



# Dispute Resolution Services

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Residential Tenancy Branch  
Office of Housing and Construction Standards

## **DECISION**

**Dispute Codes**     ADR

### **Introduction**

This hearing dealt with an application by the landlord for approval of a rent increase in excess of the amount allowed by the Regulations to the *Residential Tenancy Act*.

The landlord testified that the application for dispute resolution and notice of hearing package was served on the tenant, in person on September 06, 2017 by his maintenance person in the presence of a witness. I find the tenant was duly served but did not attend the hearing. The landlord attended the hearing and was given full opportunity to present evidence and make submissions

### **Issue to be Decided**

Is the landlord entitled to an additional rent increase?

### **Background and Evidence**

The landlord testified that the tenancy started approximately six years ago and that the current monthly rent was \$875.00 due on the first of each month. The landlord stated that he was seeking an additional rent increase that is greater than the annual allowable rent increase because the rent for the unit is significantly lower than the rent payable for other rental units in the same geographic area.

The landlord testified that the rental unit is a two bedroom unit located in a six unit building and that all the other units in the building are rented between \$1,150.00 and \$1,350.00. The landlord testified that the tenant received the last rent increase effective February 01, 2016 but even with the increase, rent is still significantly below the other units within the building and below comparable units outside the building.

The landlord filed into evidence advertisements for two-bedroom apartments in the geographical area that are approximately within 4 km radius of the subject unit. The lowest rent is \$1,200.00 and the highest rent is \$1,500.00.

The relevant rent comparables are as follows:

<b>Example #1</b>	Basement suite
<b>Rental unit</b>	2 bedroom, 1 bathroom
<b>Rent</b>	\$1,200.00

<b>Example #2</b>	Basement
<b>Rental unit</b>	2 bedroom 1 bathroom,
<b>Rent</b>	\$1,400.00

<b>Example #3</b>	Second story
<b>Rental unit</b>	2 bedroom, 1 bathroom, jacuzzi bathtub, updated kitchen
<b>Rent</b>	\$1,500.00

### **Analysis**

In this case, the landlord bears the burden of proving any claim for a rent increase that is greater than the prescribed amount. The Residential Tenancy Regulations provide circumstances where a landlord may seek to increase the rent greater than the prescribed rent increase. The landlord is seeking to increase the rent on the basis that the rent payable for the rental unit, after applying the prescribed rent increase, remains significantly lower than the rent payable for similar units in the same geographic area.

Residential Tenancy Policy Guideline 37 provides the policy intent of the legislation with respect to rent increases. The policy guideline provides an interpretation of the terms “similar units” and the “same geographic area”, as follows:

“Similar units” means rental units of comparable size, age (of unit and building), construction, interior and exterior ambiance (including view), and sense of community.

The “same geographic area” means the area located within a reasonable kilometer radius of the subject rental unit with similar physical and intrinsic characteristics. The radius size and extent in any direction will be dependent on particular attributes of the subject unit, such as proximity to a prominent landscape feature (e.g., park, shopping mall, water body) or other representative point within an area.

I accept the evidence of the landlord that the identified unit is similar to units of comparable size, age and sense of community. I further accept the comparable examples are within the same geographic area. In this case, the landlord has requested that rent be increased from their current amount to the amount of \$1,150.00.

Having reviewed the testimony and evidence of the landlord, I find that the landlord has established that the rent currently paid is significantly lower than that of similar properties. The current rent paid by the tenant is below the lowest of the comparable units of \$1,200.00; even after applying the rent increase permitted under the Act. The tenants did not provide any comparable rents for me to review or consider. Accordingly, I find the landlord is successful in his application.

I hereby grant an order allowing an additional rent increase raising the tenant's rent from the amount of \$875.00 to \$1,150.00. This includes the 3.7% allowed by the Act.

The landlord is required to serve the tenant with three months' notice of rent increase, on the prescribed form, indicating the amount as listed above if they wish to proceed with implementing this Order.

### **Conclusion**

The landlord's application for an additional rent increase is granted.

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: November 28, 2017

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Residential Tenancy Branch