Notice of Administrative Penalty and Reasons for Decision

1460317 B.C. Limited
[redacted]

Akhtar Nawaz
Director and Interest Holder, 1460317 B.C. Ltd
[redacted]

Sarwar Khan
Director and Interest Holder, 1460317 B.C. Ltd
[redacted]

Tayyaba Butt
Interest Holder, 1460317 B.C. Ltd
[redacted]

VIA EMAIL, REGISTERED MAIL AND PROCESS SERVER

To: 1460317 BC Limited, Akhtar Nawaz, Sarwar Khan and Tayyaba Butt (Respondents)

Full Summary of Administrative Penalty

Name of Respondent: 1460317 BC Limited, Akhtar Nawaz, Sarwar Khan and Tayyaba Butt
Rental Address: [redacted] Vancouver, BC, [redacted]
Administrative Penalty: Matter 1 - Eleven (11) separate one-time administrative monetary penalties in the amount of $5,000.00 each, corresponding to each tenancy identified, for a total penalty of $55,000.00. **Matter 2** – a one-time penalty of $2,100.00 for a total penalty of $57,100.00.
Date of Penalty Issued: July 10, 2026
Contravention or Failure under the *Residential Tenancy Act* (the "Act"):

Matter 1:

- Between June 25, 2025, to July 16, 2025, the Respondents, 1460317 B.C. Ltd., Akhtar Nawaz, and Sarwar Khan, converted the second and third floor office areas into Single Room Accommodation (SRA) units, contrary to section 32(1) of the Act.

Ministry of Housing and Municipal Affairs
Residential Tenancy Branch – Compliance and Enforcement Unit
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- Between September 8, 2025, to April 13, 2026, the Respondents, 1460317 B.C. Ltd., Akhtar Nawaz, and Sarwar Khan, failed to complete the remediation work to address the major fire and life safety deficiencies identified by Vancouver Fire Rescue Services (VFRS) and City of Vancouver's (the City) Development, Building and Licensing Division (DBL) contrary to section 32(1) of the Act.

- Between August 18, 2025, to April 13, 2026, the Respondents, 1460317 B.C. Ltd., Akhtar Nawaz, and Sarwar Khan, failed to comply with occupancy restriction orders contrary to section 32(1) of the Act.

Matter 2: Between December 9, 2025, to April 13, 2026, the Respondents, 1460317 B.C. Ltd., Akhtar Nawaz, and Sarwar Khan, failed to maintain the electrical system in a condition that complies with the health, safety, and housing standards required by law by not obtaining the required permits by December 9, 2025 to remediate the unauthorized alterations to the rental property's electrical system despite being required to do so by that date, contrary to section 32(1) and section 33(1)(c)(v) of the Act.

Outcome of the Investigation:
Eleven (11) one-time administrative monetary penalties (AMPs) in the amount of $5,000.00 issued against 1460317 B.C. Ltd., Akhtar Nawaz and Sarwar Khan for the deliberate and continued contravention of section 32(1) of the Act for a total AMP of $55,000.00 related to Matter 1, and a one-time AMP in the amount of $2,100.00 for the deliberate and continued contravention of section 32(1) and section 33(1)(c)(v) related to Matter 2 for a total AMP of $57,100.00.

The Compliance and Enforcement Unit (CEU) received a complaint on November 28, 2025, from S.S, then Chief Building Official at the City of Vancouver's (the City) Development, Building and Licensing Division (DBL), alleging the property owner of [redacted] Vancouver, BC [redacted] B.C., may have contravened the Act by illegally converting the rental building's office space, on the second and third floor, into residential units. S.S. advised that there were significant safety concerns, particularly related to fire safety, including the lack of functioning sprinkler and fire alarm systems. At the time, nine tenants were residing in the building. Even though DBL has posted Not Safe to Occupy Orders on the second and third floors where the tenants reside, the property owner has continued to disregard these orders by renting out these units.

The Respondents were provided with an Opportunity to be Heard (OTBH) dated April 21, 2026, in accordance with section 87.3(2) of the Act in relation to recommendations for eleven (11) one-time AMPs for contravening section 32(1) of the Act and a one-time AMP for contravening section 33(1)(c)(v) of the Act. On May 21, 2026, upon receiving a request for an extension of time for the OTBH, an extension was granted to Nawaz with a new deadline of June 15, 2026.

AMPs are issued to promote compliance only after all other attempts to gain compliance have failed. The Respondents' compliance history and the seriousness of the contraventions were considered when determining twelve one-time AMPs.

Under the authority provided by Part 5.1 of the Act, the Director of the Compliance and Enforcement Unit ordered a total administrative penalty of $57,100.00 on July 10, 2026.

The administrative penalty is due on **September 14, 2026.**

Notice of Administrative Penalty

This letter is notice to you, 1460317 B.C. Ltd., Akhtar Nawaz and Sarwar Khan, that based on my analysis of the evidence, I hereby order that you are subject to eleven (11) one-time administrative monetary penalties against you in the amount of $5,000.00 for a total of $55,000.00 related to Matter 1, and $2,100.00 administrative monetary penalty related to Matter 2, for a total administrative monetary penalty of $57,100.00. I make this order pursuant to section 87.3(1)(a) of the Act, based on my finding that you deliberately and continuously contravened section 32(1) of the Act in relation to 11 tenancies and that you deliberately and continuously contravened section 32(1) and section 33(1)(c)(v) of the Act related to the electrical system at the rental property.

Contravention or failure to which the penalty relates

In accordance with section 87.3(1) of the Act, the director may order a person to pay a monetary penalty if the director is satisfied on a balance of probabilities that the person has contravened a provision of this Act or the *Residential Tenancy Regulations* (Regulations).

On November 28, 2025, in accordance with section 87.1 of the Act, the CEU commenced an investigation into the allegations against the Respondents.

On December 4 and 9, 2025, based on the evidence before me, the Respondents were provided with a Notice of Allegation and Warning related to the complaint received by the CEU. On January 27 and 28, 2026, a formal Notice of Investigation was served in accordance with the Act which included information regarding the allegations, the applicable sections of the Act, and information about potential consequences for deliberate contraventions of the Act.

On April 13, 2026, I received an Investigation Report recommending penalties against the Respondents for two matters concerning alleged contraventions of section 32(1) and section 33(1)(c)(v) of the Act. The particulars of each allegation are as follows:

Matter 1: That between June 25, 2025, and July 16, 2025, the Respondents, 1460317 B.C. Ltd., Akhtar Nawaz, Sarwar Khan, and Tayyaba Butt converted the second and third floor office areas into Single Room Accommodation units without the required authorization, contrary to section 32(1) of the Act. The evidence further indicates that between September 8, 2025, and April 13, 2026, the Respondents failed to complete the required remediation work to address major fire and life safety deficiencies identified by Vancouver Fire Rescue Services and the City of Vancouver's Development, Buildings and Licensing Division, related to 11 separate tenancies also contrary to section 32(1) of the Act. In addition, between August 18, 2025, and April 13, 2026, the Respondents failed to comply with occupancy restriction orders issued in relation to 11 separate tenancies at the Rental Property.

Matter 2: Between December 9, 2025, to April 13, 2026, the Respondents, 1460317 B.C. Ltd., Akhtar Nawaz, Sarwar Khan, and Tayyaba Butt, failed to maintain the electrical system in a condition that complies with the health, safety, and housing standards required by law by not obtaining the required permits by December 9, 2025 to remediate the unauthorized alterations to the rental property's electrical system despite being required to do so by that date, contrary to section 33(1)(c)(v) of the Act.

The investigator made recommendations for eleven (11) AMPs of $5,000.00 for a total of $55,000.00 for Matter 1, and $2,100.00 for Matter 2 for a total administrative penalty of $57,100.00.

Opportunity to Be Heard, Procedural Fairness, and Service

Opportunity to Be Heard:
Pursuant to section 87.3(2) of the *Residential Tenancy Act* (the "Act"), before imposing any AMP, the Director must provide each respondent with a reasonable opportunity to be heard.

On April 21, 2026, the Director issued an Opportunity to be Heard ("OTBH") notice to the Respondents: 1460317 B.C. Ltd., Akhtar Nawaz, Sarwar Khan, and Tayyaba Butt. The OTBH set out:

- The nature of the alleged contraventions under the Act;
- The evidence relied upon, including the Investigation Report and supporting materials;
- The potential for administrative monetary penalties to be imposed; and
- The Respondents' right to provide written submissions and supporting evidence within the prescribed timeline.

The OTBH explicitly advised that:

- No findings of fact had been made;
- No determinations regarding liability had been reached; and
- Any decision would be made only after consideration of the Respondents' submissions and the evidentiary record.

