



# Dispute Resolution Services

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Residential Tenancy Branch  
Ministry of Housing and Social Development

## **DECISION**

**Dispute Code:** *ARI*

### **Introduction**

The landlord applied for approval of a rent increase in excess of the amount allowed by the Regulations to the *Residential Tenancy Act*. The respondents agreed that they were served with copies of this application, its amendment and the notice of hearing.

The owner of the property and the property manager participated in the conference call hearing as did five individual tenants. The landlord submitted extensive material in support of his application for an additional rent increase. The tenants submitted their responses. In reaching my decision, I have considered all the evidence and submissions before me, both written and oral.

### **Issues to be Decided**

Should the landlord be entitled to raise rent in an amount that is greater than what is set out in the Regulations? Has the landlord established that rent is significantly lower than the current rent payable for similar units in the same geographic area?

### **Background and Evidence**

The landlord has applied for an additional rent increase pursuant to section 23(1)(a) of the Regulation on the basis that after a rent increase of 3.25% as allowed under section 22 of the Regulation, the rent is significantly lower than the rent payable for other rental units that are similar to and in the same geographic area as the subject rental units.

The landlord initially filed this application on March 29, 2010 and amended the application on July 19, 2010. During the hearing the landlord explained that the amendment was made to remove the name of one respondent who has since moved.

The landlord also amended the rental increase that he applied for by an additional \$25.00 but did not mention or justify this additional increase during the hearing.

Effective January 01, 2011, the allowed rental increase will be 2.3%.

The dates of the prior rent increase range from September 01, 2009 to November 01, 2009. The landlord's evidence is that there are 15 units in the building. There is only one unit that contains one bedroom and the other 14 units have two bedrooms. The rents currently range from \$478.00 to \$650.00. Some tenants have hydro included in their rent. The landlord has applied for an increase in rent that ranges from \$50.05 to \$150.04.

The landlord provided a list of advertisements for one and two-bedroom suites, along with photographs of these rental apartments and the rental amounts for one and two bedroom units. However the landlord did not provide information as to the age, amenities or other factors which might influence the rental rates for these units, but did file information regarding rental amounts for a significant number of one and two bedroom apartments in the general geographic area surrounding the dispute rental units. The rental amounts advertised in the local newspaper range from \$550.00 to \$750.00 for a one bedroom suite and from \$630.00 to \$825.00 for a two bedroom suite.

The landlord also provided a printout of a rental market report from the Canada Mortgage and Housing Corporation which shows that in the subject City, one bedroom units rent from \$551.00 to \$570.00 and two bedroom units rent from \$667.00 to \$689.00.

The tenants that participated in the conference call hearing argued that this rent increase was unreasonable. The tenants testified that they were long term tenants, (8 to 20 years) some of whom were elderly and had serious health issues. In addition 95% of these long term tenants are either on disability benefits, old age pensions or social assistance and receive fixed incomes. The tenants also submitted that the proposed increases would significantly affect their ability to continue in their tenancies.

### **Analysis**

The landlord has the burden of proving that the rent is significantly lower than the current rent payable for similar units in the same geographic area. Additional rent increases under this section will be granted only in exceptional circumstances.

Having reviewed the testimony and evidence of the parties, I find that the landlord has established that the rent currently paid is significantly lower than that of similar properties. The Regulations require that the landlord provide comparables, but does not require that landlord to complete a statistical survey or comprehensive market research. I find that the landlord is entitled to a rent increase above that provided for in the Regulations. However, I will grant the landlord the rent increase he proposed in his initial application, prior to the amended application.

Having considered the fact that the tenants are long term tenants and considering the testimony of the tenants with respect to the financial burden that a rent increase will place upon them, I find it appropriate to phase in the rent increases and address the timeline for each unit below.

#### Units 101 and 103

The current rent for these two units is \$550.00 and the landlord proposes to increase the rent to \$675.02. These units contain two bedrooms and utilities are not included in the rent. The last rent increase came into effect on September 01, 2009.

I find it appropriate to phase the increase in over a period of 18 months. The landlord must serve on the tenant a notice of rent increase in the prescribed form together with a copy of this decision. The first notice will increase the rent to \$600.00 per month and will take effect 3 full months after the notice is served.

After the first rent increase has taken effect, the landlord may serve another notice of rent increase in the prescribed form which will take effect no earlier than 6 months after the first notice has taken effect and no earlier than 3 full months after the landlord serves the notice. The second notice will increase the rent to \$650.00 per month.

After the second increase has taken effect, the landlord may serve another notice of rent increase in the prescribed form which will take effect no earlier than 6 months after the second notice has taken effect and no earlier than 3 full months after the landlord serves the notice. The third notice will increase the rent to \$675.02 per month.

### Unit 303

The current rent for this unit is \$555.00 and the landlord proposes to increase the rent to \$675.05 per month. This is a two bedroom unit and the rent does not include utilities. The last rent increase came into effect on September 01, 2009.

