



Dispute Resolution Services

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Residential Tenancy Branch
Ministry of Housing

A matter regarding 1100935 BC LTD.
and [tenant name suppressed to protect privacy]

DECISION

Dispute Codes **ARI-C**

INTRODUCTION

This hearing dealt with the Landlord's application pursuant to the *Residential Tenancy Act* (Act) and the *Residential Tenancy Regulation* (Regulation) for an additional rent increase for capital expenditures under to section 43 of the Act, and section 23.1 of the Regulation.

Landlord's representatives P.G. and S.G., and Tenants A.M. and M.T. attended the hearing at the appointed date and time. Both parties were each given a full opportunity to be heard, to present affirmed testimony, to call witnesses, and make submissions.

Both parties were advised that Rule 6.11 of the Residential Tenancy Branch (RTB) Rules of Procedure prohibits the recording of dispute resolution hearings. All parties testified that they were not recording this dispute resolution hearing.

This Decision should be read in conjunction with two Interim Decisions dated July 17, 2023 and September 6, 2023.

SERVICE

The Landlord served the Notice of Dispute Resolution Proceeding package and evidence for this hearing to the Tenants by leaving copies in the Tenants' mailboxes on April 7, 2023 (Proceeding Package). Both Tenants who attended the hearing confirmed receipt of the Proceeding Package. I find that the Tenants were sufficiently served with the Proceeding Package for this hearing on April 10, 2023, in accordance with section 71(2)(b) of the Act.

The Landlord confirmed receiving evidence from two Tenants. The Landlord stated that Tenants' request has been settled. The Landlord said that one Tenant called the RTB to ask if their evidence could be deleted, but they were advised by an Information Officer that once evidence is submitted it cannot be removed.

The Landlord personally served additional evidence as instructed by the July 17, 2023 Interim Decision to the Tenants on July 25, 2023. The Landlord uploaded a proof of service form #RTB-55 attesting to this witnessed service on each rental unit. I find that the Tenants were served with the additional evidence on July 25, 2023 in accordance with section 88 of the Act.

The Landlord personally served additional evidence as instructed by the September 6, 2023 Interim Decision to the Tenants on September 12, 2023. The Landlord uploaded a proof of service form #RTB-55 attesting to this witnessed service on each rental unit. I find that the Tenants were served with the additional evidence on September 12, 2023 in accordance with section 88 of the Act.

ISSUE TO BE DECIDED

Is the Landlord entitled to impose an additional rent increase for capital expenditures?

BACKGROUND, EVIDENCE AND ANALYSIS

While I have considered the documentary evidence and the testimony of the parties, not all details of their submissions and arguments are reproduced here. The relevant and important aspects of the Landlord's claim, and my findings are set out below.

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 their case is on the person making the claim.

Summary of Proceedings

The hearing for this matter covered one hearing time. Two Interim Decisions were rendered as the Landlord needed to provide additional evidence. The Landlord served their additional evidence on the Tenants on July 25, 2023 and September 12, 2023. The Tenants did not submit written submissions and did not dispute the Landlord's testimony about the capital expenditures. I accept the Landlord's convincing and credible testimony about the capital expenditures.

The Landlord purchased the 3-storey, 54 rental units, residential complex in August 2020. The building was built in 1966. Prior to purchasing the residential property, the Landlord had a baseline property condition assessment (BPCA) completed, and uploaded select pages from that report. That report is dated August 5, 2020. The Landlord uploaded before and after pictures for the capital expenditure claims made.

The Landlord testified that two units are exempt from an additional rent increase granted as they have previously settled with these new Tenants. The Landlord submitted this application against all the remaining Tenants.

A. Statutory Framework

Sections 21 and 23.1 of the Regulation set out the framework for determining if a Landlord is entitled to impose an additional rent increase for capital expenditures. I will not reproduce the sections here but to summarize, the Landlord must prove the following, on a balance of probabilities:

- the Landlord has not made an application for an additional rent increase against these Tenants within the last 18 months;
- the number of specified dwelling units on the residential property;
- the amount of the capital expenditure;
- that the submitted capital expenditures were:
 - o an *eligible* capital expenditure;
 - o incurred less than 18 months prior to making the application; and,
 - o not expected to be incurred again within five years.