The materials enclosed with the OTBH included the Investigation Report, Administrative Penalty Assessments, and supporting documentation before me, thereby ensuring that the Respondents were provided with the case to be met.

Service of the OTBH:
The OTBH was served on all Respondents by registered mail and email.

Records confirm that:

- 1460317 B.C. Ltd., Sarwar Khan, and Tayyaba Butt signed to acknowledge receipt of the OTBH package on May 6, 2026; and
- Those Respondents are deemed to have been served on that date.

Akhtar Nawaz corresponded directly with the CEU following issuance of the OTBH, including requesting an extension of time to provide submissions, which indicates actual notice of the proceeding.

I am satisfied, based on the service records and subsequent correspondence, that each Respondent was served in accordance with the Act and had actual notice of the OTBH and the potential consequences arising from the investigation.

Extension of Time and Submissions:
On May 21, 2026, an extension of time to provide submissions was granted to Akhtar Nawaz until June 15, 2026.

The extension decision clarified that:

- The request for an extension was made in a personal capacity;
- Other Respondents were required to confirm authorization if they wished to rely on that request; and
- Absent such confirmation, the original submission deadlines continued to apply to the remaining Respondents.

Written submissions were subsequently received on behalf of ownership addressing the allegations, the evidence, and whether administrative monetary penalties should be imposed.

No submissions were received from certain Respondents within the original timelines, and no further requests for extension or authorization were provided for those Respondents.

Procedural Fairness:
Procedural fairness requires that each Respondent:

- Be informed of the case against them;
- Be provided with the evidence relied upon; and
- Be given a meaningful opportunity to respond before a decision is made.

I find that the procedural fairness requirements were met in this matter. Specifically:

- The OTBH clearly set out the allegations, statutory provisions, and potential consequences;
- The Respondents were provided with full disclosure of the Investigation Report, Administrative Penalty Assessments, and supporting evidence;
- The timelines for response were clearly communicated;
- An extension of time was granted where requested and supported; and
- Submissions received have been considered in full in making this decision.

Further, the OTBH explicitly advised that a determination could be made based on the existing record where submissions were not received within the applicable timeframe, ensuring that the Respondents were aware of the consequences of non-participation.

There is no evidence before me of any procedural defect that would have impaired the Respondents' ability to understand the case against them or to provide submissions in response.

Conclusion on Procedural Fairness and Service:
I am satisfied that:

- The Respondents were properly served with the OTBH;
- Each Respondent was provided with a full and fair opportunity to be heard; and
- The requirements of procedural fairness under the Act have been met.

Accordingly, I may proceed to determine, based on the evidentiary record and any submissions received, whether the alleged contraventions occurred and whether AMPs are warranted.

Background:

The rental property located at [redacted] Vancouver, British Columbia (the "Rental Property") is a multi-storey building approved for mixed commercial use, including ground floor retail and upper-level office space. The materials before me indicate that the second and third floors of the Rental Property were not approved for residential tenancy use.

In or around mid-2025, the City of Vancouver (COV) Development, Building and Licensing Division conducted inspections of the Rental Property following concerns regarding its configuration and use. During these inspections, COV documented that portions of the second and third floors had been reconfigured into partitioned rooms consistent with Single Room Accommodation (SRA) units.

The inspection records indicate that, at the time, individuals were residing in these areas notwithstanding that the space had not been approved for residential occupancy. As part of its enforcement response, COV issued a series of orders addressing both the unsafe condition of the building and the unauthorized use of the space.

The materials show that, on or about August 18, 2025, COV issued a "Not Safe to Occupy" order affecting the residential portions of the building. Subsequent inspections and enforcement actions resulted in the issuance of additional "Not Safe to Occupy" orders on or about October 9, 2025, and November 20, 2025, o, which prohibited occupancy of the Rental Property.

In parallel, Vancouver Fire Rescue Services (VFRS) conducted inspections and identified a number of fire and life safety concerns. These included deficiencies related to fire protection systems, egress, and general life safety requirements. As a result, VFRS issued Fire Watch and related safety orders requiring the implementation of interim measures. In addition, VFRS issued a Fire Watch order and a "Do Not Occupy" order on or about November 18, 2025.

The evidence further indicates that, despite the issuance of these orders, occupancy at the Rental Property continued. Records relied upon in the investigation suggest that the number of individuals residing at the Rental Property changed over time, including periods following the issuance of occupancy restrictions.

The materials also indicate that the Respondents were made aware of the concerns raised by COV and VFRS, including required remedial actions and timelines for compliance. The record includes correspondence and enforcement documentation reflecting ongoing engagement between regulatory authorities and those associated with the ownership and management of the Rental Property.

On November 28, 2025, the CEU received information from COV raising concerns that the operation of the Rental Property may constitute contraventions of the Act, including the operation of unapproved residential tenancies and the failure to maintain the property in compliance with applicable health and safety standards.

Based on this information, the CEU commenced a formal investigation into the Rental Property and the conduct of the Respondents.

CEU Investigation:

Initiation and Scope of the Investigation

The CEU initiated an investigation after receiving information from the City of Vancouver's Development, Buildings and Licensing Division ("DBL") indicating potential contraventions at the Rental Property.

The information provided by COV raised concerns that the second and third floor office areas had been converted into residential rental units without required approvals, that significant fire and life safety deficiencies existed at the Rental Property, and that occupancy continued despite municipal orders restricting or prohibiting occupancy.

The CEU Compliance Officer who received the complaint conducted preliminary inquiries and concluded that the matter should be escalated to Compliance and Enforcement Investigator R.L. (the "Investigator").

Pursuant to delegated authority and in accordance with section 87.1 of the Act, the Investigator gathered and reviewed evidence from municipal authorities, fire officials, tenancy-related records, corporate and ownership materials, and communications involving the Respondents. The Investigator's role was to collect and analyze the evidence in a fair and impartial manner and to assess whether it appeared, on a balance of probabilities, to support concerns that contraventions of the Act may have occurred.

Unauthorized Conversion and Use for Residential Tenancies:

The Investigator relied on and drew my attention to municipal inspection records and related photographic evidence indicating that the second and third floor office areas had been physically altered and used as sleeping rooms or residential accommodation, notwithstanding that those areas were not approved for residential use.

The Investigator considered the July 16, 2025, coordinated inspection by DBL and VFRS to be significant. That inspection identified unauthorized alterations throughout the building, including the apparent conversion of second and third floor office areas into Single Room Accommodation ("SRA") style rooms. The Investigator treated this inspection as an important starting point because it was conducted by municipal and fire officials with regulatory responsibility for building, occupancy, and fire safety compliance.

The Investigator also relied on DBL records which she drew to my attention documenting that the building had been subject to unauthorized alterations and that the second and third floor areas were being used in a manner inconsistent with their approved office use. The Investigator considered these records together with photographic evidence and occupancy information showing that individual rooms were being occupied as residential units.

In the Investigator's analysis, she stated that this evidence was significant because it suggested more than incidental or temporary residential use. Rather, the evidence appeared to show that separate spaces had been created and occupied as individual rental accommodation. This formed the basis for the Investigator's concern that the Respondents may have operated residential tenancies in areas not approved for that purpose, contrary to the landlord's requirements under section 32(1) of the Act.

Fire and Life Safety Risks
The Investigator placed significant weight on and drew my attention to VFRS and DBL records identifying major fire and life safety deficiencies. In particular, the Investigator relied on evidence referenced in the Administrative Penalty Assessment, including Appendices B.17.7, B.17.1, B.3.1, B.3.7, B.7, B.43, B.47, B.48, B.49.2, B.44 and C.35 contained in the OTBH and I have reviewed these records.

The Investigator considered these records significant suggesting that they identified risks directly affecting occupant safety. The evidence indicated concerns with the fire alarm system, sprinkler system, fire department connection, standpipe system, hose lines, fire separations, and means of egress. The Investigator noted that deficiencies in these systems may increase the risk that occupants would not be alerted promptly in the event of a fire, may delay evacuation, may impair VFRS response, and may increase the risk of rapid fire spread.

The Investigator also relied on and drew my attention to evidence that the fire protection system was severely deficient, including the absence of a functioning sprinkler system, fire department connection, standpipe system, and hose lines for firefighting operations. The Investigator considered these deficiencies significant because they may impede emergency response and increase risks to both occupants and emergency responders.

The Investigator further relied on DBL evidence concerning deficient fire separations and insufficient means of egress. These deficiencies were material to the Investigator’s analysis because they suggested that smoke and flames could spread more readily through the building and that occupants may have reduced time or ability to evacuate safely.

