

Condo Smarts January 22, 2019

Short Term Rentals to Change?

Dear Tony: With the recent recommendations to remove rental bylaws for strata corporations, will this include short term rentals as well? Our strata corporation is 88 units and we do permit 10 rentals in addition to family rentals, and while we do have 2 owners requesting to rent their units on a waiting list, we do not have any vacancies in the building. The 2 owners are investors who have purchased other units, planning on moving and wish to rent their units for short term rentals. We just adopted a bylaw that prohibits short term rentals with a fine of \$1,000 per day. Is it possible those new laws are going to change as well? We are also fielding inquiries about the Vacancy Tax and how this connects to rental bylaws. The Strata Council of the Emerald

Dear Emerald Council Members: There are no plans or indications by government to limit or change a strata corporation's ability to prohibit short term rentals as short-term rentals have been a significant cause for loss of rental units in strata buildings. If your building is well located, an owner can increase their revenues several times greater if they use their strata lot for short term rentals as opposed to long term tenancy. The recommendation by the provincial government task force to cancel the application of rental bylaws in strata housing does not apply to short term rentals at this time. A change to the current legislation will require an amendment to the Strata Property Act and Regulations. This will require an amendment to be first passed by the legislature and then cabinet to approve amendments to the regulations. There have been many claims that strata properties with rental bylaws contribute to the housing shortage; however, targeted research shows the lowest vacancy rates are actually in strata buildings with rental bylaws.

The Speculation and Vacancy Tax is designed to target empty homes. If you are an investor/landlord and your strata corporation have a bylaw that restricts rentals, you may be exempt from the tax under the current provisions; however, if rental bylaw provisions are repealed, the exemption would be removed, and any type of vacant strata lot would be subject to the tax for the regions that apply. Once issued in February, all residential property owners in the designated [taxable regions](#) must complete an annual declaration for the [speculation and vacancy tax](#) or you will automatically be declared taxable. The provincial speculation tax is distinct from the empty homes tax in the City of Vancouver.

If you are a strata council member, owner, manager or investor, your voice is important. Go to www.choa.bc.ca and complete a quick survey on strata rental bylaws. For more information on the Speculation and Vacancy Tax go to www.gov.bc.ca, BC Speculation and Vacancy Tax.

Tony Gioventu, Executive Director CHOA

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