



## **DECISION**

### **Introduction**

This hearing dealt with the Landlord's Application for Dispute Resolution under the *Residential Tenancy Act* (the Act) for an additional rent increase for capital expenditure in accordance with sections 43(1)(b) and 43(3) of the *Residential Tenancy Act* (the Act) and section 23.1 of the *Residential Tenancy Regulation* (the Regulation).

The Landlord was represented by an owner/shareholder A.H., legal counsel N.H, and witness C.S.

Tenant S.N., Tenant T.O., Tenant L.M., Tenant A.S., Tenant K.W., Tenant S.W., Tenant M.H., Tenant S.S., Tenant M.S.B., and Tenant D.D. attended the hearing.

The Landlord submitted completed proof of service forms for service of the proceeding package to each unit listed in the application. Service was made by posting the proceeding package on the rental unit doors on October 9, 2025.

At the prior hearing before adjournment, the Landlord's representative had confirmed service of the proceeding package to each Tenant by posting to the rental unit door. Although the interim decision permitted the Landlord to submit additional documentation regarding payment for capital expenditures, no additional evidence was submitted by the Landlord. Rather, the Landlord introduced witness testimony at this hearing to confirm the payments.

Tenants C.H., S.N., T.O., E.A., E.H., S.W., and M.H. each submitted documentary evidence for consideration. Proof of service to the Landlord was not provided nor confirmed at the hearing. Nevertheless, the Tenants that attended were permitted to testify as to the contents of their submissions and evidence; the Tenants not in attendance raised similar issues in their submissions to those who did attend and present those arguments.

The Landlord representative stated that units 3, 9, 12 and 23 were not served with the proceeding package as these units had been vacant during repairs and rented after the improvements were complete. Thus, the rental rate for each was adjusted to market by the Landlord accordingly.

## **Preliminary Matters**

At the outset of the hearing, counsel stated the Landlord had determined it would withdraw from its application costs associated with window replacement (item no. 1 on the application); renovation costs to rental units 23, 12 and 3 (items no. 2, 3, 4); repair of gutter and downspouts (item no. 5); service to fireplaces in various rental units (item no. 6); replacement of kitchen counter tops in rental units 12 and 23 (item no. 8); installation of new flooring in rental units 12 and 23 (item no. 10); replacement of exterior lighting for units 5 to 13 (item no. 11); and, miscellaneous repairs (item no. 14).

Thus, the Landlord sought to proceed on its application for replacement of overhead doors (item no. 7); new decks, railings and stairs (item no. 9); roof replacement for building housing units 17 to 27 (item no. 12); cladding repair (item no. 13); and paint to exterior trim (item no. 15).

I allow the Landlord to amend its application accordingly and withdraw those items of capital expenditure set forth above from its application for an additional rent increase. I make no findings on those capital expenses for the withdrawn items.

## **Issue for Decision**

- Is the Landlord entitled to impose an additional rent increase for a capital expenditure?

## **Background and Evidence**

I have considered the submission of the parties, the documentary evidence as well as the testimony of the participants attending the hearing. However, not all details of the respective submissions are reproduced in this Decision. Only relevant and material evidence related to the Landlord's application and necessary to my findings are set forth in my analysis.

The rental property consists of two rental townhome buildings with a total of 27 units. However, only some of the improvements made by the Landlord pertain to all units. The rental units were constructed in 1998. There is no interior common area for the rental property (although the representative stated there is an outdoor area or courtyard that is open to all tenants). The Landlord purchased the rental property in June 2024. The sale and purchase was admittedly not at arm's length but between family members. Thus, the Landlord representative testified no condition inspection report was done.

The Landlord's application requests an additional rent increase for the following capital expenditures:

- Roof replacement for units 17 to 27 - \$163,924.50, with last payment made by the Landlord for the work on June 2, 2025

- Overhead door replacement (specified units) - \$18,795, with last payment made on December 15, 2024
- Installation of new decks, rails and stairs for patios (specified units) - \$159,266.89, last payment for the work made by the Landlord on April 15, 2025
- Cladding repair for all units 1-27 - \$15,160.06, the last payment for this work paid by the Landlord on June 2, 2025
- Painting exterior trim for all units 1-27 - \$68,215.12, the last payment made for this work on August 6, 2025.

