37. Permitted Rent Increases

In This Guideline:

A. Takeaway 1
B. Related Guidelines 1
C. Legislative Framework 1
D. Timing Requirement 2
E. Notice Requirement 3
F. Additional Occupant Clauses 3
G. Costs of services and facilities 4
H. Policy Guideline Intention 6
I. Changes to Policy Guideline 6

A. Takeaway

This policy guideline includes information about the timing and notice requirements for all permitted rent increases as well as information on additional occupant rent changes under additional occupant clauses.

B. Related Guidelines

Specific information on each of the types of permitted rent increases under Part 3 of the RTA and Part 4 of the MHPTA can be found in the following Policy Guidelines:

- Policy Guideline 37A: Annual Rent Increase
- Policy Guideline 37B: Agreed Rent Increase
- Policy Guideline 37C: Additional Rent Increase for Capital Expenditures (ARI-C)
- Policy Guideline 37D: Additional Rent Increase for Expenditures (ARI-E)

C. Legislative Framework

The following sections describe permitted rent increases under Part 3 of the RTA and Part 4 of the MHPTA.

Residential Tenancy Act	*Manufactured Home Park Tenancy Act*

(RTA)	(MHPTA)
• section 43	• section 36

Under the MHPTA and the RTA, "rent" means "money paid or agreed to be paid, or value or a right given or agreed to be given, by or on behalf of a tenant to a landlord in return for the right to possess a rental unit, for the use of common areas and for services or facilities, but does not include any of the following:

(a) a security deposit

(b) a pet damage deposit

(c) a fee prescribed" by regulation

Under section 36 of the MHPTA and section 43 of the RTA, a landlord may impose a rent increase only up to the amount:

- calculated in accordance with the regulations ("annual rent increase"),
- agreed to by the tenant in writing ("agreed rent increase"), or
- ordered by the director on an application in the circumstances prescribed in the regulations ("additional rent increase").

Section 40 of the RTA sets out that a "rent increase" in Part 3 of the RTA does not include an increase that is for one or more additional occupants and is authorized under the tenancy agreement. See Section F of this Guideline for more information.

D. Timing Requirement

Under section 35 of the MHPTA and section 42 of the RTA, a landlord can give a rent increase once every twelve months after:

- the date on which the tenant's rent was first payable for the rental unit or site, or
- if the tenant's rent has previously been increased, the effective date of the last rent increase.

For example, the landlord gives the tenant an annual rent increase that takes effect on January 1, 2022, and then applies for and is granted an additional rent increase under section 23.01 of the *Residential Tenancy Regulation* (Regulation) in March 2022.

The additional rent increase cannot take effect before January 1, 2023 (and is given with the annual rent increase for 2023). Similarly, the landlord and tenant cannot mutually agree to a rent increase six months after the annual rent increase took effect. The director cannot change the timing requirements for rent increases.

E. Notice Requirement

The landlord must give the tenant a completed Notice of Rent Increase form at least three months before the effective date of the rent increase. The approved form for each type of permitted rent increase must be used when serving notice. The approved forms are available on the Residential Tenancy Branch Forms webpage.

F. Additional Occupant Clauses

In accordance with section 13 (2) (f) (iv) of the RTA, if the amount of rent payable is to vary with the number of occupants, parties must set out in their written tenancy agreement the amount by which it varies. If an additional occupant resides in the rental unit, the rent will increase by the amount specified in the tenancy agreement. If an occupant stops residing in the rental unit, the rent will decrease by that same amount.

If the tenancy agreement does not include a term that the rent varies based on the number of occupants, a landlord cannot increase the rent because a new occupant begins to reside with the tenant.

It is important to note that, in accordance with section 40 of the RTA, an increase based on an additional occupant is not considered a rent increase under Part 3 of the RTA. Therefore, the notice and timing requirements for these other rent increases do not apply.

Section 22.1 of the RTA restricts a landlord from increasing the rent based on the number of occupants due to the addition of:

- An occupant who is a minor, or
- an occupant who, when the tenancy agreement was entered into, was a minor and an occupant but is no longer a minor.

A “minor” means a person who has not yet reached the age of 19 (as established by sections 1 and 4 of the *Age of Majority Act*).

The following are examples of how this restriction applies if the tenancy agreement states that the rent varies based on the number of occupants:

- Example 1: If a family begins a tenancy and their 17-year-old child is also an occupant of the rental unit, a landlord can never increase the rent in relation to that child, even once that child turns 19 years-old. If that child, whether before or after they turn 19, moves away for a period of time, and then returns to the rental unit, the landlord also cannot increase the rent.

