

Amended Decision Issued: May 9, 2023

Original Decision Issued: April 25, 2023

File: ST-2022-005386

Type: Strata

**Civil Resolution Tribunal** 

Indexed as: Klingler v. The Owners, Strata Plan VR214, 2023 BCCRT 339

BETWEEN:

RACHEL KLINGLER

APPLICANT

AND:

The Owners, Strata Plan VR214

RESPONDENT

## AMENDED REASONS FOR DECISION<sup>i</sup>

Tribunal Member:

# INTRODUCTION

 Rachel <u>Klingler</u> co-owns strata lot 4 (SL4) in the strata corporation, The Owners, Strata Plan VR214 (strata). Ms. <u>Klingler</u> rented out SL4 from May 15, 2021, to May 15, 2022, after the strata granted a 1-year hardship exemption from the strata's rental

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restriction bylaw. The strata declined to grant a further hardship exemption after May 15, 2022, so SL4 became vacant.

- 2. Ms. <u>Klingler</u> says that the strata should have permitted her to keep renting out SL4 after May 15, 2022. She makes 3 arguments. First, she argues that the strata's rental restriction bylaw was unenforceable. Second, she says that the strata had approved her request to rent SL4 when she first purchased it in 2015. So, she says the strata was wrong to require her to apply for a hardship exemption in the first place. Finally, she argues that the strata wrongfully denied her hardship application.
- 3. Ms. <u>Klingler</u> asks for an order that the strata approve SL4 as a rental unit or, alternatively, grant a hardship exemption for 2 years. She also asks for the following damages:
  - a. \$2,495 per month in lost rent starting on May 15, 2022,
  - b. \$200 for the move-out fee her tenants had to pay when they left on May 15, 2022,
  - c. \$5,000 in aggravated damages,
  - d. \$5,000 in punitive damages, and
  - e. \$5,500 in legal fees.
- 4. The strata denies Ms. <u>Klingler's</u> claim. The strata says that its rental restriction bylaw was enforceable. The strata also says that it correctly removed SL4 from the rental list because it decided Ms. <u>Klingler</u> did not count as a "rental" because she lived in SL4 with a roommate. The strata also says that its decision to deny Ms. <u>Klingler's</u> hardship application was justified based on the financial information Ms. <u>Klingler</u> provided. Finally, the strata denies that it did anything to warrant aggravated or punitive damages.
- 5. Ms. <u>Klingler</u> is self-represented. The strata is represented by a council member.

# JURISDICTION AND PROCEDURE

- 6. These are the formal written reasons of the Civil Resolution Tribunal (CRT). The CRT has jurisdiction over strata property claims under section 121 of the *Civil Resolution Tribunal Act* (CRTA). The CRT's mandate is to provide dispute resolution services accessibly, quickly, economically, informally, and flexibly. The CRT must act fairly and follow the law. It must also recognize any relationships between dispute parties that will likely continue after the CRT's process has ended.
- 7. The CRT has discretion to decide the format of the hearing, including by writing, telephone, videoconferencing, email, or a combination of these. In some respects, both parties of this dispute call into question the credibility, or truthfulness, of the other. In the circumstances of this dispute, I find that I am properly able to assess and weigh the evidence and submissions before me. I note the decision *Yas v. Pope*, 2018 BCSC 282, in which the court recognized that oral hearings are not necessarily required where credibility is in issue. Bearing in mind the CRT's mandate that includes proportionality and a speedy resolution of disputes, I decided to hear this dispute through written submissions.
- 8. The CRT may accept as evidence information that it considers relevant, necessary, and appropriate, whether or not the information would be admissible in court. The CRT may also ask the parties and witnesses questions and inform itself in any way it considers appropriate.
- 9. Under section 123 of the CRTA and the CRT rules, in resolving this dispute the tribunal may order a party to do or stop doing something, order a party to pay money, or order any other terms or conditions the CRT considers appropriate.

## ISSUES

- 10. The issues in this dispute are:
  - a. Does the *Building and Strata Statutes Amendment Act* (BSSA) make any of Ms. <u>Klingler's</u> claims moot?