The Landlord provided evidence of invoices as well as payment. As the payments made by the Landlord to the contractor involved other unrelated projects, the Landlord introduced the testimony of the contractor's bookkeeper C.S. who testified as to the amounts for each improvement and confirmed payment in full by the Landlord for each on the date specified. The bookkeeper identified each invoice (no. 80010, 80014, 80015, 80016, and 80017) for each capital improvement and testified the date the work was completed was represented as the invoice date. The Landlord confirmed no other source of payment for the capital expenditures it made. No prior application had been filed for an additional rent increase for the rental property in the 18 months prior to this application.

Furthermore, the Landlord confirmed each capital improvement was anticipated to last at least 5 years. The Landlord provided before and after photographs for each capital improvement undertaken and completed.

The Landlord representative testified there was no written contract with the general contractor for the work. She testified the contractor inspected the property and proposed in written estimate form necessary repairs to the property.

Landlord's counsel stated the overhead doors that were replaced were original to the building in 1998 and several required repair and several had broken seals. The Landlord's understanding of the contractor's inspection was that replacement of the doors was necessary. Counsel further noted the overhead doors provided security. The Landlord provided photographs of the overhead doors prior to and after replacement. Counsel noted not every unit received a new door though, and only those units with replaced doors (sharing an equal amount of the total billed) were included. The Landlord anticipated the useful life of the overhead doors to be between 35 and 40 years.

The Landlord also stated the decks, originally constructed in 1998, were replaced, including railing and stairs, as the wood had deteriorated. The Landlord representative stated the contractor replaced the decking, stairs and railing, with each deck having approximately 7 or 8 stairs also replaced. The Landlord stated the contractor used any salvageable wood where it was found. Upon inquiry, the representative stated the decks are not integrated into the building foundation or walls.

The roof was replaced for units 17 to 27 as it too was original to the building constructed in 1998. The general contractor had advised the Landlord the roof had exceeded its useful life. The roof consisted of composite shingles and was replaced with similar materials. The representative stated a warranty for the material and installation had been provided.

Similarly, the Landlord represented the wood cladding around the deck/patio doors had deteriorated extensively as it was original to the building as well. The wood cladding in these areas was replaced with vinyl cladding.

The Landlord repainted the exterior trim of the windows, front door and overhead doors as the representative stated this had last been undertaken in 1998 and the paint acted to prevent further deterioration of the wood. A number of photographs were submitted by the Landlord to evidence the need for and the work done.

The Tenants raise several objections to the Landlord's application. Generally, all Tenants stated the capital improvements were necessitated by the previous Landlord's lack of maintenance of the rental property. Given the family connection between the prior and current Landlord, the view expressed by several Tenants was the Landlord knew at the time of purchase of the lack of maintenance. Several Tenants also noted the lack of maintenance records in the documents submitted by the Landlord.

Tenant S.N. noted the useful life for the overhead door as provided in Policy Guideline 40 is 40 years, and thus the useful life had not been exceeded on the doors replaced by the Landlord which had 14 years remaining. Further, he pointed out on his overhead door there had been a lock but on the replaced door, this was not present and no garage door opener was provided. With respect to the decks, he stated the top deck required replacement but the railing was aluminum and had not exceeded its useful life. The cladding, although not replaced on his unit, he stated was not a major component of the building structure and the repair was cosmetic. The exterior painting he stated was done over rotted wood and was due to a lack of maintenance as painting had not been routinely undertaken since he moved into his unit in 2014.

Tenant L.M. has also resided in her unit since 2014 and she stated the replaced overhead doors were more inconvenient than the doors removed. She also stated the overhead doors had a key lock on a handle and was manually operated. The replacement door she stated was less secure as there was no method by which to lock the garage door on the inside. She reiterated that all repairs and replacement work done by the Landlord was directly attributable to lack of maintenance. Concerning the roof, Tenant L.M. testified the prior roof had not been properly installed and ventilated leading to mild issues in the unit; but stated the new roof appeared to be properly ventilated.