- Example 2: If a tenant begins a tenancy and their 17-year old friend is not an occupant of the rental unit when the tenancy begins but their friend becomes their roommate (an occupant) when their friend is 18-years old, the landlord cannot initially increase the rent in relation to the 18-year-old moving in. When that friend turns 19-years-old, however, the landlord can impose the additional occupant rent increase.

- Example 3: If a parent with a three-month-old baby begins a tenancy, the landlord can never increase the rent in relation to that child, even once that child turns 19 years-old. If six months later, that parent's new partner moves in with their own thee-month old baby, the landlord can increase the rent in relation to the parent's partner if the required term is in the tenancy agreement, but cannot increase the rent in relation to the second baby until that baby turns 19-years-old and then only if they are still an occupant of the unit.

If, prior to May 16, 2024, a landlord increased the rent in relation to an additional occupant who is or was a minor, that rent increase remains in effect.

Terms in tenancy agreements that provide for rent variances based on the number of occupants will not be enforceable if the amount by which the rent would increase is unconscionable because it is grossly unfair to a tenant. See Policy Guideline 8: Unconscionable and Material Terms for more information.

G. Costs of services and facilities

A service or facility provided by the landlord to a tenant is a "service or facility" under the MHPTA and RTA. Section 1 of the MHPTA and RTA states that "service or facility" includes any of the following that are "provided or agreed to be provided by the landlord to the tenant of a rental unit":

- appliances and furnishings (RTA only)
- utilities and related services
- cleaning and maintenance services (RTA only)
- parking spaces and related facilities
- cablevision facilities (RTA only)
- laundry facilities
- storage facilities
- elevator (RTA only)
- common recreational facilities
- intercom systems (RTA only)
- garbage facilities and related services
- heating facilities or services (RTA only)
- housekeeping services (RTA only)
- water, sewerage, electricity, lighting, roadway, and other facilities (MHPTA only)

This list is not exhaustive; other types of services and facilities that are not listed but are similar to those included in the list can be considered a "service or facility" for the purposes of the MHPTA and RTA. For example, the Director considers meals regularly provided by a landlord to a tenant to be a "service or facility."

Increases in the amount payable by a tenant for a "service or facility" are governed under the MHPTA and RTA differently depending on whether the landlord is required to provide the services under the tenancy agreement. Under the MHPTA and RTA, "rent" is "money paid…by or on behalf of a tenant to a landlord in return for the right to possess a rental unit, for the use of common areas and for services and facilities." Under section 5(1)(e) of the Manufactured Home Park Tenancy Regulation and section 7(1)(g) of the Residential Tenancy Regulation, a landlord can charge a non-refundable fee "for services and facilities requested by the tenant, if those

services and facilities are not required to be provided under the tenancy agreement."

The amount payable for services or facilities that:

- a landlord is required to provide under the tenancy agreement (i.e., the tenancy agreement states that the landlord will provide the service or facility) or
- are otherwise mandatory for the tenant to receive, even if they are not identified in the tenancy agreement or are identified in a separate agreement,

meet the definition of "rent" under the MHPTA and RTA. As such, cost increases for those services or facilities are captured by the MHPTA and RTA rent increase limits (see Policy Guideline 37A).

The amount payable for services or facilities that:

- a landlord is not required to provide under the tenancy agreement (i.e., the tenancy agreement does not state that the landlord will provide them), AND
- are optional for a tenant to receive

do not meet the definition of "rent." As such, costs for those services or facilities would be considered a "non-refundable fee," and increases of those costs are not limited by the limits on rent increases under the MHPTA and RTA.

H. Policy Guideline Intention

The Residential Tenancy Branch issues policy guidelines to help Residential Tenancy Branch staff and the public in addressing issues and resolving disputes under the *Residential Tenancy Act* and the *Manufactured Home Park Tenancy Act*. This policy guideline may be revised and new guidelines issued from time to time.

I. Changes to Policy Guideline

Section	Change	Notes	Date Guideline Changed
All	Am	Revised for Clarity and Inclusion of the Additional Rent Increase	July 5, 2021

		for Capital Expenditures provisions	
B	Am	Added information on 2023 Annual Rent Increase	September 9, 2022
All	Am	Significantly revised Policy Guideline and created PG37A-PG37D for each type of rent increase.	February 17, 2023
F	New	Updated to reflect amendment that restricts charging additional rent for additional occupants in relation to certain occupants	May 2024
All	Am	Formatted to new template	May 2024
C	Am	Added definition of “rent”	October 1, 2025
G	New	New section G on service cost increases	October 1, 2025
H	Am	Renumbered to accommodate new section G	October 1, 2025

Change notations
am = text amended or changed
del = text deleted
new = new section added