Based on this evidence, the Investigator formed the concern that the Rental Property presented significant and ongoing life safety risks to tenants and that the condition of the property appeared inconsistent with the landlord’s requirements under section 32(1) of the Act.

Municipal and Fire Safety Enforcement Orders
The Investigator relied on the sequence of enforcement actions issued by DBL and VFRS and drew to my attention to evidence that regulatory authorities had repeatedly identified serious concerns and taken steps to obtain compliance.

The Investigator considered the July 18, 2025, VFRS Fire Watch Order, issued under the City’s Fire By-law, as an early enforcement response to the fire and life safety conditions identified at the Rental Property. The Investigator also drew my attention to the August 12, 2025, Fire Chief’s Order with Fire Watch issued to 1460317 B.C. Ltd. as further evidence that she suggests VFRS continued to have serious safety concerns requiring formal intervention.

The Investigator relied on the August 18, 2025, DBL “Not Safe to Occupy Order”, the October 9, 2025, DBL “Not Safe to Occupy Order”, the November 18, 2025, VFRS “Do Not Occupy” and “Fire Watch Order”, and the November 20, 2025, DBL “Not Safe to Occupy Order” suggesting deliberate non-compliance. These orders were significant to the Investigator’s analysis because they showed escalating municipal and fire safety intervention over time.

The Investigator drew my attention to the November 13, 2025, follow-up inspection suggesting that this was particularly important because it indicated continued non-compliance with previously issued DBL and VFRS orders. The subsequent November 18, 2025, and November 20, 2025, orders were therefore treated by the Investigator as evidence that earlier enforcement measures had not achieved compliance.

The Investigator relied on this sequence of orders to assess whether the Respondents had notice of the deficiencies, whether they were provided opportunities to comply, and whether the concerns remained unresolved despite formal enforcement action.

Continued Occupancy Despite Occupancy Restrictions
A material part of the Investigator's analysis concerned evidence that occupancy continued after municipal orders restricted or prohibited occupancy of the Rental Property.

The Investigator drew my attention to records indicating that tenants continued to reside in the building after the August 18, 2025, "Not Safe to Occupy Order" and after subsequent orders, including the November 18, 2025, "Do Not Occupy" and "Fire Watch Order". The Investigator also considered evidence which she drew to my attention suggesting that occupancy may have increased after restrictions were imposed.

This evidence she stated was significant because it suggested that the Respondents may have permitted or allowed continued residential occupancy notwithstanding clear regulatory direction from municipal and fire authorities. The Investigator considered continued occupancy in these circumstances to be directly relevant to the seriousness of the alleged section 32(1) contraventions, as each tenant remained exposed to conditions that municipal and fire officials had identified as unsafe or non-compliant.

The Investigator also considered this evidence relevant to deliberateness. In the Investigator's analysis, she suggests that the continued occupancy did not appear to be the result of an isolated oversight. Rather, the evidence suggested that the Respondents were aware of the orders and deficiencies and that occupancy nevertheless continued over an extended period.

Electrical System Compliance
In relation to the electrical system, the Investigator relied on evidence indicating that DBL identified unauthorized alterations to the electrical system and required the Respondents to obtain permits within a specified timeframe.

The Investigator drew my attention to the October 9, 2025, "Not Safe to Occupy Order" to be the key enforcement document for this issue. That order required the Respondents to obtain the necessary permits within 60 days to either legalize the unauthorized alterations to the electrical system or restore the electrical system to its previously approved condition. The Investigator noted that the order was posted on the premises on October 17, 2025.

The Investigator also relied on evidence indicating that, as of March 9, 2026, the City's Vacancy Control Officer confirmed that no permit application had been submitted, and no permits had been issued for the Rental Property. The Investigator treated this confirmation as probative evidence that the Respondents had not complied with the permitting requirement by the required deadline.

The Investigator also drew my attention to inspection evidence referencing exposed or hanging wires and unauthorized electrical alterations. In the Investigator's analysis, those conditions raised concerns regarding fire risk, shock hazard, and general occupant safety. The Investigator considered the electrical issue within the broader context of the Rental Property's fire and life safety condition.

Based on this evidence, the Investigator formed the concern that the Respondents may have failed to maintain the electrical system in compliance with applicable legal requirements, engaging both the general maintenance obligation under section 32(1) and the emergency repair requirement under section 33(1)(c)(v) of the Act.

Compliance History and Respondent Engagement

The Investigator also considered evidence of communications with the Respondents and opportunities provided to achieve voluntary compliance.

The Investigator relied on correspondence from DBL and VFRS setting out deficiencies and required actions, including the enforcement orders described above. The Investigator also considered CEU communications with the Respondents, including communications on December 4, 2025, January 22, 2026, February 2, 2026, and February 6, 2026. These communications were relevant because they demonstrated that the Respondents were repeatedly informed of compliance concerns and were provided opportunities to respond or take corrective action.

The Investigator considered this evidence significant suggesting that the Respondents had actual notice of the concerns and were given time to address them. The Investigator also considered whether there was evidence that the Respondents had completed the required remedial work, obtained necessary permits, reduced or ceased occupancy in accordance with municipal orders, or otherwise achieved compliance.

The Investigator found the absence of evidence confirming completed compliance to be significant. In particular, the Investigator considered the continuing existence of deficiencies, the persistence of occupancy, the absence of required electrical permits, and the continued municipal enforcement as evidence suggesting that voluntary compliance had not been achieved.

Assessment of Respondent Involvement and Potential Liability

The Investigator examined the relationship between each Respondent and the Rental Property to assess whether the evidence appeared to support potential liability under the Act.

The Investigator relied on corporate and land title records confirming that 1460317 B.C. Ltd. was associated with ownership of the Rental Property. The Investigator also considered corporate records identifying Akhtar Nawaz and Sarwar Khan as directors and interest holders, and Tayyaba Butt as an interest holder.

The Investigator considered communications and engagement with regulatory authorities to assess knowledge and control. In particular, the Investigator considered evidence that the Respondents or persons acting on behalf of the ownership group were aware of municipal orders, fire safety concerns, occupancy restrictions, and required remedial steps.

The Investigator did not make findings of liability. However, she identified evidence that, in her view, may support the conclusion that one or more Respondents exercised control over the Rental Property, had knowledge of deficiencies and regulatory orders, and took or failed to take steps within their capacity to bring the Rental Property into compliance. The Investigator identified this evidence as relevant to whether the Respondents met the definition of landlord under the Act and whether personal liability may arise under section 87.3 of the Act.

Analysis of Tenancies and Penalty Structure

A central component of the Investigator's analysis concerned the number of separate tenancies affected by the alleged section 32(1) contraventions.

The Investigator relied on municipal inspection records describing multiple partitioned rooms, photographic evidence showing separate sleeping areas, and tenancy or occupancy information indicating that multiple individuals resided at the Rental Property under separate agreements. The Investigator considered this evidence together to assess whether the Rental Property was being operated as a series of individual rental units rather than as one shared or incidental occupancy arrangement.

Based on this material, the Investigator identified eleven separate tenancies operating within the second and third floor areas during the relevant period. The Investigator considered that each tenant had been provided a defined space for residential use with exclusive possession and that the tenancy information indicated a fixed payment of rent. The Investigator therefore analyzed each occupancy arrangement as a separate tenancy for the purpose of section 32(1) of the Act.

The Investigator considered this significant because the alleged deficiencies were experienced by each tenant occupying the affected areas. The unauthorized residential use, fire and life safety deficiencies, and occupancy despite municipal orders were not confined to a single room or one isolated occupant. Rather, each identified tenancy was subject to the same underlying non-compliant conditions.
On that basis, the Investigator recommended that eleven separate AMPs be considered in relation to the alleged section 32(1) contraventions, corresponding to the eleven identified tenancies.

Distinction Between the Section 32(1) Tenancy-Based Contraventions and the section 32(1) and section 33(1)(c)(v) Electrical System Contravention

The Investigator drew a distinction between the alleged section 32(1) contraventions affecting the eleven tenancies and the alleged section 33(1)(c)(v) contravention relating to related to failure to complete emergency repairs to the electrical system.

For the section 32(1) tenancy-based contraventions, the Investigator focused on the condition and use of the Rental Property as it affected each individual tenant. The Investigator considered that each tenant was living in a space that was not approved for residential occupancy and was affected by unresolved fire and life safety deficiencies and municipal occupancy restrictions.

In contrast, the Investigator analyzed the electrical system issue as a single property-wide deficiency. The evidence relied upon by the Investigator indicated that the electrical system required permitting and remediation at the building level. The failure to obtain permits and complete required work applied to the electrical system as a whole, rather than to each individual tenancy separately.

