

Condo Smarts

Headline: Parking Revenues

Topic: Parking

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Dear Condo Smarts: Our strata corporation is located close to a Skytrain station in Burnaby. We were recently approached by a local company that wants to rent a number of our unused parking spaces, with a financial offer we simply can't refuse. They will rent our 25 unused spaces, at a rate of \$100 per month. Then they will find clients to rent them who use the Skytrain to commute into the city for work. The council have discussed the offer and we don't see anything that prohibits us from renting the spaces, but we would appreciate your feedback and experience of other strata corporations who have considered the same thing. John Murphy

Dear John: The basic responsibility of the strata corporation is to manage and maintain the common property and common assets of the strata corporation for the benefit of the owners. Keeping that in mind, the first question that the council should consider is whether this benefits the owners. You would not be the first strata corporation that had a pay-for-use meter system for visitor parking to help offset the operating maintenance and security of visitor parking, but your strata is considering granting access to the secure areas of your building to people with no legal interest in your strata. Before you proceed, there are a number of issues that the strata council need to contemplate. Certainly the question of public and general liability is going to have to be addressed in your agreement with the rental company and the matter of insurance and the associated risks. The strata insurance policy is written for residential occupancy and the intended use of the owners, their tenants and residents. Now you are introducing users into your building that only have an interest, through a potential 3rd party, of parking space use. The strata corporation is also potentially changing the intended use of the property from residential

parking to commercial parking, and that may have implications on the taxation status of the corporation and the related fees that are charged. The bylaws only refer to owners, tenants, occupants or visitors. If the outside user causes bylaw violations, or damages to the building how will you enforce the bylaws or recover costs? On a practical level, do the owners and residents of the building want to compromise the security of the building by allowing outside users? Are all of the strata lots in the building being occupied? Is there sufficient parking for every strata lot? Do residents require additional parking? What if there is an increase of owners requiring parking? Do they lose priority over the 25 spaces? What is the real value of the parking? If the strata corporation rents them directly is there a better financial return and do they retain better direct control over the users? What about the parking requirements required by the city? The occupancy permit will require a minimum ratio of spaces per unit and generally only the minimum are developed. Strata corporations often license or contract roof tops for communications towers, but the roof top is not property that is being used in the same exclusive capacity as the parking. In any case, the registered bylaws of John's strata will not permit them to rent out the parking. Their strata has a parking bylaw that stipulates the following: "Parking is common property for the use of owners, tenants and residents only. Each strata lot is entitled to one parking space. On the request of an owner, an additional parking space may be allocated to a strata lot on a yearly basis." Before the strata could consider any such agreement, they will be required to properly amend the bylaws at their next general meeting.

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