Tenant A.S. testified he moved into his unit approximately 4 years ago and agreed with other tenant comments as to the general state of neglect by the landlord toward the unit. He noted there was no condition inspection done at the time the property sold to the

current Landlord and had that occurred, the Landlord would have been aware of the lack of maintenance.

Tenant K.W. testified that Landlord maintenance had been approached in a “band-aid” style; that is, done as needed without regard to long-term protection of the building. He and co-Tenant S.W. have occupied their unit since 2010. Tenant K.W. also testified the prior roof on the rental property had not had proper ventilation which accelerated its need for replacement, and absent a pre-purchase inspection, the Landlord would have been aware of that issue.

Tenant M.H. has occupied his unit since 2001 and agreed with prior Tenants’ testimony. He added the Landlord had been pushing to increase rent, including an attempt to secure agreement from tenants in December 2024. He stated the roof replacement was a necessity.

Tenant S.S. testified she has resided in her unit approximately 4 years and did not agree with the amount the Landlord requested for the roof repair.

Tenant D.D. expressed her agreement with objections previously raised and advised she has been a resident since 2013.

The Landlord’s counsel argued the Landlord was not responsible for its predecessor-in-interest’s maintenance of the rental property. He further stated the mold in the roof and the improper ventilation were strong reasons in support of replacement of the roof.

## **Analysis**

The standard of proof in a dispute resolution hearing is on a balance of probabilities, which means it is more likely than not the facts occurred as claimed. As the dispute related to the Landlord’s application for an additional rent increase based upon eligible capital expenditures, the Landlord bears the burden of proof in support of its application.

Section 43(1)(b) of the Act allows a Landlord to impose an additional rent increase in an amount greater than the annual amount provided under the Regulations by applying for dispute resolution.

### **1. Legislative History**

The BC Rental Task Force set forth its recommendation for the additional rent increase. In a statement to then Premier Horgan and Minister Robinson:

While we are still working to complete our full report, the Task Force has agreed on a recommendation for a change to the Annual Allowable Rent Increase formula. We decided to share this recommendation now, to give the government the opportunity to act this year, as the need is great.

After considerable deliberation the Rental Housing Task Force is recommending that the B.C. government change the rent increase formula from the current formula of inflation plus a guaranteed 2% (4.5% total for 2019) to inflation only (2.5% for 2019), removing the automatic additional 2% yearly increase.

This decision was made after we heard of many cases where renters struggled to pay yearly maximum rent increases. We also heard from tenants who have faced maximum rent increases, while building maintenance was not done. In order to ensure building maintenance is prioritized, we are also recommending that changes be made to allow additional rent increases above inflation through application to the Residential Tenancy Branch. This will allow for additional modest rent increases in cases where renovations and repairs to rental units have been completed. This change would bring us into line with the similar practices that have been used in Ontario and Manitoba for over a decade and will ensure landlords can complete necessary work to maintain their buildings, while continuing to provide necessary housing. We suggest that the Ministry of Municipal Affairs and Housing work with landlord and tenant groups to determine criteria for above the guideline rent increases.

Taken together these two changes will make rent more affordable for British Columbians, while also helping ensure needed repairs are completed to maintain and improve rental housing in British Columbia.

Thus, the recommendation for the additional rent increase, which was subsequently enacted by the Legislature (as set forth below), was aimed at replacing the prior system of automatic rent increases where landlords may not have been using the generated funds to upgrade the rental property to the detriment of its residents.

## 2. Statutory Framework

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. To summarize, the landlord must prove the following, on a balance of probabilities:

- the landlord has not successfully applied for an additional rent increase against these tenants within the last 18 months (s. 23.1(2));
- the number of specified dwelling units on the residential property (s. 23.2(2));
- the amount of the capital expenditure (s. 23.2(2));
- that the Work was an *eligible* capital expenditure, specifically that:
  - o the Work was to repair, replace, or install a major system or a component of a major system (S. 23.1(4));
  - o the Work was undertaken for one of the following reasons:
    - to comply with health, safety, and housing standards (s. 23.1(4)(a)(i));
    - because the system or component:
      - was close to the end of its useful life (s. 23.1(4)(a)(ii)); or

- had failed, was malfunctioning, or was inoperative (s. 23.1(4)(a)(ii));
    - to achieve a reduction in energy use or greenhouse gas emissions (s. 23.1(4)(a)(iii)(A)); or
    - to improve the security of the residential property (s. 23.1(4)(a)(iii)(B));
  - the capital expenditure was incurred less than 18 months prior to the making of the application (s. 23.1(4)(b)); and
  - the capital expenditure is not expected to be incurred again within five years (s. 23.1(4)(c)).

