

# Condominium Home Owners Association

A non-profit association serving strata owners since 1976

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## Condo Smarts

Headline: Buy-to-rent investors must watch bylaws

Topic: Investors

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There are many myths to strata investment. Here is one: "When an investor buys a strata lot with the intent of renting it out, he or she is "grandfathered" from future bylaws that could affect their right to rent the units, making it a risk-free investment.

Maybe not. In 2002, a Vancouver investor purchased three strata lots in a 97-unit building with renting out in mind. At the time of his purchase, there were no bylaws that limited rentals, age restrictions or pets. Two weeks ago, the strata ratified a new set of bylaws to conform with the Strata Act. These included bylaws that limit the total number of rentals in the building to five (not including family exemptions or hardships); a bylaw that prohibits dogs; and a move-in fee for the cost of building security of \$200 per move. At the time he purchased the lots this investor was told that rental units would be "grandfathered" for the future. This "guarantee" was even written into his purchase agreement. Now, to his dismay, he finds the new bylaws apply to him as well as everyone else.

**Strata law:** The Act sets out a variety of specific exemptions for rentals. Individual strata bylaws also consider some exemptions. But bylaws, once ratified, apply to every owner. Investors may discover that they have a rental unit they cannot

rent out because a limit has been met. New rental bylaws, if there are no exemptions, come into effect one year after the tenant who was renting at the time the bylaw was passed, terminates his or her tenancy. For rentals, bylaw fines can also be set as high as \$500 per week.

**Tips:** Before you purchase, review the bylaws closely. Find out how many rentals are in the building. This can give you an idea if the building has several investors, and therefore whether it is likely that bylaws restricting rentals will pass in the future. Remember that bylaws can always change. Several guides on rentals and rental bylaws are available through the CHOA office that might be valuable to review before you purchase.

For more information on CHOA resources and benefits visit [www.choa.bc.ca](http://www.choa.bc.ca)  
or contact the office at 1-877-353-2462 or email [office@choa.bc.ca](mailto:office@choa.bc.ca).

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