- b. Was the rental restriction bylaw enforceable?
- c. Was Ms. <u>Klingler</u> on the rental list in January 2021 when she wanted to start renting SL4?
- d. Did the strata act unreasonably when it denied Ms. <u>Klingler's</u> request for a hardship exemption?
- e. Is Ms. <u>Klingler</u> entitled to lost rent and the move out and move in fees? If so, how much is she entitled to?
- f. Is Ms. Klingler entitled to aggravated damages?
- g. Is Ms. Klingler entitled to punitive damages?
- h. Is Ms. Klingler entitled to reimbursement of her legal fees?

## BACKGROUND

- In a civil claim such as this, Ms. <u>Klingler</u> as the applicant must prove her case on a balance of probabilities. While I have read all the parties' evidence and submissions, I only refer to what is necessary to explain my decision.
- 12. The strata consists of 18 residential strata lots in a 3-floor building. It was created in 1998.
- 13. The strata filed a complete set of bylaws in the Land Title Office on November 9, 2001, which replaced all previous bylaws. At that time, bylaw 40(1) restricted rentals to 4 strata lots at a time. A bylaw amendment filed November 21, 2003, reduced the number of permitted rentals to 3. A bylaw amendment filed January 16, 2019, further reduced the number of permitted rentals to 2.

## **EVIDENCE AND ANALYSIS**

#### Does the BSSA make any of Ms. <u>Klingler's</u> claims moot?

- 14. On November 24, 2022, the BSSA came into force and became law. Before the BSSA passed, sections 141 to 145 of the *Strata Property Act* (SPA) governed how a strata's bylaws could restrict rentals. The BSSA repealed sections 142 to 145 and most of section 141 of the SPA. Now, section 141 says that a strata cannot restrict the rental of a strata lot.
- 15. Section 121(1) of the SPA says that a strata bylaw is unenforceable to the extent it contravenes other SPA provisions. I find that to the extent bylaw 40 restricts the number of strata lots that can be rented, it has, since November 24, 2022, contravened section 141 and has therefore been unenforceable. In other words, Ms. <u>Klingler</u> has been permitted to rent SL4 since November 24, 2022. In her submissions, she says that she started renting SL4 "since legislation passed", which I infer refers to the BSSA. However, she did not formally withdraw her claims to be put on the rental list or to be granted a hardship exemption.
- 16. A claim is considered moot when something happens after a legal proceeding starts that removes any "present live controversy" between the parties. Generally, moot claims will be dismissed. However, the CRT has discretion to decide otherwise moot claims if doing so would have a practical impact and potentially avoid future disputes. See *Binnersley v. BCSPCA*, 2016 BCCA 259. I find that the passage of the BSSA makes Ms. <u>Klingler</u>'s claims to be put on the rental list or granted a hardship exemption moot. I see no practical reason to decide these claims anyway. I therefore dismiss these claims.

# Did the strata act unreasonably when it denied Ms. <u>Klingler's</u> request for a hardship exemption?

17. First, I will address the applicable law. Before November 24, 2022, strata corporations could restrict or prohibit rentals by passing a bylaw. However, section 144 of the SPA allowed owners to apply to the strata corporation for an exemption from a rental

restriction bylaw on the basis of hardship. Section 144(6) said that the strata corporation could not unreasonably deny a hardship application.

- 18. In Als v. Strata Corporation NW 1067, 2002 BCSC 134, the Court outlined a non-exhaustive list of factors a strata corporation should consider when deciding a hardship application, such as whether the owner would have to sell at a loss. The Court in Als focused on financial considerations, but noted that the circumstances of the individual owner applying for an exemption must be considered. Specifically, the Court noted that "what may be 'hardship' to one owner may not be hardship to another". In other words, it is not enough to assess a hardship application as a math problem alone. The question before me is whether the strata reasonably denied Ms. <u>Klingler's</u> multiple hardship applications between March and June 2022. With that background in mind, I turn to the relevant chronology.
- 19. Ms. <u>Klingler</u> moved into SL4 in 2015. She intended to find a paying roommate. Initially, the strata counted a paying roommate as a rental under bylaw 40, and approved Ms. <u>Klingler</u> as one of the 3 rental strata lots. Since then, the email evidence before me shows that the strata's managers have given inconsistent advice about whether an owner who resides in a strata lot with a paying roommate counts towards the rental limit. The parties made submissions about that issue in this dispute, but I find it unnecessary to resolve it. All that matters here is that starting in early 2017, the strata no longer considered SL4 as a rented strata lot, and Ms. <u>Klingler</u> did not dispute the decision at that time.
- 20. On November 26, 2020, Ms. <u>Klingler</u> emailed the strata manager that she was "not sure" if SL4 was on the rental list as there had been "confusion around this" in the past. The strata manager responded that SL4 was not listed as a rental. Ms. <u>Klingler</u> asked to be put on the rental waitlist. The parties dispute where Ms. <u>Klingler</u> was on the waitlist at that time, but I find it unnecessary to decide that issue.
- 21. On January 6, 2021, Ms. <u>Klingler</u> applied for a hardship exemption. She provided the strata with a monthly breakdown of her business income in 2020, which showed a roughly 90% drop after March 2020. Ms. <u>Klingler</u> worked as an in-home occupational

