a separate invoice for the actual mailbox, in the amount of \$4,947.04.

In the hearing the Landlord cited difficulty with residents’ use of the mailbox, such as keys not working. The Landlord replaced the mailbox because of its age.

## Analysis

The *Regulation* s. 33 sets out the following:

- (1) A landlord may apply under section 36 (3) of the Act [additional rent increase] if one or more of the following apply:

[...]

- (b) 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;

[...]

- (2) If the landlord applies for an increase under paragraph (1) (b) . . . the landlord must make a single application to increase the rent for all sites in the manufactured home park by an equal percentage.
- (3) The director must consider the following in deciding whether to approve an application for a rent increase under subsection (1):
- (a) the rent payable for similar sites in the manufactured home park immediately before the proposed increase is intended to come into effect;
  - (b) the rent history for the affected manufactured home site in the 3 years preceding the date of the application;
  - (c) a change in a service or facility that the landlord has provided for the manufactured home park in which the site is located in the 12 months preceding the date of the application;
  - (d) a change in operating expenses and capital expenditures in the 3 years preceding the date of the application that the director considers relevant and reasonable;
  - (e) the relationship between the change described in paragraph (d) and the rent increase applied for;
  - (f) a relevant submission from an affected tenant;
  - (g) a finding by the director that the landlord has contravened section 26 of the Act [obligation to repair and maintain];
  - (h) whether, and to what extent, an increase in costs with respect to repair or maintenance of the manufactured home park results from inadequate repair or maintenance in a previous year;
  - (i) a rent increase or a portion of a rent increase previously approved under this section that is reasonably attributable to the cost of performing a landlord's obligation that has not been fulfilled;
  - (j) whether the director has set aside a notice to end a tenancy within the 6 months preceding the date of the application;
  - (k) whether the director has found, in dispute resolution proceedings in relation to an application under this section, that the landlord has
    - (i) submitted false or misleading evidence, or
    - (ii) failed to comply with an order of the director for the disclosure of documents.

I have considered the Landlord's submissions and evidence. I assess the reasonableness and necessity of each expenditure, with consideration to the impact to all Park residents.

The Tenant drew attention to an 18-month timeline for expenditures in that time period immediately prior to the Landlord's Application date of September 12, 2024. There is no timeframe in place in the relevant legislation, which (*i.e.*, the *Regulation*, s. 33). I find the Tenant incorrectly incorporated a timeline found in the *Residential Tenancy Regulation*, s. 23(1)(4)(b), a different piece of legislation. I disregard any reference that the Tenant made to timelines for this reason.

For each expenditure outlined by the Landlord in their submissions, I find, regarding the reasonableness and necessity of significant repairs or renovations:

1. septic issues

I find the septic system replacements, amounting to \$21,094.77, were reasonable and necessary in these circumstances.

While the Tenant mentioned the long history of septic system issues, I find these submissions justified the need for septic system replacement. I find it reasonable that the Landlord budgeted an ongoing schedule of septic system clean-outs versus system replacement. The Tenant did not provide a reasonable amount of evidence to show the system was not failing due to the Landlord not maintaining, and I find the evidence/testimony shows the Landlord was dealing with the issue on an as-needed basis when problems arose. I give greater weight to the invoice provided by the technical installer, who noted "a very, very poor job was done" years prior. The Landlord inherited this problem, was dealing as necessary on an ongoing basis, and there is nothing legally barring the Landlord from undertaking to recover the expenses via this legislation.

I find the other categories listed in the *Regulation* s. 33 are not relevant to the Landlord's submissions here. I considered the Tenant's statements about repair/maintenance and find the problem arose because of faulty installation, and the system is beyond its useful life.

Additionally, I find the work for the septic system replacements will not recur in a time period that is relatively soon concerning the overall life cycle of a septic system. This is with reference to the policy guidelines published by the Residential Tenancy Branch, namely *40. Useful Life of Buildings Elements*.

In sum, I grant the Landlord recovery of the amount of \$21,094.77 for the septic system replacements.

## 2. pothole/driveway repairs

I find it more likely than not that the pavement repairs were significant, reasonable and necessary in the circumstances, and will not recur within a reasonable time period. The expected benefit from these repairs is likely to extend for at least one year; moreover, it is notable and conspicuous in its effect, notably to maintain roadways within the park. This is as set out in the applicable policy guideline<sup>1</sup>

Though the Tenant raised the point that the paving firm could not provide a guarantee on their work due to other surrounding areas of damage, I find this is not related to a lack of maintenance/repair on the Landlord's part.

In sum, I grant the Landlord recovery in the amount of \$16,380 for this expenditure.

## 3. broken community mailbox replacement

Given the information presented by the Landlord, I find this was not a replacement that was necessary to maintain key facilities in the manufactured home park, and not reflective of the protection of the physical integrity of the manufactured home park. This is as set out in the applicable policy guideline.<sup>2</sup>

For this reason, I dismiss the Landlord's recovery of the total cost of \$5,482.54 for this expenditure. I reduce the Landlord's additional increase (*i.e.*, 5% as shown on page 6 of 8 of their Application) requested for this reason, as set out below.

Overall, with respect to s. 33(3) of the *Regulation*, I note the Landlord provided records for all rent history of all sites in the Park to the Residential Tenancy Branch as required. For privacy reasons, the Landlord did not provide all records of site rent history to all Park residents for this Application.

Also, I find there was no evidence tendered of inadequate maintenance/repairs in the past that caused the need for present repairs/renovations. The Tenant questioned the Landlord's handling of the septic system issue over the past couple of years – however, I find this presented a considerable challenge for the Landlord when presented with budget concerns and immediate needs regarding septic and water management at the

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<sup>1</sup> Residential Tenancy Policy Guideline 37D: Additional Rent Increase For Expenditures

<sup>2</sup> *Ibid.*



rental unit property. What carries weight in this consideration is the Landlord's evidence – as provided for in their testimony and invoice evidence – of ongoing maintenance as needed, as well as the poor septic system initial installation. I find the Landlord was always aware of the age and condition of all systems/components.

I find other considerations in s. 33(3) of the *Regulation* are not applicable in this present Application.

In conclusion, as per s. 36(3) of the *Acts*. 33(1)(b)the *Regulation*, I find the Landlord established the basis to implement an additional rent increase for significant repairs or renovations.

The *Regulation* s. 33(4) authorizes me to grant the Landlord's Application in full or in part. On this basis, I grant the Landlord's Application in part, based on the reduced amount where I excluded the community mailbox replacement.

I order the Landlord is permitted to impose an additional rent increase of 4.36% to the 30 sites in the park, in order to arrive at a percentage amount for each site. The Landlord may impose the rent increase on the sites that are part of their Application; however, all sites at the manufactured home park are included when calculating the percentage of rent increase. This is based on the total capital expenditure amounts totalling \$37,474.77. All other requirements and obligations with respect to rent increases under the *Act* and *Regulation* apply to this situation.

### Conclusion

I grant the Landlord's Application in part. I authorize the Landlord to impose an additional rent increase of 4.36% on the 30 sites in the manufactured home park. This 4.36% is the additional rent increase amount; the Landlord may impose an additional permitted annual rent increase of 3%.

I order the Landlord to serve all tenants with this Decision, in accordance with s. 81 of the *Act*. This must occur within two weeks of this Decision. I authorize the Landlord to serve each Tenant by sending it to Tenants via email where possible. Within reason, the Landlord must also be able to provide a copy to any Tenant that requests a printed copy in person.

I make this decision on the authority delegated to me by the Director of the Residential Tenancy Branch under s. 9.1(1) of the *Act*.

Dated: December 17, 2024