This distinction informed the Investigator's recommendation that eleven separate AMPs be considered for the section 32(1) of the Act tenancy-related contraventions, and that one AMP be considered for the section 33(1)(c)(v) of the Act related to failure to complete emergency repairs to the electrical system.

Investigator's Assessment and Recommendation
Having considered the totality of the evidence, the Investigator formed the view that the evidentiary record appeared to support concerns that the Rental Property was used for residential tenancies without appropriate authorization, that significant fire, life safety, and electrical deficiencies existed and persisted, that occupancy continued despite municipal orders, and that the issues identified by regulatory authorities were not resolved within the required timeframes.

The Investigator considered the municipal and fire safety records, inspection findings, posted orders, occupancy evidence, permit information, corporate records, and communications with the Respondents to be the key evidence supporting the recommendation for AMPs.

The Investigator did not make findings of fact or liability. Rather, the Investigator provided an evidentiary analysis and recommended that the Director consider imposing eleven AMPs in relation to the section 32(1) of the Act tenancy-based contraventions and one AMP in relation to the section 33(1)(c)(v) of the Act related to failure to complete emergency repairs to the electrical system.

Respondents' Submissions in Response to the OTBH
In response to the OTBHH, the Respondents, through written submissions, acknowledge that concerns were raised by the City of Vancouver (COV), Vancouver Fire Rescue Services (VFRS), and the CEU regarding the condition, occupancy, and compliance status of the Rental Property.

The Respondents submit that the Investigation Report and Administrative Penalty Assessments do not fully reflect:

- The corrective actions undertaken;
- The professional services retained;
- The ongoing efforts to bring the property into compliance; and
- The current condition of the Rental Property.

The Respondents take the position that AMPs are not warranted in the circumstances.

Compliance Approach and Context:
The Respondents describe their overall approach as one focused on achieving compliance while also considering the impact that immediate displacement would have on individuals residing at the Rental Property.

They submit that:

- Their actions were guided by an effort to balance life safety concerns with the practical realities of tenant relocation; and
- They did not ignore regulatory concerns but rather sought to address them incrementally while maintaining housing for existing occupants.

Retention of Professionals and Technical Assessments:

The Respondents state that they retained a number of qualified professionals to assess and address issues at the Rental Property, including:

- A structural engineering firm;
- Fire protection and code consultants; and
- Mechanical and electrical professionals.

They reference a structural assessment conducted in November 2025, which, according to the Respondents, concluded that the building was generally in acceptable structural condition within the areas reviewed, and did not identify any immediate structural concerns requiring emergency intervention.

The Respondents submit that this and other professional involvement demonstrates that they took steps to understand and address the condition of the property.

Fire and Life Safety Measures:
The Respondents outline a series of measures that they indicate were implemented to address fire and life safety concerns, including:

- Implementation of a fire watch;
- Installation of smoke alarms and fire extinguishers;
- Clearing of egress pathways;
- Installation or repair of exit signage and emergency lighting; and
- Removal of hazardous materials.

They submit that these measures were undertaken in response to concerns raised by regulatory authorities and were intended to improve interim safety conditions while longer-term solutions were being explored.

Fire Protection System and Sprinkler Issues:
The Respondents describe ongoing efforts to address fire protection system requirements, including:

- Engagement of a code consultant to assess compliance pathways;
- Exploration of options to restore or replace sprinkler system functionality; and
- Discussions with neighbouring property representatives regarding historic infrastructure connections affecting the sprinkler system.

They submit that external factors, including the status of adjacent properties, contributed to uncertainty in restoring certain fire protection systems and required further technical exploration.

Electrical Work and Permitting:
With respect to the electrical system, the Respondents submit that:

- Immediate steps were taken to address visible hazards, including securing exposed wiring; and
- Further review and remediation work was undertaken with the involvement of qualified professionals.

They indicate that additional work would continue through the applicable permitting processes.

Occupancy and Tenant Considerations
The Respondents acknowledge that occupancy levels at the Rental Property were identified as a concern during the relevant period.

They submit that:

- Efforts were made to reduce occupancy over time;
- Steps were taken to avoid increasing occupancy following regulatory direction; and
- Consideration was given to the impact of displacement on individuals with limited housing alternatives.

The Respondents also reference a discussion with a COV representative during a site visit in February 2026, which they understood to permit existing residents to remain while compliance efforts were ongoing, provided that no additional tenants were brought into the property.

Current Status and Ongoing Engagement:
The Respondents submit that the current condition of the Rental Property differs from earlier inspection findings and reflects improvements made over time.

They state that:

- They have continued to engage with COV and VFRS;
- They invited further inspections to assess current conditions; and
- They remain committed to identifying and completing outstanding work necessary to achieve compliance.

The Respondents also indicate that there has been a change in property management, with a renewed focus on compliance, documentation, and coordination with regulatory authorities.

Position on Administrative Monetary Penalties:
The Respondents submit that AMPs should not be imposed. In support of this position, they argue that:

- They have taken steps toward compliance and have not ignored regulatory concerns;
- The evidence reflects ongoing efforts rather than disregard for obligations;
- The absence of evidence of actual harm should be given weight; and
- Imposition of financial penalties may detract from their ability to complete remaining compliance work.

They further submit that continued collaboration with regulatory authorities, rather than the imposition of penalties, would better support the objective of achieving full compliance and maintaining safe housing conditions.

Summary of Submissions:
In summary, the Respondents' position is that the evidentiary record should be considered in light of the steps they have taken to address identified deficiencies, the involvement of qualified professionals, the challenges associated with tenant relocation, and their ongoing efforts to work toward compliance. They submit that, in these circumstances, AMPs are not necessary or appropriate.

Reasons for Decision:

Overview of issues
In determining whether AMPs should be imposed, I have considered the Investigation Report, the Administrative Penalty Assessments, all evidence and supporting materials, and the Respondents' written submissions in response to the OTBH.

The issues I must determine are:

1. Whether the evidence establishes, on a balance of probabilities, that there were contraventions of section 32(1) of the Act;
2. Whether any contraventions of section 32(1) are properly analyzed as affecting eleven separate tenancies;
3. Whether the evidence establishes a contravention involving the electrical system, including whether the alleged failure to make or arrange required emergency repairs under section 33(1)(c)(v) of the Act constitute a contravention of section 32(1) of the Act;
4. Whether AMPs are appropriate under the circumstances; and,
5. Which Respondents, if any, are liable for AMPs.

I have considered the Respondents' submissions in full. Where those submissions describe corrective actions, professional involvement, or current compliance efforts, I have considered those points both as a response to the alleged contraventions and as potentially relevant to whether AMPs are warranted.

However, I have also considered whether the submissions are supported by documentary or other objective evidence and whether they address the specific periods and contraventions identified in the Investigation Report.

Applicable statutory obligations
Section 32(1) of the Act requires a landlord to provide and maintain residential property in a state of decoration and repair that complies with health, safety, and housing standards required by law and makes it suitable for occupation by a tenant.

Section 33 of the Act concerns emergency repairs. While section 33 provides a specific framework for urgent repairs, including repairs that are necessary for health or safety, I consider the alleged electrical system contravention within the broader statutory context of section 32(1). The issue is not limited to whether a repair was requested by a tenant or whether a particular repair process was triggered. The broader question is whether the landlord maintained the Rental Property, including its electrical system, in compliance with applicable health and safety standards, and whether required urgent remedial steps were taken within the timelines imposed by the relevant authorities.

Whether the evidence establishes contraventions of section 32(1) of the Act

Matter 1: I find that the evidence establishes, on a balance of probabilities, that the Rental Property was used for residential tenancy purposes in a manner that did not comply with applicable health, safety and housing standards required by law, and having regard to the age, character and location of the rental unit, makes it suitable for occupation by a tenant.

The evidence I rely on includes:

- City of Vancouver inspection and enforcement records identifying that the second and third floors, which were approved for office use, had been reconfigured into individual living units;
- photographic evidence showing partitioned rooms and conditions consistent with residential occupancy;
- occupancy and tenancy information indicating multiple individuals were residing in separate rooms;
- City of Vancouver orders identifying that areas of the building were not safe to occupy or were subject to occupancy restrictions;
- Vancouver Fire Rescue Services records identifying fire and life safety deficiencies; and
- correspondence and compliance records showing the Respondents were aware of the deficiencies and required remedial steps.

The Respondents suggest that ownership did not ignore regulatory concerns and that steps were taken to improve conditions at the Rental Property. They refer to the retention of professionals, including a structural engineer, code consultant, and electrical or fire protection professionals. They also state that interim safety measures were implemented, including fire watch, smoke alarms, fire extinguishers, emergency lighting, clearing of egress routes, and securing exposed wiring.

