



**Order LR08-18**

**IN THE MATTER** of a review of the established allowable percentage rent increase for 2009, pursuant to section 12 of the Island Regulatory and Appeals Commission Act and subsection 23(1) of the Rental of Residential Property Act.

**BEFORE THE COMMISSION**  
on Thursday, the 11th day of December, 2008.

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

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# Order

**IN THE MATTER** of a review of the established allowable percentage rent increase for 2009, pursuant to section 12 of the Island Regulatory and Appeals Commission Act and subsection 23(1) of the Rental of Residential Property Act.

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# Order

**WHEREAS** section 12 of the *Island Regulatory and Appeals Commission Act*, R.S.P.E.I. 1988, Cap. I-11 reads as follows:

*12. The Commission may, in its absolute discretion, review, rescind or vary any order or decision made by it, or rehear any application before deciding it. 1991,c.18,s.12.*

**AND WHEREAS** section 21 of the *Rental of Residential Property Act*, R.S.P.E.I. 1988, Cap. R-13.1 reads as follows:

*21. The rent payable for residential premises shall not be increased until twelve months have elapsed since the date of any previous increase or, in the case of residential premises not previously rented, the date on which rent was first charged. 1988,c.58,s.21.*

**AND WHEREAS** the *Rental of Residential Property Act* is silent on the matter of rent decreases;

**AND WHEREAS** the Commission sought public input on the matter of the allowable increase in rents for 2009;

**AND WHEREAS** all submissions from Lessors referenced the rising cost of heating fuel over the 2007 and 2008 heating season and indicated the significant impact it had on the viability of their operations;

**AND WHEREAS** following that public input process the Commission issued Order LR08-13 on September 12, 2008 setting the allowable rent increase for 2009 at three (3.00) percent for unheated premises, three (3.00) percent for mobile home sites in a mobile home park and nine (9.00) percent for heated premises;

**AND WHEREAS** the Commission may review a decision or Order of the Commission where a material change of circumstances has occurred. Changed circumstances may include a situation which has developed after the decision or Order has been issued.

**AND WHEREAS** the world financial crisis occurred after the issuance of Order LR08-13 and the result of said crisis reduced demand for refined petroleum products and has significantly reduced home heating fuel costs over the past four months;

**AND WHEREAS** the Commission has considered the above noted factors;

**AND WHEREAS** the Commission has determined it has the authority to decrease the allowable rent increase for heated units for 2009 as the result of a material change of circumstances;

**AND WHEREAS** the Commission upon review of the latest petroleum pricing information has determined the allowable 2009 rent increase for heated units should be varied to take into account reduced fuel prices which will result in lower than expected operating costs for heated units;

**NOW THEREFORE**, pursuant to the *Island Regulatory and Appeals Commission Act* and pursuant to the *Rental of Residential Property Act*,

### **IT IS ORDERED THAT**

Order LR08-13 is hereby varied to establish the following maximum allowable rent increases:

1. The maximum allowable rent increase for heated premises in 2009 shall be five (5.00) 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 11th day of December, 2008.

**BY THE COMMISSION:**

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Maurice Rodgerson, Chair

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Brian J. McKenna, Vice-Chair

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John Broderick, Commissioner