

Strata Living

Headline: Investor problems
Topic: Rentals and Rental Bylaws, Buying & Selling; Investors
Publication date: April 9, 2015
Publication: 24 Hours
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Dear Tony: We bought 2 strata units in Vancouver in 1995 from an investment development company. At the time they marketed as investor/rental units, so it became part of retirement plan. In January 2014 our strata corporation passed a new rental bylaw that now limits rentals to a maximum of 2, and if your tenant leaves, you would be placed on the waiting list for a vacancy. At the time we had read about the developer exemptions so did not give any second thought to the bylaws as we thought we were exempt. Both of our tenants changed over in March of 2014 and now the strata is advising that we will be in violation of the rental bylaws as of April 1st, because our 1 year exemption has expired. Several other investors have also received the same notice, and we are wondering how we can challenge the decision of the council? This has been a great building with very few problems, but now our investment is at risk.

Cam F.

Dear Cam: It is important to understand that bylaws can and do change over time and the owners may have different impact on the use and enjoyment of their strata lots, the common property and common assets. Rental, pet and age restriction bylaws are those changes that may have a significant affect the use of your strata lot. The exemption you are referring to is the filing of a Rental Disclosure document by the owner developer at the time the building is marketed. This document is filed with the Superintendent of Real Estate and may be obtained by contacting their office their through the Financial Institutions

Commission. Prior to 2010, the first purchaser from the owner developer was exempt for the period set out in the document. Once that purchaser sold or transferred ownership of the unit or the time period of the exemption in the document was reached the exemption expires. Unfortunately, you purchased from an investment company that were not the owner developer, but the second purchaser of the strata lot. It looks like they purchased a group of units from the owner developer about 6 months after the first units were sold. The implication is that you likely do not have a rental disclosure exemption. Gather all of the relevant documents, including your originally sales agreement and any related marketing documents and consult with your lawyer. Rental bylaws that comply with the *Act* are enforceable, and you may be in a position where it's time to sell as opposed to holding vacant property or being in violation of the strata bylaws.

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