I have considered those submissions. However, the central issue under section 32(1) of the Act is whether the Rental Property was provided and maintained in compliance with applicable health, safety, and housing standards required by law and suitable for occupation during the relevant period. The Respondents' submissions do not dispute that the second and third floors were being used for residential tenancies despite the absence of required approval for residential use. Nor do the submissions provide permits or approvals establishing that the office areas had been lawfully converted for residential tenancy use.

The Respondents' submissions also do not provide sufficient objective evidence establishing that the major fire, life safety, occupancy, and electrical concerns identified by the City of Vancouver and VFRS had been fully remediated within the required timelines. While certain interim measures may have been implemented, interim risk-reduction measures are not the same as establishing compliance with the legal standards applicable to residential occupancy.

Based on the evidence before me, on a balance of probabilities I find that the Rental Property was used for residential tenancies in areas not approved for residential occupancy and that the property was not maintained in compliance with applicable health, safety, and housing standards required by law making it suitable for occupation. I therefore find that contraventions of section 32(1) of the Act occurred.

Unauthorized residential use and conversion

The municipal records are particularly significant because they are contemporaneous records created by the authority responsible for land use, building, and occupancy compliance. Those records indicate that areas approved for office use were reconfigured into rooms used for residential occupancy.

The photographic evidence supports those records. The photographs are consistent with partitioned sleeping rooms and residential occupancy within areas that were not approved for that purpose. The tenancy and occupancy information further supports that this was not an incidental or temporary use.

Rather, the evidence indicates that the second and third floors were being operated as residential tenancies.

The Respondents' submissions do not provide contrary municipal approvals, occupancy permits, building permits, or other records establishing that the conversion was authorized. They submit that professionals were retained and compliance efforts were underway. I accept that the Respondents may have taken steps to obtain professional advice after regulatory concerns were raised. However, that does not alter the fact that residential tenancies were operating in areas not approved for residential use during the relevant period.

I find on a balance of probabilities that this evidence supports a contravention of section 32(1) of the Act.

Fire and life safety deficiencies
I also place significant weight on the VFRS records and COV records concerning fire and life safety. Those records identify deficiencies involving fire protection systems, alarm or suppression capability, egress, and emergency preparedness.

The Respondents submit that they implemented fire watch, installed smoke alarms and fire extinguishers, cleared egress routes, installed or repaired exit signage and emergency lighting, and removed hazardous materials. I have considered these submissions as evidence that some steps may have been taken to reduce risk.

However, the evidence does not establish that these steps fully resolved the fire and life safety deficiencies identified by VFRS and the COV. The Respondents did not provide sufficient objective evidence confirming that the property had been restored to compliance with the applicable fire and life safety requirements during the relevant period. In particular, the submissions do not establish that the fire protection systems were fully compliant or that the occupancy restrictions had been lifted.

The existence of interim measures, such as fire watch, supports the seriousness of the underlying risk rather than displacing the need for compliance. Fire watch is an interim risk-management measure; it does not establish that a property is suitable for residential occupation where the underlying fire and life safety deficiencies remain unresolved.

I find on a balance of probabilities that the continued residential occupancy of the Rental Property in the presence of unresolved fire and life safety deficiencies supports a contravention of section 32(1) of the Act.

Occupancy despite municipal orders
The evidence establishes that the COV issued orders restricting or prohibiting occupancy of the Rental Property. The evidence also indicates that individuals continued to reside at the property after those orders were issued.

This evidence is significant for two reasons. First, it establishes that the Respondents were on notice that the property, or portions of the property, were not considered safe or lawful for occupancy. Second, it supports the conclusion that the contraventions were not isolated or inadvertent. The continued occupancy occurred in the face of clear regulatory direction.

The Respondents submit that they were attempting to balance life safety concerns with the risk of displacing vulnerable occupants. I have considered that submission. I accept that tenant displacement can raise significant practical and humanitarian concerns. However, that consideration does not permit a landlord to continue operating residential tenancies in a building or portions of a building that have been identified by municipal and fire authorities as unsafe or not approved for occupancy.

The Respondents also state that they understood from a City representative during a February 2026 site visit that existing residents could remain while compliance efforts were ongoing, provided no additional tenants were brought into the property. I have considered that submission. However, the Respondents did not provide sufficient documentary evidence confirming that the City formally varied, cancelled, or suspended the applicable occupancy orders. Nor did the Respondents provide evidence that any such informal understanding displaced the written orders or authorized continued residential occupancy under the Act.

I find on a balance of probabilities that continued occupancy despite municipal orders is compelling evidence supporting a contravention of section 32(1) of the Act.

Whether the section 32(1) contraventions are properly broken down into eleven tenancies
The Investigator recommended that I consider eleven separate AMPs corresponding to eleven identified tenancies.

In determining whether that approach is supported, I must consider whether the evidence establishes that there were eleven separate tenancies and whether each of those tenancies was affected by the section 32(1) contraventions.

The evidence relied upon for this purpose includes:
- inspection records identifying multiple separate rooms for exclusive possession by the tenant;
- occupancy records identifying multiple individuals residing at the Rental Property;
- tenancy-related information indicating separate rental agreements;
- photographic evidence showing separately configured sleeping spaces; and
- municipal and fire records showing that the deficiencies affected the occupied living units of the property.

I find on a balance of probabilities that the evidence supports the conclusion that the Rental Property was not simply occupied as one undifferentiated space. Rather, the evidence indicates that there were separate rooms occupied by different individuals under separate rental agreements with exclusive possession of each unit and paying a fixed amount of rent. The evidence therefore supports the treatment of the affected residential arrangements as distinct tenancies.

I also find on a balance of probabilities that each of those tenancies was affected by the section 32(1) contraventions. The unauthorized residential use, fire and life safety deficiencies, and occupancy restrictions were not confined to one tenant or one isolated room. They arose from the condition, configuration, and unlawful residential use of the second and third floors as a whole. Each tenant residing in those areas was exposed to the consequences of the same underlying non-compliance.

The Respondents did not provide evidence demonstrating that any of the eleven identified living units were outside the affected areas, were not occupied by tenants, or were occupying spaces that had been lawfully approved for residential use. Nor did they provide tenancy records establishing that fewer than eleven tenancies existed during the relevant period.

For those reasons, I find on a balance of probabilities that the evidence supports treating the section 32(1) contraventions as affecting eleven separate tenancies.

This finding does not mean that the amount of penalty must necessarily be identical for each tenancy. The number and amount of penalties remain matters to be assessed under the statutory penalty factors. However, for the purpose of liability and contravention analysis, I find that the evidence supports eleven tenancy-linked contraventions of section 32(1) of the Act.

Electrical system, emergency repairs, and sections 32(1) and 33(1)(c)(v) of the Act
The Investigator also recommended consideration of a separate AMP relating to the electrical system.

The evidence relied upon includes records indicating that regulatory authorities identified concerns with the electrical system and required permits or remedial work to be completed by a specified deadline. The evidence further indicates that the necessary permits were not obtained within the required timeframe.

I consider this issue under both section 33 and section 32(1) of the Act. Although section 33 defines what constitutes emergency repairs, the underlying requirement remains connected to the landlord's broader duty to maintain the Rental Property in compliance with health and safety standards prescribed in section 32(1) of the Act. Electrical deficiencies that create or contribute to safety concerns may require urgent action, but they also form part of the overall statutory obligation to maintain the property in a condition suitable for occupation.

The Respondents submit that exposed wiring was covered or secured and that further electrical review and remediation would continue under the direction of qualified professionals and through the permitting process. I have considered that submission. However, the Respondents did not provide sufficient objective evidence establishing that required permits had been obtained by the deadline imposed by regulatory authorities or that the electrical system had been brought into compliance during the relevant period.

I accept that securing exposed wiring may have reduced some immediate risk. However, the evidence before me does not establish that the required work was completed or that the permitting obligations were satisfied. In the context of an occupied residential property already subject to fire and life safety concerns, the failure to complete required electrical permitting and remediation is significant as it would ensure that repairs were done properly and that minimum safety standards had been achieved.

I find on a balance of probabilities that the Respondents failed to take the required steps to bring the electrical system into compliance within the required timeframe. I further find that this failure supports a contravention involving both the specific emergency repair framework under section 33 and the broader maintenance requirement under section 32(1) of the Act.

I also find that this contravention is properly analyzed as a single property-wide contravention rather than eleven separate tenancy-based contraventions. Unlike the section 32(1) occupancy and habitability concerns, which affected each individual tenancy, the electrical issue concerned a building system requiring permitting and remediation at the property level. The evidence does not establish eleven separate electrical systems or eleven distinct electrical repair obligations. It establishes one property-wide failure to address an electrical compliance issue within the required timeframe.