The Tenants may defeat an application for an additional rent increase for capital expenditure if they can prove on a balance of probabilities that the capital expenditures were incurred:

- for repairs or replacement required because of inadequate repair or maintenance on the part of the Landlord, or
- for which the Landlord has been paid, or is entitled to be paid, from another source.

If a Landlord discharges their evidentiary burden and the Tenant fails to establish that an 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.

B. Prior Application for Additional Rent Increase

The Landlord submitted that they have not applied for an additional rent increase for the capital expenditures against any of the Tenants prior to this application. Based on the Landlord's undisputed testimony, I find the Landlord has not made a previous application for an additional rent increase for the eligible capital expenditures in the last 18 months in accordance with section 23.1(2) of the Regulation.

C. Number of Specified Dwelling Units

Section 23.1(1) of the Act 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.

I find the number of specified dwelling units for the purposes of the capital expenditures is equal to the total number of units in the building, or 54 units. The Landlord stated they previously settled with two units in the residential property because these people moved into the building after the capital expenditure work was completed. The Landlord deems these two units as exempt from having an additional rent increase, but I find the calculation of the additional rent increase will include the total number of specified dwelling units.

D. Amount of Capital Expenditure

The Landlord submitted this application on February 10, 2023. I find the prior 18-month cut-off date for eligible capital expenditures is August 10, 2021.

The Landlord testified that they are seeking, under section 23.1(4) of the Regulation, to impose an additional rent increase for the following capital expenditures incurred:

Capital expenditures		Amount
1	Upgraded all Interior Common Areas	\$168,622.68
2	Replaced exterior doors, windows, railings, decks, fascia, soffit, trim	\$640,545.58
3	Replaced levers, hinges, hydraulic door closers	\$8,426.98
4	Installed astragal, mailbox, dead latch on main entrance door	\$2,956.12
5	Installed new intercom system	\$3,774.68
6	Engineering for balcony rehabilitation	\$19,421.25

E. Is the Work an Eligible Capital Expenditure?

For the capital expenditure to be considered eligible, the Landlord must prove all of the following:

- the capital expenditure was to repair, replace, or install a major system or a component of a major system
- the capital expenditure 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
 - because it 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 Landlord testified they did not receive payments from another source for any of the above capital expenditures. Further they wrote they are not expecting, and are not eligible to receive any payments going towards any of the capital expenditures. No Tenants submitted that the repairs or replacements were required because of inadequate repair or maintenance on the part of the Landlord.

Based on the Landlord's undisputed testimony, I find the Landlord has established that the capital expenditures undertaken neither have been required for repairs or replacement because of inadequate repair or maintenance on the part of the Landlord, nor has the Landlord been paid, or is entitled to be paid, from another source for the above capital expenditures in accordance with section 23.1(5) of the Regulation.

Types of Capital Expenditure

Section 21.1(1) of the Regulation defines "major system" and "major component" as:

"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;

"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;

1. Interior common areas

Reason for Interior Common Area Improvements

The Landlord testified that they completed interior common area improvements. The upgrades included light fixtures and installation, security upgrades, carpet tile, tile, painting and supplies, and baseboard and door trim finishings. The BPCA report revealed several areas of concern, such as windows, sliding doors, balconies, railings and interior common areas.

The BPCA recommended repairs and replacements to repair major deficiencies to the interior finishes, and specifically to repair uneven floors, cracked walls, and warped doors within the building. Minor deficiencies were noted as areas of peeling wallpaper in the lobby, stained wall finishes in the building, deterioration on localized window sills, and localized areas of chipped paint.

The Landlord incurred these expenditures due to the installation, repair or replacement of major components that have failed or are close to the end of their useful life, and to achieve security improvements in the residential property.

Residential Tenancy Policy Guideline #40-Useful Life of Building Elements (PG#40) provides a general guide for determining the useful life of building elements. The useful life is the expected lifetime, or the acceptable period of use, of an item under normal circumstances. PG#40 states that the useful life of carpets and tile is 10 years. The useful life of interior paint is 4 years, and panelling can last 20 years, so I expect that wallpaper is somewhere between 4 to 20 years. The useful life of interior doors are 20 years and windows are 15 years. I find the interior common area improvements were required as all the items were past their useful life.

