



**Order LR08-13**

**IN THE MATTER** of establishing the allowable percentage rent increase for 2009, pursuant to subsection 23(1) of the *Rental of Residential Property Act*, R.S.P.E.I. 1988, Cap. R-13.1.

**BEFORE THE COMMISSION**

on Friday, the 12th day of September, 2008.

Maurice Rodgerson, Chair  
Brian J. McKenna, Vice-Chair  
John Broderick, Commissioner

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# Order

Compared and Certified a True Copy

(Sgd.) *Susan D. Jefferson*  
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Commission Administrator

**IN THE MATTER** of establishing the allowable percentage rent increase for 2009, pursuant to subsection 23(1) of the *Rental of Residential Property Act*, R.S.P.E.I. 1988, Cap. R-13.1.

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# Order

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**WHEREAS** pursuant to the provisions of subsection 23(1) of the *Rental of Residential Property Act*, the Commission is required to establish the allowable percentage of rent increase for 2009;

**AND WHEREAS** pursuant to the provisions of subsection 23(2) of the *Act*, the Director of Residential Rental Property placed a notice in the printed media inviting written representations from lessors and lessees to assist in establishing the annual prescribed percentage rent increase;

**AND WHEREAS** in setting the prescribed percentage rent increase the Commission has considered the following: representations received pursuant to subsection 23(2) of the *Act*, the vacancy rates for the province, a review of the economic outlook for the province, a review of the Consumer Price Index forecasts for 2009, a weighted model of estimated cost components for 2008 and 2009, previous allowed rent increases, the increase in the consumer price index and the increase of weekly wages and salaries;

**AND WHEREAS** the Commission recognizes that the cost of heating residential premises has risen sharply and such increases are expected to continue to increase at a higher rate than the Consumer Price Index;

**AND WHEREAS** the one (1.00) percent allowable increase for 2008 did not adequately cover increased operating costs, especially significantly increased fuel costs for heated rental residential premises;

**AND WHEREAS** the Commission recognizes that, at the present time, lessors who provide heated rental residential premises are subject to proportionally larger increases in operating expenses than lessors who operate unheated rental residential premises and this trend is expected to continue for 2009;

**AND WHEREAS** the Commission has concluded that separate maximum rates of rent increase are necessary for 2009 for heated and unheated rental residential premises;

**AND WHEREAS** the Commission has concluded that a maximum rate of rent increase, comparable to that allowed for unheated rental residential premises, is also necessary for 2009 where the lessor rents a mobile home site only in a mobile home park;

**AND WHEREAS** the Commission recognizes the importance of energy conservation and the need for Lessors and Lessees to cooperate in implementing energy savings measures, the Commission notes the allowable increases are the *maximum* and, therefore, there is an opportunity for incentive rent reductions if conservation measures prove effective;

**AND WHEREAS** having taken into consideration the foregoing factors, calculations, submissions and projections the Commission has determined the following maximum allowable rent increases to be justified;

**NOW THEREFORE**, pursuant to the *Rental of Residential Property Act*,

## **IT IS ORDERED THAT**

1. **The maximum allowable percentage rent increase for 2009 for heated premises shall be nine (9.00) percent.**
2. **The maximum allowable percentage increase for 2009 for unheated premises shall be three (3.00) percent.**
3. **The maximum allowable percentage rent increase for 2009 for a mobile home site only in a mobile home park shall be three (3.00) percent.**

**DATED** at Charlottetown, Prince Edward Island, this 12th day of September, 2008.

**BY THE COMMISSION:**

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(Sgd.) *Maurice Rodgerson*

Maurice Rodgerson, Chair

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(Sgd.) *Brian J. McKenna*

Brian J. McKenna, Vice-Chair

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(Sgd.) *John Broderick, Commissioner*

John Broderick, Commissioner