therapist for children, which I accept would have been impacted by the COVID-19 pandemic. Ms. <u>Klingler</u> says, and I accept, that she had moved in with a romantic partner, RR, outside Vancouver and hoped to rent out SL4 for income.

- 22. It is undisputed that the strata approved the hardship exemption for 1 year on January12, 2021. There is no written record of that approval. The parties disagree about the strata's reason for approving the hardship exemption, which I address below.
- 23. A tenant moved into SL4 on February 28, 2021, on a 1-year lease. The strata provided a written statement from that tenant, who only lived there until April 30, 2021. The tenant said that Ms. <u>Klingler</u> lied to them and pressured them to "pretend" to be roommates, and that they left because they felt Ms. <u>Klingler</u> had rented to them "under false pretenses". Ms. <u>Klingler</u> says that she was up front with the tenant that she might have to move back in after 1 year if her hardship exemption expired and she was not off the rental waitlist. I prefer Ms. <u>Klingler's</u> evidence on this point. Ms. <u>Klingler</u> was entitled to rent all of SL4 for 1 year, so it makes no sense that she would ask the tenant to pretend Ms. <u>Klingler</u> was still living there and lie to the strata about it. To the extent the strata uses the tenant's statement to impugn Ms. <u>Klingler's</u> credibility, I find that it does no more than establish a miscommunication between Ms. <u>Klingler</u> and her first tenant.
- 24. In any event, Ms. <u>Klingler</u> signed a 1-year lease with a new tenant that started May 15, 2021. The strata extended Ms. <u>Klingler's</u> hardship exemption to May 15, 2022, to accommodate the new tenant's lease. The parties disagree about how this extension came about, but I find nothing turns on these details.
- 25. On November 1, 2021, the strata council held a hearing for Ms. <u>Klingler</u>. Among other things, Ms. <u>Klingler</u> challenged the enforceability of the rental restriction bylaw. In a November 8, 2021 written response, the strata stood by the amended bylaw and said it would continue to enforce it.
- 26. On March 11, 2022, Ms. <u>Klingler</u> asked for a further 2-year hardship exemption. She cited the COVID-19 pandemic's ongoing impact on her business. She also said she was expecting twins. She provided a letter from her obstetrician, Dr. Dena

Bloomenthal, who described the pregnancy as "high risk". Dr. Bloomenthal said that Ms. <u>Klingler</u> would likely give birth pre-term and that her twins would likely need to spent time in neonatal intensive care (NICU). Dr. Bloomenthal also said that Ms. <u>Klingler</u> needed to be "extra careful" to avoid COVID-19 and should stop working at 26 weeks of pregnancy to go on medical leave. Ms. <u>Klingler</u> provided a T4A from 2021 showing her receipt of the Canada Emergency Response Benefit (CERB), and noted that she would no longer be eligible for CERB once she was on medical leave. She also said that she was not entitled to any other maternity benefits, presumably because she was self-employed.