PG#40 states that the useful life of building locks is 20 years, and I accept that this applies to interior locks to individual rental units. PG#40 states that the useful life of light fixtures is 15 years. I find the locks and light fixtures in the residential property were beyond their useful lives.

The Landlord bought the residential property in 2020, but they did not know the age of the carpets and last painting work completed in the building. The Landlord testified that the light fixtures were very old, and the upgrades included higher efficiency and brightness to the lighting fixtures.

The Landlord testified that they did not receive a third-party inspection, however, their expectation of the useful life of the installations is somewhere between 10 to 15 years.

The Landlord submitted that these common area improvements are major components that were close to the end, or at the end, of their useful lives. Electrical fixture upgrades and installation are integral to the residential property and provide needed services to tenants and occupants of the building. I find the upgrades to the interior common areas and changing passage set locks to be integral to the residential property, and an improvement in the security of the residential property. I find the electrical fixture upgrades and installation are a major system in the building. Both items fit the definition of a major component and a major system of the residential property, and were necessary for the betterment of the residential property.

I find the Landlord has established that the interior common area improvements were required as the existing items were past their useful lives. I find the capital expenditures

for the interior common areas are not expected to be incurred again for at least five years.

Timing of Common Area Improvements

The Landlord provided summary invoicing for the interior common areas from November 30, 2020 to November 30, 2021 and payment dates for the respective work as follows:

Project	Vendor	Invoice #	Invoice Date	Invoice Amount	Project Amount	Payment Date	Cheque #	Payment Amount
Upgrade all interior common areas		6185	30-Nov-20	\$ 298,803.50	\$ 40,300.00	18-Jan-21	000284	\$ 298,803.50
		6237	31-Dec-20	\$ 94,798.20	\$ 13,148.00	23-Feb-21	000307	\$ 94,798.20
		6253	31-Jan-21	\$ 89,868.00	\$ 34,260.00	25-Mar-21	000317	\$ 89,868.00
		6306	30-Apr-21	\$ 386,069.68	\$ 64,536.81	11-Aug-21	000379	\$ 438,091.72
		6314	31-May-21	\$ 438,091.72	\$ 3,537.81	11-Aug-21	000379	\$ 438,091.72
		6396	31-Aug-21	\$ 103,931.13	\$ 6,306.44	14-Sep-21	000395	\$ 103,931.13
		6493	30-Nov-21	\$ 148,475.56	\$ 6,533.62	21-Dec-21	000424	\$ 148,475.56
					\$ 168,622.68			

RTB Policy Guideline 37C-Additional Rent Increase for Capital Expenditures (dated February 2023) states:

A capital expenditure is considered “incurred” when payment for it is made. If a landlord pays for a capital expenditure by cheque, the date the payment is considered to be “incurred” is the date the cheque was issued by the landlord.

The expenditures claimed by the Landlord must have been incurred in the 18-month period prior to the application date. The onus is on the Landlord to establish on a balance of probabilities that the expenditures meet these requirements to be eligible for an additional rent increase.

While I accept the Landlord has paid for the invoices submitted, I find the Landlord has not provided sufficient evidence to demonstrate that the following expenditures were “incurred” or paid within the 18-month period preceding the date on which the Landlord made their application:

- Invoice #s 6185, 6237, and 6253 totalling \$87,708.00 as they were paid on January 18, 2021, February 23, 2021, and March 25, 2021. All these dates fall outside the 18-month period.

Therefore, I find the Landlord is not entitled to seek an additional rent increase based on the above noted expenditures for interior common area improvements. I find that payment for the other invoices were dated within the 18-month period preceding the date on which the landlord made the application, and I accept that the remaining capital expenditures totalling **\$80,914.68** supported by the detailed invoicing were paid for within that timeframe.