The Regulations provide tenants may have an application for an additional rent increase for capital expenditure dismissed if they can prove on a balance of probabilities the capital expenditures were incurred:

- for repairs or replacement required because of inadequate repair or maintenance on the part of the landlord (s. 23.1(5)(a)); or
- for which the landlord has been paid, or is entitled to be paid, from another source (s. 23.1(5)(a)).

If a landlord discharges its evidentiary burden and the tenant fails to establish the additional rent increase should not be imposed (for the reasons set out above), the landlord may impose an additional rent increase pursuant to sections 23.2 and 23.3 of the Regulation.

### 3. Prior Application for Additional Rent Increase

In this matter, I find there have been no prior applications for an additional rent increase within the 18 months before this application was filed.

### 4. Number of Specified Dwelling Units

Section 23.1(1) of the Regulation 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;

[...]

"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.

There is a total of 27 specified dwelling units to be used for calculation of the additional rent increase. However, as not all units are subject to each capital expenditure, the specified units shall be set forth in greater detail in the calculation herein.

#### 5. Amount of Capital Expenditure

The Landlord claims the total amount of **\$425,361.57** as detailed in the Landlord's itemized capital expenditures set forth above and in its application.

#### 6. Is the Work an Eligible Capital Expenditure?

For the work to be considered an eligible capital expenditure, the landlord must prove the following:

- the Work was to repair, replace, or install a major system or a component of a major system
- the Work was undertaken for one of the following reasons:
  - to comply with health, safety, and housing standards;
  - because the system or component:
    - was close to the end of its useful life; or
    - had failed, was malfunctioning, or was inoperative
  - to achieve a reduction in energy use or greenhouse gas emissions;
  - or
  - to improve the security of the residential property;
- the capital expenditure was incurred less than 18 months prior to the making of the application;
- the capital expenditure is not expected to be incurred again within five years.

The capital expenditures at issue will be reviewed under this analysis.

Section 21.1 of the Regulation defines "major system" and "major component":

"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;

"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;

RTB Policy Guideline 37 provides examples of major systems and major components:

Examples of major systems or major components include, but are not limited to, the foundation; load bearing elements such as walls, beams and columns; the roof; siding; entry doors; windows; primary flooring in common areas; pavement in parking facilities; electrical wiring; heating systems; plumbing and sanitary systems; security systems, including things like cameras or gates to prevent unauthorized entry; and elevators.

Residential Tenancy Branch Policy Guideline 37 states:

A capital expenditure is considered “incurred” when payment for it is made.

Policy Guideline 37C provides “the date on which a capital expenditure is considered to be incurred is the date the final payment related to the capital expenditure was made.”

Preliminarily, I accept the Landlord’s evidence regarding the cost paid for each repair based upon invoices and testimony from the contractor regarding payment; that the improvement applied for is anticipated to last at least 5 years; and, that there were no other sources of payment or rebates available to the Landlord. I further accept the Landlord’s evidence that payment was made in full for each improvement or repair in the amount and on the date set forth above and as it appears in the Landlord’s application. Additionally, I find the improvements and repairs made by the Landlord in each case were completed within 18 months of the Landlord’s application filed September 11, 2025.

#### Roof Replacement – Units 17-27

I find the roof is a major system or component of the rental property. Policy Guideline 37C identifies a roof as a major component or system “essential to support or enclose a building, protect its physical integrity, or support a critical function of the residential property.” The evidence establishes the roof was original to the construction of the rental property in 1998 and thus had exceeded its useful life. Tenants testified the roof ventilation was installed improperly leading to mold. I find the work was necessary as the roof was at the end of its useful life and was the not the result of inadequate maintenance by the Landlord.

I find the Landlord has provided sufficient evidence to satisfy the requirements of the Regulation in support of its application for an additional rent increase for a capital expenditure in the amount of \$163,924.50 for units 17 to 27.