- 27. On March 24, 2022, the strata denied the hardship application. It did not provide reasons but said it would reconsider if Ms. <u>Klingler</u> provided more evidence.
- 28. On April 12, 2022, RR emailed the strata manager and council to advise that Ms. <u>Klingler</u> had been hospitalized on April 8 for an "indefinite stay". At that point, Ms. <u>Klingler</u> was 30 weeks pregnant with a due date in mid-June. RR said that he would manage communications with the strata because Ms. <u>Klingler</u> was unable to attend to them. RR also said that the current tenant wanted to stay but was going to start looking for a new rental due to a lack of clarity about whether they would be able to stay.
- 29. RR included a letter from Dr. Brigid Rose Dineley of BC Women's Hospital dated April 12, 2022. Dr. Dineley reiterated that Ms. <u>Klingler's</u> pregnancy was "high risk" and required "intensive monitoring", so she would need to either be in the hospital or at the adjacent Ronald McDonald House until the twins were born. Dr. Dineley <u>said</u> if the twins were born early they would need to be in the NICU, likely until early June.
- 30. RR also provided a letter from a social worker confirming that Ms. <u>Klingler</u> had qualified for a financial subsidy from BC Women's Hospital that included the cost of accommodation and groceries.
- 31. On April 13, 2022, the strata manager said that the strata would not be able to make an immediate decision, and requested 3 years of tax returns. On April 19, RR

provided Ms. <u>Klingler's</u> 2018, 2019, and 2020 tax returns, noting that her 2021 tax return was not filed yet.

- 32. On April 20, 2022, the strata manager emailed RR that the strata had declined the hardship application. The strata manager gave 2 reasons. First, they said the building was no longer wrapped in scaffolding, which it had been when it approved Ms. <u>Klingler's</u> first hardship application. Second, the manager said that the strata had reviewed the tax returns and that it was "aware of rental income in 101 in all three years that is not declared on any of the attached tax returns". The strata was undisputedly referring to the rent Ms. <u>Klingler</u> received from her former roommate. The strata manager did not address Ms. <u>Klingler's</u> financial or personal circumstances, and specifically denied that the initial approval had anything to do with COVID-19. I return to this letter below.
- 33. On April 29, 2022, RR wrote again asking the strata to reconsider. By then, Ms. <u>Klingler's</u> twins had been born preterm. According to RR, Ms. <u>Klingler</u> remained at BC Women's Hospital while her twins were in the NICU at BC Children's Hospital. On May 4, 2022, the strata manager advised that the strata maintained its original decision.
- 34. On May 24, 2022, Ms. <u>Klingler</u> emailed the strata to again request a hardship exemption. She said she had an accountant who assisted her with her taxes and she was confident they were accurate. She also expressed her intention to return to SL4 to live full-time once she was able to return to work. On June 3, 2022, the strata denied the request. It did not provide a reason.
- 35. As mentioned above, at the time, section 144 required strata corporations not to unreasonably deny a hardship application. For the reasons that follow, I find that the strata's decision was unreasonable.
- 36. I will first address the strata's argument that it approved Ms. <u>Klingler's</u> first hardship application was because of ongoing building renovations and not COVID-19. The strata says that it would have been unreasonable to expect someone to sell at that time. However, Ms. <u>Klingler's</u> initial request was based solely on her reduced income

because of COVID-19. In their June 29, 2021 letter approving the extension of Ms. <u>Klingler's</u> hardship exemption, the strata manager said that it was "to help accommodate renting out your unit during COVID-19". Based on the letter, I find that the strata did not approve Ms. <u>Klingler's</u> initial hardship application just because of building remediation, although I accept that may have been a factor. I find that the strata had also recognized the difficulty of Ms. <u>Klingler's</u> financial situation because of COVID-19's impact on her income. I find that based on the financial information Ms. <u>Klingler</u> provided in March and April 2022, the strata knew that Ms. <u>Klingler's</u> financial situation had not improved, and was about to get worse.

