



BULLETIN NUMBER: SPA-05-01

TITLE: RENTAL RESTRICTIONS FOR RESIDENTIAL STRATA PROPERTY

LEGISLATION: STRATA PROPERTY ACT

DATE: October 25, 2005

The Superintendent of Real Estate's office has recently received enquiries with respect to rental restrictions for residential strata property. This Information Bulletin explains the changes in rental restrictions that were legislated in 2000 and are scheduled to begin on January 1, 2006.

The *Strata Property Act* was brought into force and replaced the *Condominium Act* on July 1, 2000. Under both Acts, a ¾ majority of the strata lot owners could pass bylaws to restrict or prevent owners from renting out their units. However, an important exception to such rental restriction bylaws existed under both Acts because the developer could file a Rental Disclosure Statement with the Superintendent of Real Estate. Some of these Rental Disclosure Statements allowed the developer, and owners who bought directly from the developer, to rent out their units even if a majority of the owners decided later on to pass a rental restriction bylaw.

It was unclear under the old *Condominium Act* whether subsequent purchasers – in other words, purchasers who bought units not straight from the developer, but from other purchasers - could also rely on a Rental Disclosure Statement. Therefore, after the development community had been consulted, the *Strata Property Act* now makes clear that subsequent purchasers cannot rely on the rental rights created for a developer and initial purchaser under a Rental Disclosure Statement. Transitional relief was provided for over five years, so that although the change was legislated in 2000 it will not take effect for *Condominium Act* Rental Disclosure Statements until January 1, 2006.

In 2000, the Superintendent of Real Estate prepared Instruction Guide 15 on How to Apply Rental Restriction Bylaws. That Instruction Guide is available on the following website: www.fic.gov.bc.ca. As explained in Instruction Guide 15, if a Rental Disclosure Statement was filed for strata lots under the old *Condominium Act*:

- subsequent purchasers of a strata lot, who did not purchase from the developer, will be subject to a rental restriction bylaw on the earlier of:
 - the expiry date set out in the Rental Disclosure Statement filed under the old *Condominium Act*; or
 - January 1, 2006.

Additionally, as explained in Instruction Guide 15, the *Strata Property Act* provides for other exceptions to rental restriction bylaws. There is an exception in case of hardship and an exception for family members. Additionally, a rental restriction bylaw does not take effect until one year after the later of: the date it was passed; and the date a pre-existing tenant leaves.

The Superintendent of Real Estate's 29 Instruction Guides provide further information about strata property rentals and other strata matters. Those Instruction Guides are available in public libraries and on the website noted above. In order to discuss any strata matter, or obtain strata information beyond what is set out in the 29 Instruction Guides, please contact one of the strata owners' associations listed on the website noted above (e.g., Condominium Home Owners' Association of BC, Phone 604-584-2462 or 250-492-3552 or 1-877-353-2462).