Dispute Resolution Services

Residential Tenancy Branch
Ministry of Housing and Municipal Affairs

DECISION

Application Code ARI-E

Introduction

Landlord Big Eddy Holdings Ltd. applied for an additional rent increase for significant repairs or renovations under sections 36(3) of the Manufactured Home Park Tenancy Act (the Act) and 33(1)(b) of the Manufactured Home Park Tenancy Regulation (the Regulation).

I left the teleconference connection open until 10:06 A.M. to enable the tenants to call into this teleconference hearing scheduled for 9:30 A.M. The landlord, represented by owner BI (the Landlord), and advocate AK attended. All were given a full opportunity to be heard, to present affirmed testimony, to make submissions, and to call witnesses.

I confirmed that the correct call-in numbers and participant codes had been provided in the Notice of Hearing. I also confirmed from the teleconference system that the Landlord, AK and I were the only ones who had called into this teleconference.

Service of Documents

The Notice of hearing is dated February 11, 2025.

The Landlord affirmed she emailed the Notice of hearing and the evidence (the materials) to all the respondent tenants on February 14, 2025 between 1:53 PM and 2:05 PM, as all the tenants previously agreed in writing to receive documents via email.

The Landlord stated she did not receive response evidence and that the tenants from site 7 agreed in writing to a rent increase after they received the materials.

AK testified he has been assisting the Landlord and that she served the materials to all the Tenants in accordance with the legislation.

Based on the Landlord's convincing testimony, I find the Landlord served the materials to all the tenants in accordance with section 82(1) of the Act on February 14, 2025.

Section 60 of the Regulation states that emails are deemed received on the third day. I deem the Tenants received the materials on February 17, in accordance with section 60 of the Regulation.

Named Landlords

The application lists applicants the Landlord and AK.

AK clarified he is not a landlord and is only assisting the Landlord in this application.

Pursuant to section 57(3)(c) of the Act, I have amended the application to remove AK as a landlord.

Excluded Tenants

The Landlord said the tenants from sites 1,3 and 7 (their names is recorded on the cover page of this decision) agreed in writing to the additional rent increase the Landlord is seeking in this application.

The application for the additional rent increase for tenants from sites 1, 3 and 7 is moot, since these tenants agreed in writing to the requested rent increase.

Policy Guideline 37D states:

> As noted in Policy Guideline 37B, a tenant may voluntarily agree in writing to a rent increase greater than the maximum annual rent increase. Tenants that have agreed to a rent increase do not need to be named and served with the Application for Additional Rent Increase if a condition of the mutual agreement to increase rent was that the landlord will not seek to impose an additional rent increase on the tenant. Agreements must be in writing, must clearly set out the rent increase (e.g., the percentage increase and the amount in dollars), and must be signed by the tenant.

Section 55(4)(b) of the Act states an application should be dismissed if the application or part of an application for dispute resolution does not disclose a dispute that may be

determined under the Act. I exercise my authority under section 55(4)(b) of the Act to dismiss the application for tenants from sites 1, 3 and 7.

Issue to be Decided

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

Application for Additional Rent Increase

The Landlord submitted this application on February 5, 2025 seeking an additional rent increase of 4.86% per year, applied once per year, for 9 consecutive years because she installed a new electrical system in the manufactured home park (the park).

The Landlord submitted the calculation showing the Dollar amount of the additional rent increase for the tenants:

9 Years Recovery based on 12 sites										
"Unit" = base increase/month	cost per site	9,219.44								
1 unit year 1, 2 units year 2,	1 unit	204.88								
3 units year 3, 4 year 4, etc. Total 45 units	1 unit/12	17.07								
Average monthly rent increase	**base**	**year 1**	**year 2**	**year 3**	**year 4**	**year 5**	**year 6**	**year 7**	**year 8**	**year 9**
based on $350.98 current avg. rent =										
$17.07 (4.86%)										
average monthly rent	350.98	17.07	34.14	51.21	68.28	85.35	102.42	119.49	136.56	153.63
monthly increase x 12 months		204.84	409.68	614.52	819.36	1,024.20	1,229.04	1,433.88	1,638.72	1,843.56
annual recovery x 12 sites		2,458.08	4,916.16	7,374.24	9,832.32	12,290.40	14,748.48	17,206.56	19,664.64	22,122.72
Average monthly rent including increases	350.98	368.05	385.12	402.19	419.26	436.33	453.40	470.47	487.54	504.61
Residents' Actual Rent Increases =	**base**	**year 1**	**year 2**	**year 3**	**year 4**	**year 5**	**year 6**	**year 7**	**year 8**	**year 9**
current rent x 104.86%										
Sites 1, 2, 7, 12, 14	342.48		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Site 8	374.00	18.18	36.35	54.53	72.71	90.88	109.06	127.23	145.41	163.59
Site 4	396.22	19.26	38.51	57.77	77.03	96.28	115.54	134.79	154.05	173.31
Sites 3, 5	444.76	21.62	43.23	64.85	86.46	108.08	129.69	151.31	172.92	194.54
Site 6	350.00	17.01	34.02	51.03	68.04	85.05	102.06	119.07	136.08	153.09
Site 10	489.57	23.79	47.59	71.38	95.17	118.97	142.76	166.55	190.34	214.14

The standard of proof in a dispute resolution hearing is on a balance of probabilities, which means that it is more likely than not that the facts occurred as claimed. The onus to prove the case is on the person making the claim.