#### Overhead Door Replacement

The overhead door replacements were for units 3, 18, 19, 20, 22, 23, 24, 25, 26 and 27. As noted above, the Landlord had not served notice of this application to units 3 and 23

as the owner stated these units were vacant at the time of the work and when rented, the tenants' rates were adjusted to account for these improvements.

I find the overhead doors to be a major component or system to the rental property. Similar to doors or windows, the overhead doors provide a means of ingress and egress to rental units, are part of the building envelope, and permit the Tenant to park their vehicle within the rental area and/or store personal property. Although the replaced garage doors were metal and have an anticipated useful life of 40 years pursuant to Policy Guideline 40, it is noted that a contractor had determined that for these units the garage doors required replacement due to their condition. Policy Guideline 40 states it provides general guidance to which an arbitrator may refer; it is not dispositive in terms of establishing that an item has reached its useful life given the variables which may impact a particular component or system's actual useful life. Policy Guideline 40 provides:

Actual life expectancy varies with usage, weather and climate, manner of installation, maintenance, and quality of materials. Accordingly, the director may decide not to apply the estimated useful life of an item or asset when there is evidence that demonstrates a different expected useful life.

Therefore, I find the Landlord has provided satisfactory evidence to support its application for an additional rent increase for the specified dwelling units which were improved with new overhead doors at a cost of \$18,795.00.

#### Exterior Cladding

The Landlord requests an additional rent increase for the cost in removing deteriorated cladding around the deck/patio doors which was original to the building and was replaced with vinyl cladding. I find the cladding repair around the deck/patio doors does not qualify under the Regulation as a repair or replacement of a major component or system. The area immediately around the patio or deck doors while affecting the exterior is not significantly substantive and I find is more akin to routine landlord maintenance.

Therefore, I decline to authorize an additional rent increase for the Landlord's costs incurred in replacing the cladding around the patio doors in the amount of \$15,160.06.

#### Painting of Exterior Trim

The Landlord stated that for all 27 units the trim around windows, doors and similar was repainted as it had not been done since 1998. The Landlord takes the position the paint protects the exterior wood. The wood and other components used in the structure of the building may be a major system or major component of the building necessary to support or enclose the building (such as drywall or insulation) or necessary to protect its physical integrity (such as a foundation or roof). However, I find the painting is an item of maintenance that a landlord would be expected to undertaken on a routine basis.

The Landlord represented the painting of the trim had not been maintained since 1998, and thus I find this lack of maintenance is further support to disallow this work.

Therefore, I decline to grant the Landlord an additional rent increase for painting the exterior trim of each rental unit.

### Replacement of Decks, Railing and Stairs

The Landlord undertook the repair of each unit's decks, railings and stairways totaling \$159,266.89. The Landlord provided photographs of the decks pre- and post-repair. The work was undertaken for all 27 units in the rental property. The Landlord stated the decks were original to the rental property and the wood components had deteriorated significantly since 1998. Each deck also consisted of the replacement of approximately 7 to 8 stairs. The decks provide an entry way to the common outdoor space that tenants may access as part of the rental property.

I take notice of the fact that the patio/deck doors in the rear of each unit provide a second means of exit in the event of fire or similar emergency that is remote from the front door exit. Secondary points of exit are necessary in the event a primary exit is blocked or unusable in emergency situations. The stairs from the deck lead to a common outside area.

The Landlord stated the decks and stairs had exceeded their useful life. Policy Guideline 40 states that wood decks and railings have a useful life of 15 years. Although there is no Guideline provision for wood stairs, I find these too would also have a comparable useful life of 15 years. The Landlord presented evidence the decks had deteriorated as had the stairs and the wood supports for the deck. Although not integrated into the structure of the building as a balcony is, I find the stairs and railings to be critical components for each rental unit. However, I do not find the deck itself, as opposed to a landing leading from the doorway to the stairs directly, to be a major component or system of the rental property.

Therefore, absent itemized invoices for the stairs, decks, railings and any wood support repair or replacement, I find it is appropriate to reduce the amount requested by 50 percent. This will compensate the Landlord for the repair of the stairs, railings and support for that structure, as necessary and critical egress for a rental unit. This determination further takes into account the Tenant's objection to replacement of the metal railings as these had not exceeded their useful life.

