



REASONS

In the matter of: 20 GOLDBECK LANE, WATERLOO, ON, N2J4L1
30 GOLDBECK LANE, WATERLOO, ON, N2J4L1
40 GOLDBECK LANE, WATERLOO, ON, N2J4L1
50 GOLDBECK LANE, WATERLOO, ON, N2J4L1
60 GOLDBECK LANE, WATERLOO, ON, N2J4L1

Between: 530675 ONTARIO LIMITED O-A MAYFIELD ESTATES LP Landlord

and

Refer to attached Schedule 2 Tenants

530675 ONTARIO LIMITED O-A MAYFIELD ESTATES LP (the 'Landlord') applied for an order permitting the rent charged to be increased by more than the guideline for one or more of the rental units in the residential complex because of an extraordinary increase in the cost for municipal taxes and charges.

Waterloo Regional Community Legal Services requested, on behalf of Tenants affected by this order, requested reasons for the above guideline increase ordered by the Board.

Reasons to Order SWL69354-14 issued on November 18, 2015 by Member Greg Joy.

1. Pursuant to paragraph 1 of subsection 126(1) of the *Residential Tenancies Act, 2006* ('Act'), the Landlord has applied for an order permitting the rent to be increased by more than the guideline amount because the Landlord has experienced an extraordinary increase in the cost for municipal taxes and charges for the residential complex.
2. In 2013 (the "reference year"), the municipal property tax for the residential complex was \$135,133.93. The municipal property tax was increased to \$144,840.10 in 2014 (the "base year").
3. According to subsection 126(2) of the Act and section 28 of O. Reg. 516/06, an increase in the municipal taxes and charges is "extraordinary" if the percentage increase between the reference year and the base year is greater than the guideline rent increase plus 50% of the guideline.

4. Pursuant to section 28 of O. Reg. 516/06, the base year and reference year costs for municipal taxes and charges must be compared to determine if the increase is extraordinary.
 - The Landlord claimed the following: In 2014 the Municipality also introduced charges which include a Municipal License Fee as well as Electrical Safety Authority charge. This first time charge totals \$25,112.63 for the License Fee and 18,034.80 for the ESA charge for a total of \$43,147.43. When added to the \$144,840.10 in 2014 (the “base year”) charge the total paid by the Landlord is \$187,987.53. As a result the total increase from the ‘reference year’ charges to the ‘base year’ charges is an increase of \$47,486.67.
 - The residential complex contains 60 units. The Landlord has applied for 57 units because 3 of the units are exempt. As a result the ‘base year’ totals are reduced to \$185,863.77.
 - First, the actual percentage increase in the costs of municipal taxes and charges incurred by the Landlord is determined using the following formula: $(\text{BY costs} - \text{RY costs}) \div \text{RY costs} \times 100$. In this case, the actual percentage increase is 37.5%.
 - Next, this percentage must be compared to the percentage calculated by adding the guideline rent increase that was in effect on the First Effective Date (‘FED’) of the intended rent increase, plus 50% of the guideline. The guideline for 2015 (year of FED) is 1.60%, plus 50% = 2.40%
 - As the percentage increase in costs incurred by the Landlord exceeds 2.40%, the increase is considered to be “extraordinary”. Therefore, the Landlord’s application supports an above guideline increase in rent due to an extraordinary increase in the cost for municipal taxes and charges.
5. Subsection 29(2) of O. Reg. 516/06 sets out how to calculate the allowance for the extraordinary increase in the cost for municipal taxes and charges. Only that portion of the increase in the cost for municipal taxes and charges that is greater than the guideline amount is considered to be extraordinary for the purposes of calculating the justified rent increase. The formula used to calculate the allowance for municipal taxes and charges is: $\text{BY costs} - [\text{RY costs} + (\text{RY costs} \times (\text{guideline plus } 50\%))]$. In this case, the allowance is \$50,729.83.
6. After calculating the allowance for the extraordinary increase in the cost for municipal taxes and charges, the justified rent increase for each affected unit must be determined by apportioning the allowances to the units, in accordance with section 31 of O. Reg. 516/06. The formula used to apportion the increase is: $\text{allowance for cost increase} \div \text{the total annual rent for all affected units (see Schedule 1, Part D, column 3 of the application)} \times 100$.