Regulation 33 sets out the framework for determining if a landlord is entitled to impose an additional rent increase:

> (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),** (c), or (d), **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.

(emphasis added)

Policy Guideline 37D states:

> A landlord may apply to the director for an additional rent increase if they complete significant repairs or renovations to the manufactured home park in which the manufactured home site is located that are reasonable and necessary and will not recur within a time period that is reasonable for the repair or renovation.
> A repair or renovation may be significant if the expected benefit of the repair or renovation can reasonably be expected to extend for at least one year, and the repair or renovation is notable or conspicuous in effect or scope, or the expenditure incurred on the repair or renovation is of a measurably large amount.
> A repair or renovation may be reasonable and necessary if the repair or renovation is required to protect or restore the physical integrity of the manufactured home park; comply with municipal or provincial health, safety, or housing standards; maintain water, sewage, electrical, lighting, roadway, or other facilities; or promote the efficient use of energy or water.
> In determining whether to exercise their discretion to grant the landlord's application, an arbitrator may consider whether the costs of the repairs or renovation were recovered by previous rent increases or whether they can or will be reimbursed by other means. If these circumstances apply, an additional rent increase will usually not be granted.
> An application can be made at any time after the landlord has made the repairs or renovations and is able to provide proof of their cost. The landlord does not have to have completed paying for the repairs or renovations. A landlord could complete a major project in phases and seek an additional rent increase at the completion of each phase.
> The landlord must provide evidence (e.g., invoices) of the costs of the repairs or renovations and must also provide evidence that demonstrates that the repairs or renovations were reasonable and necessary and will not recur within a time period that is reasonable for that particular repair or renovation.
> […]
> C. APPLYING FOR AN ADDITIONAL RENT INCREASE FOR EXPENDITURES
> […]
> Each tenant named on the application must be served with a copy of the Application and hearing package. Any evidence used in support of the Application for Additional Rent Increase must be given to each of the named tenants.
> […]
> As an arbitrator must consider all of these factors, a landlord applying for an additional rent increase should submit evidence or make submissions that addresses each of

> these. Arbitrators may also review the Residential Tenancy Branch's records in relation to those factors that relate to previous applications heard and determined by an arbitrator. If an arbitrator does not have sufficient evidence or submissions to consider a required factor, the application for an additional rent increase may be adjourned or dismissed. In some circumstances, an arbitrator may order the landlord to provide any records the arbitrator considers necessary to properly consider the application or may issue a summons to any person for such records.
> An arbitrator may also consider any other factors that they determine are relevant to the application before them. Relevant submissions and evidence from affected tenants will also be considered by the arbitrator before making their decision.

I will address each of the legal requirements.

While I have turned my mind to the accepted evidence and the testimony of the attending parties, not all details of the submissions and arguments are reproduced here. The relevant and important aspects of the landlord's claim and my findings are set out below.

Has the landlord completed significant repairs or renovations?

The Landlord affirmed the park is from the early 1970s and she upgraded the entire electrical system, as the previous one was well maintained but it was not up to code, and it was not reliable. The new system benefits all the 12 sites in the park.

The Landlord stated that each site had 60 amp service and now has 120 amp. The electricity poles were damaged, and now the electricity is underground. The Landlord testified the new electrical system is safer and it is expected to last decades.

The Landlord said the new electrical system was a reasonable and necessary renovation, as the Tenants requested this upgrade, they did not dispute this application, and the documentation submitted demonstrates it was appropriate to install the new electrical system.

The Landlord submitted a letter from a contractor dated February 27, 2024:

> The power system in your park is currently not in compliance with the Canadian electrical Code. The poles are rotting and require replacement. The wooden boxes around the disconnects at each meter are also deteriorating. Additionally, the wiring on the poles is too small to handle the load and has undergone multiple repairs. From a maintenance perspective, it would be more practical to install the system underground.

The Landlord affirmed that she invested the total amount of $110,629.62 to renovate the electrical system, including the contractor's cost and financing costs. The Landlord submitted invoices in the amount of $77,002.74 and $17,274.61, and documents regarding the financing costs incurred for the project.

The Landlord stated the new electrical system was completed in September 2024 and submitted a declaration of compliance indicating the new electrical system was inspected on September 6 and it was safe to use on that date.