I find it appropriate to phase the increase in over a period of 18 months. The landlord must serve on the tenants a notice of rent increase in the prescribed form together with a copy of this decision. The first notice will increase the rent to \$605.00 per month and will take effect 3 full months after the notice is served.

After the first rent increase has taken effect, the landlord may serve another notice of rent increase in the prescribed form which will take effect no earlier than 6 months after the first notice has taken effect and no earlier than 3 full months after the landlord serves the notice. The second notice will increase the rent to \$655.00 per month.

After the second increase has taken effect, the landlord may serve another notice of rent increase in the prescribed form which will take effect no earlier than 6 months after the second notice has taken effect and no earlier than 3 full months after the landlord serves the notice. The third notice will increase the rent to \$675.05 per month.

### Unit 104

The current rent for this unit is \$600.00 and the landlord proposes to increase the rent to \$725.04 per month. The unit contains two bedrooms and utilities are included in the rent. The last rent increase came into effect on September 01, 2009.

I find it appropriate to phase the increase in over a period of 18 months. The landlord must serve on the tenants a notice of rent increase in the prescribed form together with a copy of this decision. The first notice will increase the rent to \$650.00 per month and will take effect 3 full months after the notice is served.

After the first rent increase has taken effect, the landlord may serve another notice of rent increase in the prescribed form which will take effect no earlier than 6 months after the first notice has taken effect and no earlier than 3 full months after the landlord serves the notice. The second notice will increase the rent to \$700.00 per month.

After the second increase has taken effect, the landlord may serve another notice of rent increase in the prescribed form which will take effect no earlier than 6 months after the second notice has taken effect and no earlier than 3 full months after the landlord serves the notice. The third notice will increase the rent to \$725.04 per month.

### Unit 1

The current rent for this unit is \$478.00 and the landlord proposes to increase the rent to \$550.03 per month. This is a one bedroom unit and the rent does not include utilities. The last rent increase came into effect on September 01, 2009.

I find it appropriate to phase the increase in over a period of 18 months. The landlord must serve on the tenants a notice of rent increase in the prescribed form together with a copy of this decision. The first notice will increase the rent to \$500.00 per month and will take effect 3 full months after the notice is served.

After the first rent increase has taken effect, the landlord may serve another notice of rent increase in the prescribed form which will take effect no earlier than 6 months after the first notice has taken effect and no earlier than 3 full months after the landlord serves the notice. The second notice will increase the rent to \$525.00 per month.

After the second increase has taken effect, the landlord may serve another notice of rent increase in the prescribed form which will take effect no earlier than 6 months after the second notice has taken effect and no earlier than 3 full months after the landlord serves the notice. The third notice will increase the rent to \$550.03 per month.

## Unit 2

The current rent for this unit is \$500.00 and the landlord proposes to increase the rent to \$650.00 per month. This is a two bedroom unit and the rent does not include utilities.

The last rent increase came into effect on September 01, 2009.

I find it appropriate to phase the increase in over a period of 18 months. The landlord must serve on the tenants a notice of rent increase in the prescribed form together with a copy of this decision. The first notice will increase the rent to \$550.00 per month and will take effect 3 full months after the notice is served.

After the first rent increase has taken effect, the landlord may serve another notice of rent increase in the prescribed form which will take effect no earlier than 6 months after the first notice has taken effect and no earlier than 3 full months after the landlord serves the notice. The second notice will increase the rent to \$600.00 per month.

After the second increase has taken effect, the landlord may serve another notice of rent increase in the prescribed form which will take effect no earlier than 6 months after the second notice has taken effect and no earlier than 3 full months after the landlord serves the notice. The third notice will increase the rent to \$650.00 per month.

## Unit 3

The current rent for this unit is \$610.00 and the landlord proposes to increase the rent to \$700.04 per month. This is a two bedroom unit and the rent includes utilities. The last rent increase came into effect on November 01, 2009.

I find it appropriate to phase the increase in over a period of 18 months. The landlord must serve on the tenants a notice of rent increase in the prescribed form together with a copy of this decision. The first notice will increase the rent to \$650.00 per month and will take effect 3 full months after the notice is served.

After the first rent increase has taken effect, the landlord may serve another notice of rent increase in the prescribed form which will take effect no earlier than 6 months after the first notice has taken effect and no earlier than 3 full months after the landlord serves the notice. The second notice will increase the rent to \$690.00 per month.

After the second increase has taken effect, the landlord may serve another notice of rent increase in the prescribed form which will take effect no earlier than 6 months after the second notice has taken effect and no earlier than 3 full months after the landlord serves the notice. The third notice will increase the rent to \$700.04 per month.

All units:

For the sake of clarification, if the first notice is served in the month of September 2010, the first rent increase will take effect January 01, 2011. If the landlord serves the second notice in March 2011, the second rent increase will take effect July 01, 2011. If the landlord serves the third notice in September 2011, the third rent increase will take effect January 01, 2012.

**Conclusion**

I grant the landlord an additional rent increase as per his initial application and phased over a period of 18 months.

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: September 01, 2010.

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Dispute Resolution Officer