7. Having performed the necessary calculation using this formula, I find that the Landlord has justified an above guideline increase in rent of 6.00% for the rental units affected by this order because of an extraordinary increase in the cost for municipal taxes and charges.

March 10, 2016

Date Issued

Eastern-RO
255 Albert Street, 4th Floor
Ottawa ON K1P6A9



Greg Ioy

Member, Landlord and Tenant Board

If you have any questions about this order, call 416-645-8080 or toll free at 1-888-332-3234.

Schedule 1 - Units affected by this Order:**File Number:SWL-69354-14**

20 GOLDBECK LANE, WATERLOO, ON, N2J4L1	506
201	507
202	508
203	509
204	510
205	511
206	512
207	60 GOLDBECK LANE, WATERLOO, ON, N2J4L1
208	101
209	102
210	103
211	104
212	105
30 GOLDBECK LANE, WATERLOO, ON, N2J4L1	106
301	107
302	108
303	110
304	111
305	112
306	113
307	
308	
309	
40 GOLDBECK LANE, WATERLOO, ON, N2J4L1	
401	
402	
403	
404	
405	
406	
407	
408	
409	
410	
411	
412	
50 GOLDBECK LANE, WATERLOO, ON, N2J4L1	
501	
502	
503	
504	
505	

Schedule 2 - Tenants who are Affected by this Order: File Number:SWL-69354-14

CRAWFORD, PAT
ALI, HABID
ARMSTRONG, GREG
ARSENAULT, ELENA
BEECROFT-SUMSION, BRENDA
BOES, GARY
CHLEBUS, CHERYL
CORMIER, ALISHA
CORMIER, JOHN
CRESPO, ERIKA
CRUZ, MICHAEL
CUTBRUSH, ORION
DEMARTE, .
FALKINER, DAN
GARDNER, NEIL
GIASSON, JESSICA
GIBBINS, BRIAN
GOTHARD, ALLISON
GOULIQUER, LOIS
GRAY, CYNTHIA
GRIEVE, KRISTA
HAMID, IMRANA
HAMLIN, RON
HARTMAN, DANIELLE
HAYES, NICOLE
HAYWARD, COLIN
HAYWARD, NATASHA
HOUSTON, LESLIE
KAMASZ, BARB
KIPFER, ANDREW
KLAGES, NEIL
KNOERCK, BONNIE
KNOLL, BETTY
KNOLL, WILL
KOWBA, HENRY
KRELLER, JEFF
KUHN, AL
LANTEIGNE, JASON
LEIS, VICTORIA
LENIO, NATALIE

LOUBE, MELANIE
LUBITZ, LINDA
MANGAN, BRIAN
MARSH, DAVID
MILLER, WAYNE
MIN, KYUNGJOO
NOECKER, BRENDA
PEREZ, MARCO
POVELOFSKIE, WILLIAM
RAYMOND, ERIC
RUJESCU, ROXANA
RUTKA, ROY
SAHI, MANHAL
SANTOS, LUIZ
SANTOS, SABRINE
SCARLAT, COSMIN
SCHAFF, KAYLA
SCHERRER, SCOTT
SCHMITTHAUSER, RICK
SCOTT, LINDELL
SECORD, NATHAN
SEIRLI, JULIA
STRUSBERG, ROBIN
SWAINSON, JENNIFER
SYMONS, LORRIE
TAKHTAMIROU, EDWARD
THAO, SO VANG
VANDERZWAAG, JENNIFER
VANKOUGHNETT, RYAN
WATKINSON, BRAD
WATKINSON, DONNA
WONG, ELAINE
ZEHR, JEN
ZUFICH, AMANDA