2. Replaced exterior doors, windows, railings, decks, fascia, soffit, trim

Reason for replaced exterior doors, windows, railings, decks, fascia, soffit, trim

The Landlord replaced exterior doors, windows, railings, decks, fascia, soffit, and trim in the whole building. The original components were installed in 1966. The BPCA report confirmed that these items were original and noted all the building's windows and sliding doors are original, and single paned with aluminum frames. The deck railings were the original railings, and were rusted and coming loose. The decks had ceramic or porcelain tile installed over previously failing deck coverings.

PG#40 states that the useful life of the exterior items or items most similar to those are:

<u>Building Element</u>	<u>Useful life in years</u>
Windows	15
Steel railings	15
Decks	20
Fascia, soffit, trim	20-25

Based on the Landlord's testimony, the BPCA report, and PG#40, I find the exterior doors, windows, railings, decks, fascia, soffit, and trim are major structural systems that are essential to support or enclose the residential property, and because of this are integral to the residential property. I find these major systems were well past their useful lives.

The Landlord notes that the useful life expectancy of the exterior work is 25 years; however, some items, like deck coverings, may be shorter.

I find the Landlord has established that the replacement of exterior doors, windows, railings, decks, fascia, soffit, and trim in the whole building were required as the existing items were past their useful lives. I find the capital expenditures for the replaced exterior doors, windows, railings, decks, fascia, soffit, and trim are not expected to be incurred again for at least five years.

Timing of replacement of exterior doors, windows, railings, decks, fascia, soffit, trim

The Landlord provided summary invoicing for the exterior work from August 31, 2021 to December 31, 2022 and payment dates for the respective work as follows:

Project	Vendor	Invoice #	Invoice Date	Invoice Amount	Project Amount	Payment Date	Cheque #	Payment Amount
Replaced exterior doors, windows, railings, decks, fascia, soffit, trim		6314	31-May-21	\$ 438,091.72	\$ 82,959.96	11-Aug-21	000379	\$ 438,091.72
		6396	31-Aug-21	\$ 103,931.13	\$ 52,534.06	14-Sep-21	000395	\$ 103,931.13
		6396	31-Aug-21	\$ 103,931.13	\$ 16,708.76	14-Sep-21	000395	\$ 103,931.13
		6396	31-Aug-21	\$ 103,931.13	\$ 13,706.12	14-Sep-21	000395	\$ 103,931.13
		6493	30-Nov-21	\$ 148,475.56	\$ 83,327.85	21-Dec-21	000424	\$ 148,475.56
		6493	30-Nov-21	\$ 148,475.56	\$ 17,757.25	21-Dec-21	000424	\$ 148,475.56
		6493	30-Nov-21	\$ 148,475.56	\$ 26,987.56	21-Dec-21	000424	\$ 148,475.56
		6497	31-Dec-21	\$ 24,547.81	\$ 20,545.36	9-Mar-22	000448	\$ 24,547.81
		6619	31-May-22	\$ 123,664.51	\$ 11,086.04	29-Jun-22	000477	\$ 123,664.51
		6619	31-May-22	\$ 123,664.51	\$ 29,562.24	29-Jun-22	000477	\$ 123,664.51
		6619	31-May-22	\$ 123,664.51	\$ 29,955.10	29-Jun-22	000477	\$ 123,664.51
		6619	31-May-22	\$ 123,664.51	\$ 25,056.70	29-Jun-22	000477	\$ 123,664.51
		6619	31-May-22	\$ 123,664.51	\$ 21,147.64	29-Jun-22	000477	\$ 123,664.51
		6676	31-Dec-22	\$ 344,738.14	\$ 209,211.00	1-Apr-23	000571	\$ 344,738.14
					\$ 640,545.64			

While I accept the Landlord has paid for the invoices submitted, I find the Landlord has not provided sufficient evidence to demonstrate that the following expenditure was "incurred" or paid within the 18-month period preceding the date on which the Landlord made their application:

- Invoice # 6676 totalling \$209,211.00 as this invoice was paid on April 1, 2023, and this date falls beyond the application date for this claim.