- 37. The strata also argues that Ms. <u>Klingler's</u> allegedly incomplete tax returns justified the denial. For her part, Ms. <u>Klingler</u> says that she did not have to report her roommate's rent because it was a cost sharing arrangement, not a market value rental, which she confirmed with the Canada Revenue Agency and an accountant. I find it unnecessary to determine whether Ms. <u>Klingler</u> ought to have claimed the income from her roommate.
- 38. The more important question is whether the strata's reliance on this alleged issue to reject her hardship application was reasonable. I find that it clearly was not. The strata argues that because of the omission it did not have a "complete" picture of Ms. <u>Klingler's</u> finances. However, the strata already knew about the roommate's rent, so its understanding of Ms. <u>Klingler's</u> past income was complete even if the tax return was not. More importantly, the strata knew that Ms. <u>Klingler</u> no longer had a roommate. So, she no longer had this income. The strata does not explain why the amount of money Ms. <u>Klingler</u> made from her roommate between 2018 and 2020 made any difference to its assessment of whether she faced hardship in 2022, when it knew her circumstances were different.
- 39. Rather, it appears that the strata's rejection was more about its perception that Ms. <u>Klingler</u> underreported her income than what the tax returns actually said about her circumstances. The strata says in submissions that "because the provided tax returns were deemed incomplete, council did not grant hardship". The strata also says that "council believed that incomplete tax returns were adequate grounds for denial". I find

that these submissions confirm that the strata did not assess Ms. <u>Klingler's</u> situation, but instead disqualified her based on perceived dishonesty or inaccuracy in her tax filings. The strata's obligation in a hardship application is to assess an owner's circumstances, not to assess the accuracy of the owner's tax filings. I find that the strata's position about her tax returns was unreasonable.

- 40. Finally, the strata argues that Ms. <u>Klingler</u> did not face financial hardship because she could have sold SL4 at a considerable profit. The strata says that SL4's assessed value in 2023 is \$685,200 and she paid only \$320,000 in 2015. While assessed values do not necessarily accurately reflect market value, I accept that SL4's value has likely increased substantially. Ms. <u>Klingler</u> does not deny this.
- 41. The strata's argument on this point is premised on its allegation that Ms. <u>Klingler</u> knew in November 2021 that the strata had rejected her request to extend the hardship exemption beyond May 15, 2022. However, I find that this is not accurate. The strata's letter after Ms. <u>Klingler's</u> November 1, 2021 hearing is over 2 pages long and includes Ms. <u>Klingler</u>'s questions and the strata's response to each question. It says nothing about a hardship application. I find that Ms. <u>Klingler</u> did not apply for a hardship exemption at that time.
- 42. In addition, a key component of Ms. <u>Klingler's</u> 2022 hardship applications related to the issues surrounding her pregnancy. Based on a mid-June 2022 due date, she may not have even been aware of her pregnancy, let alone that it would be a difficult one, when she had her hearing on November 1, 2021. So, while it may have been feasible for Ms. <u>Klingler</u> to sell SL4 in November or December 2021, she had no reason to do so at that time. So, I find that it is unreasonable for the strata to say that Ms. <u>Klingler</u> could have sold SL4 in the fall or early winter of 2021 when would have required her to plan for medical issues she did not have yet.
- 43. This leads to the key problem in how the strata assessed Ms. <u>Klingler's</u> hardship application, which was its treatment of her medical situation. The strata says that it had considered whether "pregnancy alone" was enough for a hardship exemption. However, the strata essentially considered that Ms. <u>Klingler's</u> medical and personal

situation in March and April 2022 was irrelevant because she should have already sold SL4 by then. There is no evidence that the strata considered the nature of her pregnancy or the challenging situation she faced when she made her application. While it is true that the factors in *Als* focus mostly on financial information, the Court specifically notes that the individual owner's circumstances must be considered. I find that this necessarily includes medical and personal circumstances.

- 44. I find that the strata's suggestion that Ms. <u>Klingler</u> could still have sold SL4 at a profit after it rejected her March 2022 application is unrealistic. Ms. <u>Klingler</u> was hospitalized and facing a medical situation that the strata should have known would monopolize her attention. Her doctors had warned her to expect a difficult birth of high-needs twins, followed by a potentially lengthy stay in hospital for both her and her twins. It is difficult to understand how the strata could have reasonably expected Ms. <u>Klingler</u> to navigate selling SL4 at the same time. I find that the strata effectively ignored Ms. <u>Klingler's</u> personal and medical situation.
- 45. I find that if the strata had reasonably considered Ms. <u>Klingler's</u> personal and financial situation, it would have granted her exemption application in April 2022, and she would have continued to rent out SL4 after May 15, 2022. In other words, I find that its denial of her hardship applications was unreasonable.

