



# HOUSING MATTERS BC

## Rent Controls under the Residential Tenancy Act

The British Columbia Government sets limits on rent increases to balance a landlord's need to adequately maintain the residential property, with the tenant's need for certainty. In B.C., the *Residential Tenancy Act* allows landlords to increase rent once annually by a percentage equal to the inflation rate plus two percent. The maximum allowable rent increase for 2013 is 3.8 percent. The maximum allowable rent increase for each calendar year is posted on the Residential Tenancy Branch (RTB) website each September at [www.rto.gov.bc.ca](http://www.rto.gov.bc.ca).

Before increasing the rent, a landlord must:

- Verify the maximum rent increase allowed in the year.
- Notify affected tenants using the form Notice of Rent Increase – Residential Rental Units: <http://www.rto.gov.bc.ca/documents/RTB-7.pdf>
- Serve the notice to the tenant three whole rental months before the increase takes effect.

### Additional Rent Increases

A landlord may ask a tenant to agree to an increase that is greater than the maximum allowed amount. If the tenant agrees, they must do so in writing. The requirements regarding the timing and notice of rent increases still apply.

If a tenant does not agree to an additional rent increase, the landlord may apply to the RTB for a dispute resolution hearing. An arbitrator can issue an order approving the increase where the landlord:

- Can demonstrate the rent for a rental unit is significantly lower than that of similar rental units in the area;
- Completed significant repairs or renovations that could not reasonably have been foreseen and will not recur within a reasonable period;
- Incurred a financial loss from an extraordinary increase in operating expenses;
- Incurred a financial loss for the financing costs of purchasing the property that could not reasonably have been foreseen; or,
- Is the head tenant of a rental unit, has received an additional rent increase, and wishes to increase the rent of a sub-tenant.

The RTB will provide the landlord with a notice of hearing package including a hearing date –all tenants must be notified within three days by being served a copy of the package. At the hearing, the tenants may oppose the proposed additional rent increase by providing evidence and testimony. If an order is issued, affected tenants must receive a Notice of Rent Increase – Residential Rental Units from the landlord and three whole rental months before the rent increase comes in effect.

Information on the dispute resolution process can be found at:

<http://www.rto.gov.bc.ca/content/howApply/default.aspx>.