Therefore, I find the Landlord is not entitled to seek an additional rent increase based on the above noted expenditure for replacement of exterior doors, windows, railings, decks, fascia, soffit, and trim. I find that payment for the other invoices were dated within the 18-month period preceding the date on which the Landlord made their application, and I accept that the remaining capital expenditures totalling **\$431,334.64** supported by the detailed invoicing were paid for within that timeframe.

3. Replaced levers, hinges, hydraulic door closers

Reason for replaced levers, hinges, and hydraulic door closers

The Landlord replaced all automatic door closures and other supporting hardware for fire doors in the building as ordered by the city's fire and rescue services which were required to comply with health, safety, and housing standards required by law. The city fire and rescue services required that all means of egress and access to exits are clear and free of any obstructions at all times. Specifically, the city required the Landlord to have emergency closures installed on all fire doors and have all fire door stops removed on all doors.

The contractors submitted that the Taymor products have a 10-year mechanical warranty and a 1-year finish warranty, while the Allegion products have a 30-year mechanical warranty. The contractor expects that the useful life of the door closures to be at least five years or longer.

Based on the Landlord's testimony and their actions to address the violation notice from the fire and rescue services of the city, I find the automatic door closures and other supporting hardware for the fire doors are major systems that support a critical safety function of the residential property. I find the capital expenditures for the replaced levers, hinges, and hydraulic door closers are not expected to be incurred again for at least five years. I find the Landlord has acted accordingly to meet their obligation to maintain the residential property in a state of decoration and repair that complies with the health, safety, and housing standards required by law.

Timing of replaced levers, hinges, and hydraulic door closers

The Landlord submitted detailed invoicing, and testified that the payment date for the replaced levers, hinges, and automatic door closers was September 7, 2021.

I find the Landlord has provided sufficient evidence to demonstrate that this capital expenditure was “incurred” or paid within the 18-month period preceding the date on which the Landlord made the application. Therefore, I accept that this capital expenditure totalling **\$8,426.98** supported by the detailed invoicing was paid for within the required timeframe.

4. Installed astragal, mailboxes, dead latch on main entrance door

Reason for installed astragal, mailboxes, dead latch on main entrance door

The Landlord installed astragal, effectively a full-length security plate, an upgrade kit on the existing mailboxes, and dead latches on the main entrance door. Improved security is one feature of these installations. The installed systems were meant to prevent break-ins into the building and residents’ mailboxes.

The contractors submitted that the items installed to improve the security for the building have an estimated lifetime of five years.

I find the installed astragal, mailboxes and dead latch on the main entrance door are major systems and components that better protects people and property at the residential property. I find the astragal, mailbox, and dead latch on the main entrance door are not expected to be incurred again for at least five years.

Timing of installation of the astragal, mailbox, dead latch on main entrance door

The Landlord submitted detailed invoicing, and the payment date for the astragal, mailboxes, and dead latch on the main entrance door was January 10, 2022.

I find the Landlord has provided sufficient evidence to demonstrate that this expenditure was “incurred” or paid within the 18-month period preceding the date on which the Landlord made the application. Therefore, I accept that this capital expenditure totalling **\$2,956.12** supported by the detailed invoicing was paid for within the required timeframe.

5. Installed new intercom system

Reason for installation of new intercom system

The Landlord installed a new intercom system in the building. The Landlord testified that the existing intercom system was the original system installed in 1966. The contractor affirmed that the existing intercom system was well past its useful life. PG#40 states that an intercom system has a useful life of 15 years.

The contractors advised the Landlord that the installed VANDELTA intercom unit should have a useful life of 10 years.

I find the new intercom system is a major component of a major system in the residential building. The system provides the means for the buildings' residents to communicate with outside visitors. I find the new intercom system is not expected to be incurred again for at least five years. I find the new intercom system is integral to the residential property, and provides a necessary service to the tenants and occupants of the residential property.

Timing of installation of a new intercom system

The Landlord submitted detailed invoicing, and the payment date for the installed intercom system was October 28, 2022.

I find the Landlord has provided sufficient evidence to demonstrate that this expenditure was "incurred" or paid within the 18-month period preceding the date on which the Landlord made the application. Therefore, I accept that this capital expenditure totalling **\$3,774.68** supported by the detailed invoicing was paid for within the required timeframe.

