Dispute Resolution Services

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Residential Tenancy Branch
Ministry of Housing and Municipal Affairs

DECISION

Introduction

The Tenants dispute a rent increase pursuant to <u>Part 4</u> of the *Manufactured Home Park Tenancy Act* (the "Act") and <u>Part 5</u> of the *Manufactured Home Park Tenancy Regulation* (B.C. Reg. 481/2003 and B.C. Reg. 50/2025, the "Regulation").

There are thirty-six applications that have been joined for consideration. This decision applies to all applications because the issue to be decided is identical in all applications. The Tenants have also sought to recover the cost of their application fees.

The primary Tenant in these applications attended the teleconference dispute resolution hearing, along with two representatives of the Landlords. There were no issues or concerns regarding the service of documentary evidence, no preliminary or procedural issues. I affirmed all attendees before they testified and presented evidence.

Issue

Is the rent increase compliant with the Act and the Regulation?

Background and Evidence

In an application under the Act, the applicant must prove their claim on a balance of probabilities. Stated another way, the evidence must show that the events in support of the claim or request for relief were more likely than not to have occurred.

Although I have fully considered the parties' submissions and the evidence to which they referred, I do not intend to refer in detail to all the evidence or testimony.

As mentioned, there are a total of 36 tenancies for manufactured home sites situated within the manufactured home park that filed these applications. There are 62 sites in total within the park. On January 1, 2025, the manufacture home site ("pad") monthly rents increased by an average of \$52.97, ranging from \$50.00 to \$57.97.

The average percentage increase in pad rents was 10.08%, ranging between 7.63% and 12.66%. It is noted that the allowable rent increase limit for 2025 for residential tenancies is 3%.

The rent increases were applied after the Landlords issued a *Notice of Rent Increase – Manufactured Home Site* (#RTB – 11a) to each of the Tenants. Each of the *Notices of Rent Increase – Manufactured Home Site* (the "Notices") is four pages long and was completed by one of the Landlords' representatives, and included detailed calculations (on pages two, three, and four) as to how the rent increases were determined. The Notices were signed by the Landlord on September 4, 2024, and issued on or about that date. The Notices indicated that the increase rents would take effect and be payable starting on January 1, 2025.

The Tenant remarked that since these applications were made the situation is now less adversarial and more a matter of concern. The Tenant works for a developer in town and, I note, has an expert-level understanding of some of the matters discussed throughout the hearing. In any event, the Tenant submitted that the Tenants take no issue with any rent increase within the annual allowable limits. However, they do object to the rather larger increases of approximately 10%.

There have been, the Tenant explained, a litany of water leaks in the park, most of which appear to have been fixed.

However, the Landlords notified the Tenants in July 2024 that the Landlords' water bills were "out of this world." The consumption could not have been attributed solely to the water leaks.

In reviewing the Notices and associated water bills, it is noted that the water billed by the city in 2023 was \$17,889.23. In 2024, the year in which the Landlords completed the Notices, the city billed the Landlords \$43,207.76. It is the Landlords' position that this increase is attributable to the city's decision to substantially increase the base rate.

At this point, it is important to note that the city undertook an extensive upgrading of the nearby water main and sewer lines. They upgraded the water line from 26mm to 152mm, likely in anticipation of future housing developments. (The Landlords plan to, or are in the process of, adding eight new sites to the park, but this increase alone would not necessitate such a large water line upgrade. Furthermore, the Landlords did not request the line upgrades—the city apparently proceeded with the work independently of stakeholder preferences.)

The Tenant explained that, even with such a large increase in water line size, this doesn't sensibly explain a large increase in consumption or the rate amount. He rather articulately explained that the increase in consumption would be equivalent to there being a hundred family pools being filled. Later in the Tenant's testimony and submissions, he suggested that a lack of preventative maintenance by the Landlords might explain the massive increase in consumption.

The increase in base rate is, the Landlords explained, also attributable to the manufactured home park going from being about half metered to being fully metered. The Landlords explained that they have no control over either of these determinative factors, the base rate increase or the installation of metering in the remainder of the park.

Along with the significant increase in the water base rate, there was a corresponding increase in sewer line use. The Tenant questioned, rather rhetorically, whether Tenants across the park were suddenly using the bathroom much more.

One of the Landlords' representatives explained that the city's sewer charges increase in conjunction with water consumption, regardless of sewage volume.

In summary, the Tenant submitted and argued that the Tenants reject any amount over and above the allowable annual limit in rent increases, and at the very least there ought to be an investigation into the pipes.

The Landlords summarized their position on this issue by noting that the increase resulted from the park becoming fully metered (not their decision) and by the city-imposed base rate increase (not within their control). They used the calculations provided for under the Regulation to calculate the allowable rent increases.

