

Headline: **Limiting Rentals**

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In 10 years of practice, of all the questions that I am asked about strata property, the ones about rentals top the list. After reading this article, maybe some of those questions will be answered. A strata corporation may bring in a bylaw that limits the number of residential strata lots that may be rented. It may also have a bylaw that limits the period of time for which residential strata lots may be rented. Often times these bylaws would be found together, but that is not necessarily.

A bylaw that limits the period of time may look like this:

The period of time for which strata lots may be rented is a maximum of two years.

Why would a strata corporation want to limit the period of time that strata lots are rented? There may be a waiting list of owners who wish to rent. By limiting the period of time to a maximum of, say two years, different owners would be able to rent their suites when the time runs out for other owners.

Another possible bylaw might be:

The period of time for which strata lots may be rented is a minimum of one year.

A bylaw worded this way would be useful to prevent repeated changes in tenancies such as monthly or more frequent rentals.

Here's another example:

The period of time for which strata lots may be rented is a minimum of one year and a maximum of two years.

This bylaw would prevent recurring tenancies and give others a chance to rent their suites on a rotational basis without increasing the overall limit on the number of suites that may be rented.

When a strata corporation adopts a bylaw that limits the number of strata lots that may be rented, the bylaws must also set out the procedures to be followed by the strata corporation to administer the limit.

What would procedural bylaws look like? In drafting these bylaws, it is useful to think of specific questions that the bylaws would need to answer. For example, Who receives the application of an owner wanting to rent? Is it the property manager or is it the council or are both acceptable?

- (a) How quickly will the council respond to an owner's request to rent?
- (b) Will the council respond in writing to a request to rent?
- (c) How much time does an owner have to put a tenant into the strata lot?
- (d) If the owner does not rent the strata lot within the specified time, will the permission to rent be revoked?
- (e) What if the limit on total rentals is reached? Is there a waiting list? How does the waiting list work?
- (f) What is the fine for renting a strata lot in breach of a rental limit?

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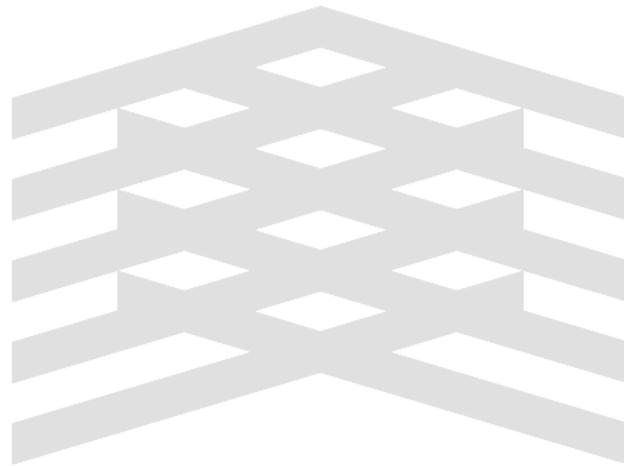
page 1

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Bear in mind that if there is no limit on the number of strata lots that may be rented, then there is no requirement for any procedures. However, even without a limit on the number of strata lots that may be rented, a bylaw that limits the period of time that a strata lot may be rented may be helpful to eliminate short term rentals and/or provide a basis for rotating rentals.

Does a bylaw that limits the period of time that strata lots may be rented affect a rental granted on the basis of hardship? If the strata corporation grants a hardship rental and the strata corporation has a limit on the period of time that strata lots may be rented, how does that affect a rental based on hardship? A rental based on hardship should end when hardship ends. A strata corporation should not apply the bylaw that limits the period of time for which strata lots may be rented to a hardship rental. Rather, a strata corporation should tell the owner at the time of granting the hardship rental that the issue of hardship will be reviewed in say, one year. If the hardship has ended at that time, the permission to rent on the basis of hardship also ends.



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page 2

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