Based on the Landlord's uncontested and convincing testimony, the invoices and the letters dated February 27, 2024 and September 2024, I find the Landlord replaced the park's electrical system in September 2024, paid $110,629.62 for this expenditure and that the previous electrical system was not up to code. I find the Landlord is not likely to recur this expense for a reasonable time period, as the Landlord testified the new system is expected to last decades.

Thus, I find the new electricity system was a reasonable and necessary expense, per Regulation 33(1)(b)(i) and (ii).

Is there a single application to increase the rent for all sites by an equal percentage?

The Landlord said she named all the tenants as respondents.

As explained in the topic 'Excluded Tenants', I excluded tenants from sites 1, 3 and 7 because they agreed in writing to the requested rent increase.

Policy Guideline 37D states:

> The landlord must make a single application to increase the rent for all rental units in the residential property or sites in the manufactured home park by an equal percentage. The only exception is when the applicant is a landlord who, as a tenant, has received an additional rent increase for the rental unit or site that they have sublet to another tenant.

The Landlord's application indicates the Landlord is seeking an average additional rent increase of 4.86% for all the respondents.

Based on the Landlord's uncontested testimony, I find the Landlord submitted a single application to increase the rent for all the sites that did not agree in writing to the additional rent increase by an equal percentage, in accordance with Regulation 33(2) and policy guideline 37D.

Rent payable for similar sites and history for the respondents in the 3 years preceding the date of the application

The application indicates the tenant's monthly rent in 2025 ranged from $342.48 to $489.57.

The Landlord affirmed that the rent paid by the respondents is lower than the rent for similar sites in other parks in the area and that she never applied for an additional rent increase.

Changes in the sites in the 12 months preceding the date of the application

I accept the Landlord's undisputed and convincing testimony that there were no changes in a service or facility that the Landlord has provided for the manufactured home park in the 12 months preceding the date the Landlord applied for this additional rent increase.

Changes in operating expenses and capital expenditures in the 3 years preceding the date of the application and the relationship between the changes and the requested rent increase

I accept the Landlord's undisputed and convincing testimony that the park's operating expenses have been increasing in the 3 years preceding the date of the application, as the snow removal costs, and overall maintenance costs increased in this time period.

Has the landlord contravened section 26 of the Act?

Section 26(1) of the Act states a Landlord must:

> (a)provide and maintain the manufactured home park in a reasonable state of repair, and
> (b)comply with housing, health and safety standards required by law.

The Landlord affirmed that she never contravened section 26 of the Act, as she always complied with her obligations to provide, maintain, and repair the park.

The Landlord stated the RTB did not issue a decision finding the landlord contravened section 26 of the Act or ordering the landlord to complete repairs and that she always deals with the request from the tenants for repairs.

Based on the Landlord's convincing and undisputed testimony, I find the Landlord proved, on a balance of probabilities, that she provides and maintains the park, per section 26(1) of the Act.

Prior rent increase under Regulation 33?

I accept the Landlord's undisputed and convincing testimony that she never requested or obtained an order for an additional rent increase under Regulation 33.

Has the RTB set aside a notice to end tenancy within the six months preceding the date of the application?

I accept the Landlord's undisputed and convincing testimony that the RTB has not set aside a notice to end tenancy issued by the Landlord in the six months before the application's date.

Has the RTB found that the landlord submitted false or misleading evidence or failed to comply with an order for the disclosure of documents?

I accept the Landlord's undisputed and convincing testimony that the RTB has not found that the Landlord submitted false or misleading evidence or failed to comply with an order for the disclosure of documents.

Outcome

The Landlord has been successful in this application, as the Landlord proved all the elements required to impose an additional rent increase under Regulation 33(1)(b) and 33(3) for the expenses of $110,629.62.

Regulation 34(4) states:

> (4)In considering an application under subsection (1), the director may
> (a)grant the application, in full or in part,
> (b)refuse the application,
> (c)order that the increase granted under subsection (1) be phased in over a period of time, or
> (d)order that the effective date of an increase granted under subsection (1) is conditional on the landlord's compliance with an order of the director respecting the manufactured home park.

I authorize the Landlord to impose an additional rent increase of 4.86% per year, applied once per year, during the next 9 consecutive years, for each site, as I find that this is a reasonable percentage of an additional rent increase. This percentage excludes the yearly rent increase, which is authorized for all landlords.

The parties may refer to RTB Policy Guidelines 37A and D, sections 34, 35 and 36 of the Act and section 32 of the Regulation for further guidance regarding how this rent increase may be imposed.

Conclusion

The Landlord has been successful. I grant the application for an additional rent increase of 4.86% per year, applied once per year, during the next 9 consecutive years, for each site. This percentage excludes the yearly rent increase, which is authorized for all landlords.

The Landlord must impose this increase in accordance with the Act and the Regulation.

The Landlord must serve the Tenants with a copy of this decision in accordance with section 81 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 *Act*.

Dated: April 04, 2025

Residential Tenancy Branch