Respondents' submissions and evidentiary weight

The Respondents' submissions emphasize cooperation, professional involvement, corrective steps, occupancy reduction, concern over tenant displacement and the absence of actual harm. I have considered each of these points.

I give some weight to the Respondents' submissions that steps were taken after regulatory concerns were raised. The submissions indicate that the Respondents were aware of the issues and were attempting to address at least some of them.

However, the evidence before me does not establish that those steps were timely, complete, or sufficient to bring the Rental Property into compliance. The submissions are largely narrative in nature. They do not include sufficient supporting documentation, such as:

- permits authorizing residential use;
- final inspection approvals;
- confirmation that occupancy orders were lifted;
- confirmation from VFRS that fire and life safety deficiencies were fully resolved;
- electrical permits obtained by the required deadline;
- completed electrical inspection records;
- tenancy records disproving the existence of eleven tenancies; or
- records showing that occupancy ceased or was reduced in accordance with municipal orders during the relevant period.

The absence of actual harm is relevant, but it is not determinative. The statutory scheme addresses compliance with health and safety requirements. A landlord may contravene those requirements even if no injury or loss has yet occurred. In this case, the concern is not limited to whether harm occurred. The concern is that tenants were permitted to reside in unapproved residential units while significant fire, life safety, occupancy, and electrical compliance issues remained unresolved.

I have carefully considered the Respondents' submission that their actions were motivated by a desire to avoid displacing individuals from their homes and that this consideration informed their approach to compliance. While I acknowledge that tenant displacement can have significant consequences for affected occupants, I am not persuaded that this explanation meaningfully mitigates the conduct at issue in this matter. The evidence establishes that the Respondents converted portions of the Rental Property to residential use without obtaining the necessary permissions or approvals before occupancy commenced. The fire, life safety, and occupancy concerns that ultimately gave rise to municipal enforcement action were not unforeseen events that emerged after tenants had been housed; rather, they arose from the Respondents' decision to undertake and operate an unauthorized residential conversion without first ensuring compliance with applicable safety, building, and occupancy requirements. In these circumstances, the Respondents' reliance on the potential hardship associated with tenant displacement carries limited weight. Had appropriate due diligence been undertaken and the necessary approvals obtained before commencing the occupancy of the premises, the circumstances giving rise to the subsequent enforcement actions may have been avoided altogether. I therefore find that the Respondents' submissions do not adequately explain or justify the prolonged non-compliance that followed repeated notices, orders, and opportunities to bring the Rental Property into compliance.

Moreover, I find that the Respondents' position places significant emphasis on the consequences of compliance while giving insufficient consideration to the safety risks to which tenants were exposed. The evidence before me demonstrates that regulatory authorities repeatedly identified serious fire and life safety deficiencies and issued escalating enforcement orders in response to those concerns. In these circumstances, I am unable to conclude that continued occupancy represented a reasonable or responsible response to the risks identified. The Act requires landlords to ensure that rental accommodations comply with applicable health and safety standards, and those obligations cannot be displaced by a landlord's unilateral decision to continue occupancy in non-compliant conditions.

For those reasons, I find on a balance of probabilities that the Respondents' submissions do not displace the evidence supporting the alleged contraventions.

Which respondents are liable

I have considered the evidence concerning each Respondent separately.

1460317 B.C. Ltd.

1460317 B.C. Ltd. is the registered owner of the Rental Property. The evidence establishes that the Rental Property was operated for residential tenancy purposes and that the contraventions arose from the condition, configuration, and use of the property.

I find that 1460317 B.C. Ltd. was a landlord within the meaning of the Act. As the corporate owner and entity responsible for the Rental Property, it was required to ensure that the property complied with the applicable health, safety, and housing standards required by law and having regard to the age, character and location of the rental unit, made it suitable for occupation by a tenant.

I find on a balance of probabilities that 1460317 B.C. Ltd. is liable for the contraventions of section 32(1) of the Act and the contravention involving sections 32(1) and 33(1)(c)(v) of the Act.

Akhtar Nawaz

The evidence identifies Akhtar Nawaz as a director and interest holder of 1460317 B.C. Ltd. The record also shows that Mr. Nawaz engaged with the CEU in relation to the OTBH process and requested an extension of time to provide submissions.

The evidence supports that Mr. Nawaz had knowledge of the regulatory concerns, the alleged contraventions, and the compliance issues at the Rental Property. The Respondents' submissions also indicate awareness of the deficiencies, the regulatory orders, and the ongoing need for compliance work.

As a director and person involved in responding to the regulatory process, Mr. Nawaz had the capacity to influence or direct compliance. The evidence does not establish that he took steps sufficient to prevent the continued operation of the tenancies in non-compliant conditions or to ensure timely compliance with the municipal, fire, and electrical requirements.

I find on a balance of probabilities that Mr. Nawaz, as a director and interest holder, permitted or acquiesced in the contraventions within the meaning of section 87.3(8) of the Act. I therefore find that he is personally liable.

Sarwar Khan
The evidence identifies Sarwar Khan as a director and interest holder of 1460317 B.C. Ltd. He was served with the OTBH materials and was identified in the investigation materials as associated with the ownership and operation of the Rental Property.

As a director, Mr. Khan had a governance role in the corporate landlord. The evidence establishes that the contraventions were ongoing, serious, and known to the ownership group. The record does not include evidence that Mr. Khan objected to the continued operation of the tenancies, took steps to stop occupancy, or ensured compliance with the applicable orders and safety requirements.

I find on a balance of probabilities that Mr. Khan had sufficient connection to the corporate landlord and sufficient capacity to influence compliance. In the absence of evidence that he took reasonable steps to prevent or correct the contraventions, I find that he permitted or acquiesced in the contraventions within the meaning of section 87.3(8) of the Act.

I therefore find that Mr. Khan is personally liable.

Tayyaba Butt
The evidence identifies Tayyaba Butt as an interest holder associated with 1460317 B.C. Ltd. However, based on the materials before me, the evidence of Ms. Butt's direct involvement is more limited than the evidence relating to the corporate Respondent and the directors.

The record does not establish, to the same degree, that Ms. Butt exercised operational control over the Rental Property, communicated with regulatory authorities, directed compliance decisions, or participated in the day-to-day management of the tenancies.

An ownership or financial interest may be relevant, but it is not, by itself, sufficient to establish liability under section 87.3(8). The evidence must support that the person authorized, permitted, or acquiesced in the contraventions.

On the evidence before me, I am not satisfied that the evidentiary record establishes, on a balance of probabilities, that Ms. Butt authorized, permitted, or acquiesced in the contraventions. I therefore decline to impose AMPs against Ms. Butt.

Conclusion on contraventions and liability
For the reasons above, I find on a balance of probabilities that:

1. The evidence establishes contraventions of section 32(1) of the Act arising from the unauthorized residential use of the Rental Property, unresolved fire and life safety deficiencies, and continued occupancy despite municipal restrictions;
2. The evidence supports treating the section 32(1) contraventions as affecting eleven separate tenancies;

3. The evidence establishes a contravention involving the electrical system, properly considered under both section 33 and the broader maintenance obligation under section 32(1) of the Act;
4. The electrical contravention is properly treated as one property-wide contravention rather than eleven tenancy-specific contraventions; and
5. 1460317 B.C. Ltd., Akhtar Nawaz, and Sarwar Khan are liable for the contraventions. The evidence does not establish liability against Tayyaba Butt on the required standard.

I will next consider whether AMPs should be imposed and, if so, the number and amount of those penalties having regard to the statutory factors.

Should penalties be imposed?
On a balance of probabilities, I find that the Respondents contravened section 32(1) of the Act respecting 11 separate tenancies and section 32(1) and section 33(1)(c)(v) of the Act related to emergency repairs to the electrical systems. These contraventions were serious, and continued over an extended period despite multiple enforcement actions and clear communication of the risks and required remedial steps.

I further find that the Respondents knowingly permitted occupancy in the rental property in direct contravention of municipal and fire safety orders and failed to take timely and adequate steps to bring the property into compliance.

In these circumstances, I am satisfied that the imposition of AMPs is both warranted and reasonable.

Quantum of AMP
In determining the appropriate number and amount of AMPs, I have considered the factors set out in section 87.3(2) of the Act, the framework set out in Residential Tenancy Branch Policy Guideline 41 ("PG41"), the Investigator's Administrative Penalty Assessments, and the Respondents' written submissions.

