

# Condominium Home Owners' Association

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## Condo Smarts

Headline: Can the strata stop rentals?

Topic: Buying and Rental bylaws

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**Dear Condo Smarts:** We purchased a townhouse in the Shuswap region for summer family use and as a rental investment.

The strata corporation have now passed a bylaw that prohibits all rentals, and an age restriction of 55 years and over for all owners and visitors.

This is recreation property and the developer told us we would never have any restrictions and could do what we wanted.

Can the strata prevent us from renting our home or restrict the age of visitors?

- Gail and David Sorens, Calgary

**Dear Gail and David:** There is no such designation as "recreation property" that sets up special exemptions or exclusions for investors.

If the strata bylaw that has been created is enforceable, you might not be able to rent your unit any more.

However, rental bylaws do not apply to family members who are parents or children of the owner or the owner's spouse.

Age restrictions apply to residency, so the bylaw that regulates the age of visitors may not be enforceable.

Once a strata is created, it operates under the *Strata Property Act*, Regulations and Bylaws like any other strata.

There is no special treatment for recreation property, so you may be bound by the strata bylaws with no exemptions.

Exploring this subject further, some unique instances exist that are "resort classifications"

where restrictive covenants limit or regulate the periods an owner can use their property. Occasionally, in ski resorts and isolated locations, the covenants also require that the properties must be available for rentals throughout the year to ensure a supply of accommodations.

In this case, rental and age bylaws may be prohibited by previously existing land-use covenants.

Recreation strata properties are a hot investment in B.C., but before investors buy, they should clearly understand what they are buying.

The same recreational investment might also be another owner's permanent residence, so if you plan on a rental investment, inquire with the strata how many owners are permanent residents and how many people rent their units. That will give you a clue to what the next few years of strata life may look like.

Here are a few critical questions to ask before any deal is signed. Is the strata properly insured? Is there a winter/off season caretaker or manager for security and emergencies? Are the buildings properly winterized? Is waste effectively managed? Does the strata own and operate their own water systems? Who collects the fees and manages the business affairs for the strata? Are there special services, recreational vehicles, a marina, boat storage, moorage, aircraft hangar or snowmobile storage sheds? Who gets to use them? Is there a cost? Who owns and insures them?

Don't forget, recreation properties may also have different taxation status, including paying GST on strata fees, depending on the type of business operations in the strata.

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