Submitted into documentary were the following documents:

copies of various Notices (of rent increases), copies of correspondence between various Tenants and the Landlords, property tax notices, City of Kamloops Utility Statements, city water rate bylaws, construction and water pipe documents (including photographs, a map, and schematics), various documents regarding water leak issues and repairs in the park (dating back to 2022), and, several photographs of the water line upgrades being done by the city.

Analysis

A rent increase is only permitted if it fully complies with Part 4 ("Rent Increases") of the Act. This Part contains sections 34, 35, 36, and 37.

Section 35 of the Act deals with the timing and notice of an increase. In these applications, the Notices were in the approved form (subsection 35(3) of the Act). The rent increases were not imposed within or less than a twelve-month period (subsection 35(1) of the Act). The Notices were all given to the Tenants at least three months before the effective date of the increase (subsection 35(2) of the Act).

In summary, based on all of the evidence before me, I find that the timing and notice requirements for a rent increase were satisfied under section 35 of the Act.

Regarding the rent increase amount, subsection 36(1)(a) of the Act states that a landlord may impose a rent increase only up to the amount calculated in accordance with the regulations. The term "regulations" means the *Manufactured Home Park Tenancy Regulation*.

Subsection 32(1) of the Regulation, under which an increase pursuant to subsection 36(1)(a) of the Act may be calculated, includes the following definitions:

In this section:

"change in local government levies" means the local government levies for the 12-month period ending at the end of the month before the month in which notice under section 35 (2) of the Act was given less the local government levies for the previous 12-month period;

"change in utility fees" means the utility fees for the 12-month period ending at the end of the month before the month in which notice under section 35 (2) of the Act was given less the utility fees for the previous 12-month period;

"inflation rate" means the 12-month average percent change in the all-items

Consumer Price Index for British Columbia ending in the July that is most recently available for the calendar year for which a rent increase takes effect;

"local government levies" means the sum of the payments respecting a manufactured home park made by the landlord for

- (a) property value taxes, and
- (b) municipal fees under section 194 of the *Community Charter*,

"proportional amount" means the sum of the change in local government levies and the change in utility fees divided by the number of manufactured home sites in the landlord's manufactured home park;

"utility fees" means the sum of the payments respecting a manufactured home park made by the landlord for the supply of electricity, natural gas, water, telephone services or coaxial cable services provided by the following:

- (a) a public utility as defined in section 1 of the *Utilities Commission*Act:
- (b) a gas utility as defined in section 1 of the Gas Utility Act;
- (c) a water utility as defined in section 1 of the *Water Utility Act*;
- (d) a corporation licensed by the Canadian Radio-television and
 Telecommunications Commission for the purposes of that supply.

Subsection 32(3) of the Regulation states that

For the purposes of section 36(1)(a) of the Act, in relation to a rent increase with an effective date on or after January 1, 2019, a landlord may impose a rent increase that is no greater than the amount calculated as follows: inflation rate + proportional amount.

Having carefully reviewed many, but not all, of the copies of the *Notice of Rent Increase* – *Manufactured Home Site* submitted into evidence, and having also gone through the information and calculations made, it is my finding that the amounts entered into the "Total public utility fees and charges for the entire manufactured home park" section are supported by utility bill amounts. All amounts entered meet the requirements under subsection 32(1) of the Regulation.

Further, the *Calculation of Annual Rent* sections within the Notices appear to have been accurately completed, with the "proportional amount" (referenced in subsection 32(1) of the Act) being correctly calculated, and with a correct calculation of the allowable 3% inflation rate. Finally, the *Amount Of Rent Increase* section on page 4 of the Notices appears, upon review, to have been correctly calculated.

In summary, having reviewed how the Landlords completed the Notices of rent increase, it is my finding that the Landlords have imposed rent increases which comply with and are in accordance with Part 4 of the Act and Part 5 of the Regulation.

Accordingly, since section 36(2) of the Act states that a "tenant may not make an application for dispute resolution to dispute a rent increase that complies with this Part," the applications must be dismissed without leave to reapply.

The Tenants' claims to recover the cost of their application fees, under section 65 of the Act, are dismissed without leave to reapply.

On a final note, it is not at all lost on me that the Tenants have concerns about the astronomical increase in the water costs. However, the reason for this increase appears to be wholly a municipal political decision, rather than faulty maintenance (of which there is scant, current evidence) or anything else over which the Landlords may have control.

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Conclusion

The applications are respectfully dismissed, without leave to reapply.

The Landlords' representative (J.S.) is kindly requested to distribute a copy of this decision to the Tenants.

This decision is made on delegated authority under section 9.1(1) of the Act. The decision is final and binding, except where otherwise permitted under the Act and the *Judicial Review Procedure Act*, RSBC 1996, c. 241.

Dated: June 5, 2025

Residential Tenancy Branch