

# Condominium Home Owners' Association

*Serving BC's Strata Property Owners since 1976*

Bulletin: 300-272

## Condo Smarts

Headline: The scoop on sections

Topic: Sections & types

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**Dear Condo Smarts:** We are in a divided strata of a high rise and a commercial division. Several years ago we voted to create sections so that the costs that were allocated exclusively to each section would be fairly divided. In March, the residential owners were voting on a bylaw that would limit rentals to a maximum of 5. Several commercial section owners registered their votes and voted against the resolution, preventing us from adopting a rental limitation bylaw. We lost the vote by 1. Can you please explain to us why the commercial section has a right to dictate to the residential section how owners use their strata lots? JWV, Vancouver Island

**Dear JWV:** To understand sections you have to understand the legal authority of a strata corporation. The Strata Act says that a strata corporation has the power and capacity of a natural person of full capacity (subject to the act or regulations). In simple terms, a strata corporation can buy or sell property, mortgage, lease, commence lawsuits, create bylaws, and enter into contracts for service or operations, like any normal person. A section is a corporation and has the same powers and duties as the strata corporation. So a section can do all of the same things that only apply to that section. This also

means sections can create their own bylaws that only apply to their section such as your rental restriction bylaws, and only that section votes on those bylaws. The commercial section did not have voting authority at the special general meeting of the residential section as it only applied to the residential section. Furthermore, when I reviewed your documents and minutes, I discovered your resolution indeed did pass regardless of the votes of the commercial section. Each commercial strata lot was counted as 1 vote, but on the registered strata plan, all of the strata lots have less than 1 vote, in most cases, 49 votes. The commercial section did not represent enough votes to defeat your resolution. Commercial strata lots may have fewer or greater than 1 vote per strata lot as their voting is based on the relevant area of their strata lot. Strata corporations, and separate sections may also have separate management contracts as they represent separate interests of both parties. Sections can be different types of non residential lots. For example, a business office and a pub may be 2 separate sections. Residential sections may be apartment style, townhouse style or detached housing style strata lots. Always seek legal advice when creating or amending rules or bylaws that pertain to sections.

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