

Condo Smarts January 3, 2019

What will happen to rental bylaws?

Dear Tony: Our strata is a 12-unit townhouse complex in Coquitlam built in 2002. We are deeply concerned by the government planning to remove rental restriction bylaws from condos in BC. We permit 2 rentals and the two rentals have been nothing but a source of chronic problems for our volunteer council. Hiring a management company to deal with the ongoing issues is simply too expensive for a small strata corporation and with the elimination of rental bylaws we will simply be left with more tenants and a smaller group of owners left to self manage our corporation. So, because the government has not planned for housing expectations and local governments have allowed developers to run rampant on development with no rental commitments, the government has decided to download the problem on to the consumers who form the back bone of our economy. Even though we are small, we still have the same duties and liabilities as a 200 unit strata council a block away, but we will not have the financial resources to fight the constant tenant battles that arise. There is nothing in the legislation that compels a landlord to participate in the operation of a strata corporation, and the removal of a tenant or the enforcement of bylaws and tenancy laws is a joke. We have discovered from the Residential Tenancy Board that as a council we do not have standing in the landlord and tenant relationship as we are not part of that agreement and therefore cannot evict the tenant. Considering we are and have always been a 100% occupied property, how does eliminating rental bylaws solve a housing problem. Karen M.

Dear Karen: The government has not yet made any decision on whether to repeal or amend the legislation that would change rental bylaws for strata corporations. The task force that was struck by government has recommended the repeal of rental bylaws; however, in spite of the detailed research and opposition provided chose to proceed on an independent agenda and not acknowledge the impact this will have on strata owners and residents in BC. Under the Strata Property Act and the previous Condominium Act, strata corporations were permitted to adopt bylaws that either prohibited rentals or limited them to a specific number or percentage. In addition, family members who were the children or parents of the owner or the owner's spouse were exempt, owners who provided evidence of a reasonable hardship to their strata council were exempted and prior to January 1, 2010 the first owner was exempted by a developer rental exemption, and since January 1, 2010 any strata lot that was identified as exempt by the owner developer was exempt for the period listed. With few exceptions every strata corporation since 2010 has been exempted from rental bylaws. As more than half of the strata corporations in BC are less than 50 units and over 90% are self managed, it would be safe to assume that in the event rental bylaws are removed, every volunteer strata council in those properties will be responsible to deal with the additional tenancy issues in the event rental restriction bylaws are removed. In 2017 CHOA conducted a direct building study of 8 buildings that were exempted from rental bylaws since 2010 and 8 comparable buildings that were developed prior to 2010. The 8 buildings constructed since 2010 have no rental bylaws and have a vacancy rate averaging 30%, with the majority of the unoccupied units being used by investors or for short term vacation rentals. Clearly rental play no role in the matter of occupancy in these buildings, in due largely to the value of these units and the cost to make rentals feasible. In the 8 buildings that were constructed prior to 2010, most with rental bylaw limits, not restrictions, the vacancy rate is below 2%, most of which was accounted for by transitional ownership. This is consistent across the province. How would removing rental bylaws increase rental inventory in an already extremely vacancy? Before the government makes a decision on terminating rental bylaws it is essential, they provide assurances to the public how the removal of rental bylaws will affect occupancy, provide more rental housing, and the change in legislation will not create an operational nightmare for smaller strata corporations. There is no evidence that indicates rental bylaws reduce rental housing availability to the public when the properties with rental bylaws already have the lowest vacancy rates in the province. The changes to the legislation will have a dramatic affect on property use, open all properties to speculators, investors and developers, especially in retirement communities that are also vacation resorts, affecting senior communities contrary to the government policy of keeping

seniors in their own housing as long as possible. The argument that other provinces do not permit rental restrictions is not based on comparable legislation. No other province permits the strata titling of duplexes and small townhouse units, compelling owners to collectively manage all property. BC has over 30,000 strata corporations, over 22,000 of them will be affected by this change in legislation. It is important to voice your opinion as an owner, investor and strata council member. Contact your local MLA and contact the Minister Responsible for the Strata Property Act. **The Honourable Selina Robinson, Minister of Municipal Affairs & Housing**, Room 310 Parliament Buildings, Victoria, BC V8V 1X4 selina.robinson.mla@leg.bc.ca

Tony Gioventu, Executive Director CHOA

Sign up now for Spring Seminars in your area. Topics this spring will highlight Insurance, Above and Below the Deductible, Creating an Operations Plan for Maintenance, Renewals, & Annual Budgeting, and Bullying and Harassment in your strata and the workplace.

Go to: <http://www.choa.bc.ca/seminars/>