# Is Ms. <u>Klingler</u> entitled to lost rent and the move out and move in fees? If so, how much is she entitled to?

- 46. First, I find that Ms. <u>Klingler</u> is entitled to lost rent. I reject the strata's argument that Ms. <u>Klingler's</u> damages should be limited because she did not apply for dispute resolution until September 2022. People who suffer a loss are under no obligation to immediately start legal proceedings.
- 47. Ms. <u>Klingler</u> says that she lost \$2,495 in rent per month. She provided a copy of the tenancy agreement in place from May 15, 2021, to May 15, 2022, which was for that amount. I accept that the prior lease establishes the market rent for SL4. The strata does not argue otherwise.

- 48. As mentioned above, the BSSA means that Ms. <u>Klingler</u> has been permitted to rent SL4 since November 24, 2022. Ms. <u>Klingler</u> says in her submissions that she had a new tenant, although she does not say when the new tenant moved in. She wrote her submissions in mid-January 2022.
- 49. I find it would be unreasonable to limit Ms. <u>Klingler's</u> damages to lost rent up to November 24, 2022, because the government gave little advance notice of its intention to amend the SPA to prohibit rental restrictions. On a judgment basis, and in the absence of clear evidence from Ms. <u>Klingler</u>, I find that it is reasonable to award lost rent to November 30, 2022, because I find she likely could have found a tenant for December 1. I find that this equals \$16,217.50.
- 50. As for the move in and move out fees, I find that Ms. <u>Klingler</u> would have incurred them even if the strata had approved the hardship application. This is because Ms. <u>Klingler's</u> tenant was already looking for a new rental when Ms. <u>Klingler</u> made her first hardship application in March 2022, and the strata reasonably asked for more information at that time. I find that even if the strata had approved the hardship application in April 2022, Ms. <u>Klingler</u> still would have needed to find a new tenant. I dismiss this claim.

#### Is Ms. <u>Klingler</u> entitled to aggravated damages?

- 51. Ms. <u>Klingler</u> claims \$5,000 in aggravated damages. Aggravated damages are compensatory damages that may be awarded when a respondent's conduct causes intangible injuries, such as mental distress and anxiety. Aggravated damages only arise when a respondent's behaviour has been "particularly poor" and are rarely awarded. See *Gibson v. F.K. Developments Ltd.*, 2017 BCSC 2153.
- 52. As described above, I find that the strata ignored Ms. <u>Klingler's</u> medical situation despite receiving detailed medical information. Instead, it focused on its perception that Ms. <u>Klingler</u> had underreported her income. I find that this factor should have played no role in its assessment of Ms. <u>Klingler's</u> hardship application. Given Ms. <u>Klingler's</u> medical situation, I find that it should have been obvious to the strata that Ms. <u>Klingler</u> was incapable of selling SL4 when she made her hardship application,

and that it should have been obvious that denying the application would cause both financial harm and intangible injuries. I find that the strata's continued refusal to acknowledge or account for Ms. <u>Klingler's</u> personal situation in her further appeals in April and May 2022 supports my conclusion.

- 53. I find that the strata's conduct was insensitive, stubborn, and high-handed. In short, I find the strata's conduct justifies aggravated damages if Ms. <u>Klingler</u> has proven compensable intangible injuries.
- 54. Ms. <u>Klingler</u> says that she suffered "substantial emotional and physical distress" because of the strata's denials. I find that this allegation is consistent with her May 24, 2022 email to the strata manager. There, Ms. <u>Klingler</u> said that she was recovering from surgery and "trying to be present" for "the extreme needs and demands" of her twins. She told the strata that the prospect of figuring out how to manage her expenses without rental income from SL4 had caused "additional stress", which she said had negative effects on her physical and emotional well-being.
- 55. I also place significant weight on an April 12, 2022 letter from Ms. <u>Klingler's</u> social worker from BC Women's Hospital, which Ms. <u>Klingler</u> had provided to the strata. In that letter, the social worker says they had had an "in-depth discussion" with Ms. <u>Klingler</u> about reducing stress as her due date approached. The social worker said that that "one of her most significant stresses" was the impending end of the existing hardship exemption. The social worker said that the "situation is negatively impacting her health and well-being". I find that the social worker's letter is strong evidence of Ms. <u>Klingler's</u> emotional state at the time, and the direct impact of the hardship application rejection on her emotional well-being.
- 56. In addition to this specific evidence, I find that it is self-evident that a person in Ms. <u>Klingler's</u> circumstance would likely suffer intangible injuries because of the strata's conduct.
- 57. In summary, I find that Ms. <u>Klingler</u> is entitled to aggravated damages for the strata's conduct towards her in rejecting her hardship applications in April and May 2022. Ms. <u>Klingler</u> did not provide detailed evidence of the impact of the strata's denials beyond