I recognize that PG41 is a policy guideline and is not binding in the same manner as the Act or Regulation. However, I find that PG41 provides a structured and objective framework for assessing AMPs in these matters. I have determined that there is no reason to depart from PG41 in these circumstances. The contraventions alleged, the available evidence, and the Investigator's Administrative Penalty Assessments are all capable of being fairly and proportionately assessed within the PG41 framework.

I have not treated the Investigator's recommended penalty amounts as determinative. I have reviewed the scoring, considered the evidentiary basis for each factor, considered the Respondents' submissions, and made my own determination as to whether the recommended penalties are reasonable and appropriate.

Matter 1: Section 32(1) of the Act Contraventions – Eleven Tenancies
The Investigator recommended eleven AMPs of $5,000 each for contraventions of section 32(1) of the Act, corresponding to eleven identified tenancies.

In applying PG41, the Investigator assessed the relevant penalty factors and assigned scores to each factor. I have reviewed those scores against the evidence and the Respondents' submissions. For the reasons below, I agree with the Investigator's scoring and find that the resulting calculated penalty exceeds, or at minimum reaches, the statutory maximum of $5,000 per contravention. Because the Act limits the amount of an administrative monetary penalty to $5,000 per contravention, I find that the appropriate amount is $5,000 for each of the eleven section 32(1) contraventions.

Section 87.3(2)(b) of the Act – analysis:

1. Number of previous enforcement actions for similar contraventions
The Investigator assigned this factor a score of 6.

I agree with that assessment.

The evidence establishes that multiple enforcement actions were taken by the City of Vancouver's Development, Buildings and Licensing Division (DBL) and Vancouver Fire Rescue Services (VFRS) in response to serious health and safety concerns identified at the Rental Property.

Following a coordinated inspection on July 16, 2025, which identified unauthorized residential conversion, significant fire and life safety deficiencies, and unsafe conditions, a series of escalating enforcement orders were issued. These included a Fire Watch Order (July 18, 2025), a Fire Chief's Order with Fire Watch (August 12, 2025), and multiple "Not Safe to Occupy" Orders (August 18 and October 9, 2025). Subsequent follow-up inspection confirmed continued non-compliance, resulting in additional enforcement actions, including a "Do Not Occupy and Fire Watch Order" (November 18, 2025) and a further "Not Safe to Occupy" Order (November 20, 2025).

In total, six enforcement actions were issued in response to ongoing and unresolved contraventions. These actions were progressive in nature and escalated in response to continued non-compliance. The Respondents did not provide evidence to dispute the existence of these orders or to demonstrate that compliance was achieved following their issuance.

Given the number, seriousness, and escalation of enforcement actions, I find that a score of **6** appropriately reflects this factor.

2A. Duration of the Contravention
The Investigator assigned this factor a score of 7.

I agree with that assessment.

The contraventions persisted over an extended period despite inspections, orders, and compliance deadlines. The Respondents have not provided evidence demonstrating timely remediation or compliance within the required timeframes.

I find that **7** is the appropriate value for this factor.

2B. Frequency / Repetition
The Investigator assigned this factor a score of 0.

I agree with that assessment.

The contraventions occurred as a continuous course of conduct rather than repeated discrete events. While eleven tenancies were affected, the conduct itself was ongoing and uninterrupted.

I find that **0** is the appropriate value.

3. Gravity and Magnitude of the contravention
The Investigator assigned this factor a score of 10.

I agree with that assessment.

The evidence establishes that the contraventions created an extreme and imminent risk to tenant safety. The building lacked critical fire protection systems, including alarm systems, sprinkler coverage, and firefighting infrastructure. Deficiencies in fire separation and egress further increased the risk of rapid fire spread and reduced the ability of occupants to safely evacuate.

These conditions significantly elevated the risk of serious injury or death. In addition to physical risk, the evidence also supports risk to tenants' financial security, including potential loss of property and displacement costs, as well as impacts to mental well-being arising from unsafe living conditions. Although no actual harm was established, the magnitude of the risk and the severity of the potential outcomes place this contravention at the highest end of the spectrum.

I therefore find that **10** is the appropriate value for this factor.

4. Extent of harm to others
The Investigator assigned this factor a score of 0.

I agree with that assessment.

There is no evidence before me that actual physical, financial, or psychological harm occurred during the relevant period.

While the risk of harm was significant, PG41 distinguishes between potential and actual harm. In the absence of evidence confirming that harm materialized, a score of **0** is appropriate.

5. Deliberateness
The Investigator assigned this factor a score of 10.

I agree with that assessment.

The Respondents had actual knowledge of regulatory orders, deficiencies, and required remedial steps. Despite this, occupancy continued and compliance was not achieved.

While the Respondents submit that they were attempting to manage tenant displacement concerns, this does not justify continued operation of unsafe and unauthorized tenancies.
At minimum, the evidence supports reckless disregard for statutory obligations.

I find that **10** is the appropriate value.

6. Economic benefit
The Investigator assigned this factor a score of 9.

I agree with that assessment.

The evidence supports a reasonable inference that rental income was derived from eleven tenancies during the period of non-compliance. The Respondents did not provide evidence to refute this. The continued operation of non-compliant tenancies while avoiding compliance costs supports a significant score.

I find that **9** is the appropriate value.

7. Efforts toward compliance
The Investigator assigned this factor a score of -1.

I agree with that assessment.

I accept that some steps were taken, including retaining professionals and implementing interim measures. However, these efforts were incomplete and did not result in timely compliance. In addition, these measured were only taken after enforcement began and should have started before the residential units had been installed. The Respondents did not provide documentary evidence confirming that key regulatory requirements were satisfied.

These factors justify limited mitigation. I find that **-1** is the appropriate value.

PG41 Calculation and statutory maximum
Based on the above scoring, the Investigator calculated a total score of 41, resulting in a calculated penalty of $5,822.00 for each section 32(1) contravention.

To the extent that the calculated amount exceeds $5,000, the Act requires that the penalty be capped at the statutory maximum of $5,000 per contravention.

Given the high scores assigned across the factors, particularly gravity and magnitude, deliberateness, economic benefit, and duration, I find that the calculated penalty appropriately falls within or exceeds the highest penalty range under PG41.

Accordingly, I find that the statutory maximum is reasonable and appropriate in this case.
I therefore impose eleven AMPs of $5,000 each, for a total AMP of $55,000.

Matter 2: Section 32(1) and section 33(1)(c)(v) - Electrical system emergency repairs.
The Investigator recommended a one-time AMP of $2,100 in relation to the Respondents' failure to obtain the required permits to remediate unauthorized alterations to the electrical system.

I agree that this contravention is properly characterized as a single, property-wide issue. The evidence establishes that the alleged non-compliance relates to one electrical system affecting the Rental Property as a whole, rather than separate tenancy-specific deficiencies.

In applying PG41, the Investigator assessed the relevant factors and assigned scores. I have independently reviewed those scores in light of the evidence and the Respondents' submissions. For the reasons set out below, I agree with the Investigator's scoring and find that the resulting penalty of $2,100 is reasonable and appropriate.

Section 87.3(2)(b) of the Act – analysis:

1. Number of Previous Enforcement Actions for Similar Contraventions
The Investigator assigned this factor a score of 1.

I agree with that assessment.

The evidence establishes that the October 9, 2025, "Not Safe to Occupy" Order issued by DBL identified unauthorized alterations to the electrical system and required the Respondents to obtain permits within 60 days to bring the system into compliance. This constitutes a prior enforcement action directly related to the electrical contravention.

There is no evidence of multiple or escalating enforcement actions specific to the electrical system beyond this order.

I find that **1** is the appropriate value.

2A. Frequency / Repetition
The Investigator assigned this factor a score of 0 (zero).

I agree with that assessment.

The evidence demonstrates a single contravention, namely the failure to obtain required permits by the prescribed deadline. While the non-compliance persisted over time, it arose from one course of conduct rather than repeated or separate breaches.

I find that **0** (zero) is the appropriate value.

2B. Duration of the Contravention
The Investigator assigned this factor a score of 4.

I agree with that assessment.

The evidence establishes that the Respondents failed to obtain required permits from approximately December 9, 2025, to at least April 13, 2026. Correspondence from the City confirms that no permit applications had been submitted as of March 9, 2026.

This represents a continuous contravention over a period exceeding four months. The Respondents did not provide evidence demonstrating that permits were obtained or that the contravention was remedied within the required timeframe.

I find that **4** is the appropriate value.

3. Gravity and Magnitude of the contravention
The Investigator assigned this factor a score of 3.

I agree with that assessment.

The evidence establishes that unauthorized alterations to the electrical system created a safety risk to occupants. Observations of exposed and hanging wires, along with unpermitted electrical work, give rise to risks of fire, electric shock, and injury.