### Tenant Objections to the Capital Expenditure

As stated above, the Regulation limits the reasons which a tenant may raise to oppose an additional rent increase for capital expenditure. In addition to presenting evidence to contradict the elements the landlord must prove (set out above), the tenant may defeat an application for an additional rent increase if they can prove that:

- the capital expenditures were incurred because the repairs or replacement were required due to 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.

I have found the replacement of the roof and replacement of the patio/deck stairs and railings, as well as the replacement of overhead doors for specified units to be necessary repairs of major components or major systems of the rental property. I have declined the Landlord's application for an additional rent increase for the cost for exterior trim painting and cladding repair to deck/patio doors for the Landlord's lack of maintenance of these items.

I find the Landlord's application for additional rent increase for the capital expenditures was made within 18 months of this application, the allowed repairs/replacements are expected to last five years or more, and there were no other sources of payment available to the Landlord for payment of these improvements.

I find the Landlord completed and paid for the necessary work and is bound only by the statutory framework in seeking the capital expenditure.

The Tenants generally raised issues regarding the Landlord's, including the prior landlord's, general lack of maintenance of the rental property, which I have noted has resulted in the disallowance of a portion of the Landlord's application, as detailed herein.

As for the capital expenditures I allow, I find that any maintenance issue did not preclude the Landlord's application for these items. I find the Tenants have not provided sufficient evidence to support a dismissal of the Landlord's application for an additional rent increase for the capital expenditure for those expenditures allowed.

Based on the above, I find the Landlord is entitled to recover the following for the capital improvements:

- Replacement of roof for units 17-27 (11 units) - \$163,924.50
- Replacement of overhead doors (10 units) - \$18,795.00
- Replacement of patio/deck stairs and railings (all units, 50 percent allowed) - \$79,633.45

I make no award for the exterior trim painting or the cladding repair.

## **Summary**

The Landlord has been successful in part with its application. The Landlord has established, on a balance of probabilities, the elements required to impose an additional rent increase for capital expenditures for roof replacement, patio/deck stair and railing replacement, and overhead door replacement, as I find these are major components or major systems described herein which have exceeded their useful life or required repair

or replacement that required repair or replacement and/or exceeded their useful life as original to the building's construction.

Section 23.2 of the Regulation sets out the formula to be applied when calculating the amount of the additional rent increase as the number of specific dwelling units divided by the amount of the eligible capital expenditure divided by 120.

In this case, I grant the following additional rent increases for the noted units:

- **Replacement of Roof for units 17-27: \$163,924.50 ÷ 11 specified dwelling units ÷ 120 months = \$124.19/unit/month**
- **Replacement of Overhead Doors for units 3, 18, 19, 20, 22, 23, 24, 25, 26, 27: \$18,795.00 ÷ 10 specified dwelling units ÷ 120 months = \$15.66/unit/month**
- **Replacement of Patio/Deck Stairs, Railings and Wood Supports for all units: \$159,266.89 ÷ 2 = \$79,633.45 ÷ 27 specified dwelling units ÷ 120 months = \$24.58/unit/month**

If this amount exceeds 3% of a Tenant's monthly rent, the Landlord may not be permitted to impose a rent increase for the entire amount in a single year.

Based upon the Landlord's testimony, no additional rent increase is to apply to units 3, 9, 12 or 23. However, these units are included as a "specified dwelling unit" in reaching my determination.

The parties may refer to RTB Policy Guideline 40, section 23.3 of the Regulation, section 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 made be imposed.

## **Conclusion**

I grant, in part, the application for an additional rent increase for the capital expenditures incurred by the Landlord for major systems or major components to the rental property as set forth above. The Landlord must impose this increase in accordance with the Act and the Regulation.

I order the Landlord serve the Tenants with this Decision, in accordance with section 88 of the Act, within two weeks of the date of this Decision. I authorize the Landlord to serve those Tenants by email if the Tenant provided an email address for service. The Landlord must also provide a copy to any Tenant that requests a printed copy.

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

Dated: February 11, 2026

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Residential Tenancy Branch