what I describe above. I infer from this that the intangible injuries were not severe or long-lasting.

58. On a judgment basis, I find that \$2,500 is appropriate compensation.

### Is Ms. <u>Klingler</u> entitled to punitive damages?

- 59. Ms. <u>Klingler</u> claims \$5,000 in punitive damages. Unlike aggravated damages, punitive damages are not intended to compensate applicants for losses. Instead, they are intended to punish respondents for malicious and outrageous conduct. Even where punitive damages may be warranted by a respondent's behaviour, they will only be awarded when the overall damages award is insufficient to accomplish the objective of deterring and denouncing a respondent's behaviour. See *Milly v. Kapelus*, 2022 BCSC 1730.
- 60. Here, I decline to award punitive damages. I find that the strata's conduct was not so outrageous to justify punitive damages. While its conduct was misguided, there is no evidence that the strata maliciously targeted Ms. <u>Klingler</u> as she alleges. I dismiss this claim.

## TRIBUNAL FEES, EXPENSES, AND INTEREST

- 61. Under section 49 of the CRTA, and the CRT rules, the CRT will generally order an unsuccessful party to reimburse a successful party for CRT fees and reasonable dispute-related expenses. I find that Ms. <u>Klingler</u> was substantially successful, so I order the strata to reimburse her \$225 in CRT fees.
- 62. Ms. <u>Klingler</u> also claims \$5,500 legal fees. She provided no evidence that she incurred these fees, and on that basis alone, I dismiss this claim. Even if she had, I would not have awarded them. CRT rule 9.5(3)(b) says that the CRT will only award legal fees in extraordinary circumstances. The extraordinary circumstances Ms. <u>Klingler</u> relies on all relate to the merits of her underlying damages claims. She does not say what about the dispute itself was extraordinary. I find that there was nothing overly complex about this dispute. There is no suggestion that the strata did anything

during the CRT's process to delay or frustrate the process. In short, I find that this dispute was not extraordinary.

- 63. The Court Order Interest Act (COIA) applies to the CRT. Under section 1(2) of the COIA, interest on special damages (the lost rent) must be calculated from the end of each 6-month period after the cause of action arose (in this dispute, May 15, 2022). I find this equals \$261.95. I find that Ms. <u>Klingler</u> is entitled to interest on the aggravated damages award from April 20, 2022, which equals \$64.86. In total, I find that Ms. <u>Klingler</u> is entitled to \$326.81 in prejudgment interest.
- 64. The strata must follow section 189.4 of the SPA, which includes not charging disputerelated expenses against Ms. <u>Klingler</u>.

## **DECISION AND ORDERS**

- 65. I order that within 90 days of the date of this order, the strata pay Ms. <u>Klingler</u> \$19,269.31, broken down as follows:
  - a. \$16,217.50 in lost rent,
  - b. \$2,500 in aggravated damages,
  - c. \$326.81 in prejudgment interest under the COIA, and
  - d. \$225 in CRT fees.
- 66. I dismiss Ms. Klingler's remaining claims.
- 67. Ms. <u>Klingler</u> is also entitled to post judgement interest under the COIA, as applicable.
- 68. Under section 57 of the CRTA, a validated copy of the CRT's order can be enforced through the British Columbia Supreme Court. Under section 58 of the CRTA, the order can be enforced through the British Columbia Provincial Court if it is an order for

financial compensation or return of personal property under \$35,000. Once filed, a CRT order has the same force and effect as an order of the court that it is filed in.

Eric Regehr, Tribunal Member

<sup>i</sup> Amended under section 64(a) of the CRTA to correct typographical errors.