6. Engineering for balcony rehabilitation

Reason for engineering for balcony rehabilitation

The Landlord submitted all the structural and building envelope engineers' costs for the balcony rehabilitation project. The original balconies were installed in 1966. The Landlord testified that the engineers provided construction drawings which were submitted to the city, and the engineers also conducted site visits to confirm adequate work was completed by the contractors.

The Landlord testified that the useful life expectancy of the exterior work is 25 years; however, some items, like deck coverings, may be shorter. PG#40 states that the useful life of decks and porches is 20 years.

I find the Landlord has established that the engineering for the balcony rehabilitation was part of a major structural system in the building. I find the capital expenditures for the engineering for the balcony rehabilitation are not expected to be incurred again for at least five years.

Timing of engineers' costs for the exterior project

The Landlord submitted detailed invoicing, and the payment dates ranged from October 14, 2021 to November 22, 2022. The Landlord is claiming \$19,421.25.

Project	Vendor	Invoice #	Invoice Date	Invoice Amount	Project Amount	Payment Date	Cheque #	Payment Amount
Engineering for balcony rehabilitation		355491	31-Aug-21	\$ 12,600.00	\$ 12,600.00	14-Oct-21	000394	\$ 12,600.00
		360626	29-Oct-21	\$ 6,449.63	\$ 2,015.00	22-Nov-21	000413	\$ 6,449.63
		363159	30-Nov-21	\$ 2,496.90	\$ 2,496.90	14-Dec-21	000420	\$ 4,281.90
		367549	31-Jan-22	\$ 297.15	\$ 297.15	23-Feb-22	000441	\$ 297.15
		369943	28-Feb-22	\$ 693.26	\$ 693.26	15-Mar-22	000450	\$ 693.26
		380526	30-Jun-22	\$ 1,102.50	\$ 1,102.50	11-Aug-22	000487	\$ 1,102.50
		390013	26-Oct-22	\$ 1,086.75	\$ 1,086.75	22-Nov-22	000526	\$ 1,086.75
					\$ 20,291.56			

I find the Landlord has provided sufficient evidence to demonstrate that this expenditure was "incurred" or paid within the 18-month period. The Landlord's original application amount was \$19,421.25. Therefore, I accept that this amount for this capital expenditure totalling **\$19,421.25** is supported by the invoicing and was paid for within the required timeframe.

For the above-stated reasons, I find that the following capital expenditures incurred are eligible capital expenditures as defined by the Regulation:

Eligible capital expenditures	Amount
Upgraded all Interior Common Areas	\$80,914.68
Replaced exterior doors, windows, railings, decks, fascia, soffit, trim	\$431,334.64
Replaced levers, hinges, hydraulic door closers	\$8,426.98
Installed astragal, mailbox, dead latch on main entrance door	\$2,956.12
Installed new intercom system	\$3,774.68
Engineering for balcony rehabilitation	\$19,421.25
Total capital expenditures	\$546,828.35

OUTCOME

The Landlord has mostly been successful. They have proven, on a balance of probabilities, all the elements required to be able to impose an additional rent increase for capital expenditures. Section 23.2 of the Regulation sets out the formula to be applied when calculating the amount of the additional rent increase as such:

$$\begin{aligned} \text{Additional rent increase} &= \left[\frac{\text{Eligible capital expenditure}}{\text{Number of specified dwelling units}} \right] / 120 \\ &= \left[\frac{\$546,828.35}{54} \right] / 120 = \$84.39 \end{aligned}$$

In this case, I have found that there are 54 specified dwelling units and that the amount of the eligible capital expenditures is \$546,828.35.

So, the Landlord has established the basis for an additional rent increase for capital expenditures of \$84.39. 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.

The parties may refer to RTB Policy Guidelines 37 (February 2023), and 40 (March 2012), 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

The Landlord has been successful. I grant the application for an additional rent increase of \$84.39 for a capital expenditure of \$546,828.35. The Landlord must impose this increase in accordance with the Act and the Regulation.

I order the Landlord to serve the Tenants with a copy of this decision in accordance with section 88 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: October 17, 2023

Residential Tenancy Branch