While these risks are serious, I agree that they are distinguishable in magnitude from the broader and more severe fire protection deficiencies associated with the section 32(1) tenancy contraventions. The electrical issues, while significant, are more localized in scope.

I also accept that the risks include potential impacts to tenants' safety, financial security, and well-being in the event of an incident.

Balancing these considerations, I find that a score of **3** appropriately reflects the seriousness and magnitude of the risk.

4. Extent of Harm to Others
The Investigator assigned this factor a score of 0 (zero).

I agree with that assessment.

There is no evidence before me that actual physical injury, financial loss, or psychological harm occurred as a result of the electrical system deficiencies during the relevant period.

While the potential for harm was present, PG41 requires actual harm to be established for this factor to attract a higher score.

I find that **0** (zero) is the appropriate value.

5. Deliberateness
The Investigator assigned this factor a score of 6.

I agree with that assessment.

The evidence establishes that the Respondents were aware of the requirement to obtain permits to remediate the electrical system. The October 9, 2025, Order clearly set out this requirement and provided a 60-day compliance period.

In addition, the CEU communicated with the Respondents on multiple occasions regarding compliance obligations. Despite this, the Respondents did not submit permit applications within the required timeframe.

While the contravention may not have been deliberate at the outset, the continued failure to act in the face of clear regulatory direction supports a finding of knowing non-compliance. This coupled with the evidence that they made no advanced inquiries with the municipal authorities before making alterations to the electrical system to accommodate the rental units they constructed.

I find that **6** is the appropriate value.

6. Economic benefit
The Investigator assigned this factor a score of 1.

I agree with that assessment.

The evidence supports a modest economic benefit arising from the failure to obtain the required electrical permit. The estimated cost of obtaining such a permit is relatively low; however, the Respondents avoided this cost by failing to comply.

There is insufficient evidence to establish broader financial gain tied directly to the electrical contravention.

I find that **1** is the appropriate value.

7. Efforts toward compliance
The Investigator assigned this factor a score of 0.

I agree with that assessment.

The Respondents submit that interim steps were taken, including addressing certain visible hazards. I have considered these submissions.

However, there is no evidence that the Respondents applied for or obtained the required permits within the prescribed timeframe. Nor is there evidence that the electrical system was brought into compliance during the relevant period.

Given the absence of meaningful or timely corrective action in relation to the specific contravention, I find that **0** is the appropriate value.

PG41 Calculation and penalty determination
Based on the above scoring, the Investigator calculated a total score of 15, resulting in a calculated penalty of approximately $2,130, which was rounded to $2,100 in accordance with PG41.

I have independently reviewed this calculation and find it to be reasonable and supported by the evidence.

The total score reflects:

- moderate seriousness and risk (gravity and magnitude);
- measurable duration of non-compliance;
- knowing failure to comply with regulatory direction; and
- limited economic benefit and no demonstrated corrective action.

I find that the calculated amount of $2,100 is proportionate when compared to the significantly higher penalties imposed for the Matter 1 contraventions, which involve more severe and systemic life safety risks.

Conclusion on Quantum
I have applied all seven factors under section 87.3(2) of the Act before deciding the quantum of AMPs and guidance from PG41. While I am not bound by PG41, I find no basis to depart from it in this case.

The PG41 scoring supports penalties at or above the maximum allowable amount for the Matter 1 contraventions and the Matter 2 section 32(1) and section 33(1)(c)(v) of the Act contraventions in relation to the electrical system.

Therefore, I impose the following AMPs:

Matter 1 – Eleven (11) one-time AMPs of $5,000.00 for contraventions of section 32(1) of the Act for a total of $55,000.00; and

Matter 2 – A one-time AMP of $2,100.00 for contravention of section 32(1) and section 33(1)(c)(v) of the Act,

for a total AMP of **$57,100**.

These penalties are imposed collectively against 1460317 B.C. Ltd., Akhtar Nawaz, and Sarwar Khan. No penalty is imposed against Tayyaba Butt for the reasons set out above.

Please note that the Act allows for separate monetary penalties of $5,000.00 for each day a contravention continues. At this time, I am setting the penalty at $57,100.00 with the expectation that this will ensure your compliance with the Act.

Please be advised that should you continue to contravene section 32(1) or section 32(1) and section 33(1)(c)(v) of Act, you may be subject to additional penalties of up to $5,000.00 for each day the contraventions continue.

Pursuant to section 9(5)(d) of the Act, the director will be publishing the decision and summary thereof with respect to the administrative penalty proceedings against you, including your penalty payment status.

This $57,100.00 administrative penalty is to be <u>made payable to the Minister of Finance</u> by cheque, money order or bank draft. Please submit the payment to:

Scott McGregor
Director, Compliance and Enforcement Residential Tenancy Branch
PO Box 9298 Stn Prov Govt
Victoria, BC V8W 9J8

Date by which penalty must be paid
Section 35 of the Regulation states that an administrative penalty must be paid within 60 days after the date of the order. **Please send your payment to my attention at the address noted above on or before September 14, 2026.**

Sections 87.3(4) through 87.3(7) of the Act provide opportunities for the Director to consider alternatives to enforcing all or part of an Administrative Penalty. Any request to consider an alternative can be sent to my attention at the address provided above before the payment due date. The request should include your proposal for an agreement including:

- the actions you propose to take,
- the date by when you propose to have completed those actions, and
- the amount by which you propose the administrative penalty be reduced or whether you propose the administrative penalty be cancelled if those actions are completed by that date.

If an agreement is entered into and you fail to complete the required actions by the specified date, the administrative penalty will once again be due and payable in full.

Right to have Director reconsider the decision imposing the penalty
Under section 87.8 of the Act, you have the right to apply to the director for a review of the matters set out in this notice. Division 2 of Part 5 of the Act applies to any such review. Please note that, as outlined in section 87.8(4) of the Act, a decision or order of the director may be reviewed only on one or more of the following grounds:

a) the person couldn't be heard because of unanticipated circumstances beyond their control;
b) the person has new and relevant evidence that was not available before the director imposed the administrative penalty;
c) a procedural error materially affected the decision to impose the administrative penalty or the amount of the administrative penalty;
d) a technical irregularity or error materially affected the decision to impose an administrative penalty or the amount of the administrative penalty;
e) the director did not determine an issue they were required to determine.

An application for review of a decision or order of the director:

a) must be made in the approved form and in the manner approved by the director,
b) must be accompanied by the fee prescribed in the regulation,
c) must be accompanied by full particulars of the grounds for review and the evidence on which the applicant intends to rely, and
d) may be made without notice to any other party.

The time limit for filing an application for review is within 15 days after you will have been deemed served a copy of this decision. In accordance with section 89(3) and section 90 of the Act and section 43(4)(b) and 44 of the Regulation, you will be deemed to have received this decision on the third day after it is emailed, on the fifth day after it has been mailed on the third day that is has been attached to your door. .

Should you wish to exercise this right, complete an Application for Review Consideration of an Administrative Penalty (form #RTB-56). Be sure to clearly indicate the grounds for the review and include all evidence that supports your claim. Submit your application along with the $50.00 filing fee in person at a Residential Tenancy Branch office or Service BC location or by mailing the form to the Burnaby RTB office. If you submit the form by mail, ensure it is postmarked by Canada Post staff and sent within the 15-day review period. You may pay the filing fee by sending a certified cheque or money order payable to the Minister of Finance to the Residential Tenancy Branch Office or by paying in person at the RTB Burnaby Office or in person at a Service BC Office.

You can find additional information including the Application for Review Consideration of an Administrative Penalty on this webpage: https://www2.gov.bc.ca/gov/content/housing-tenancy/residential-tenancies/compliance-and-enforcement/enforcement-process

Recovery of Administrative Penalty

As set out in section 87.9(1) of the Act, an administrative penalty is a debt due to the government. Failure to pay the penalty as ordered will result in the debt being transferred to the Ministry of Finance where interest will accrue and collection action being taken.

In addition, section 59(5)(b) of the Act gives the director the authority to refuse applications for dispute resolution, with respect to any matter, the applicant owes outstanding fees or administrative penalty amounts under this Act to the government.

Sincerely,

Signature On Original
Signature On Original
Signature On Original
Signature On Original

Scott McGregor
Director, Compliance and Enforcement Residential Tenancy Branch
PO Box 9298 Stn Prov Govt
Victoria, BC V8W 9J8
Email:

Enclosed:

Administrative Monetary Order
Residential Tenancy Branch Administrative Penalty Policy Guideline 41 and Publishing AMP decisions Policy Guideline 53