



# City of Richmond

## Report to Committee

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**To:** Planning Committee

**Date:** April 5, 2018

**From:** Barry Konkin  
Manager, Policy Planning

**File:** 08-4057-00/Vol-1

**Re:** Proposed City Response to Residential Strata Redevelopment

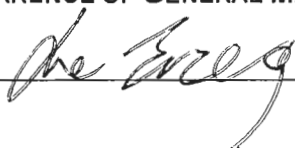

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### Staff Recommendation

1. That the staff report titled "Proposed City Response to Residential Strata Redevelopment" dated April 5, 2018, from the Manager, Policy Planning be received for information;
2. That staff be directed to only commence processing development applications for sites occupied by a pre-existing multiple-family residential strata building where there is a written record of the Supreme Court ruling confirming wind-up of the strata corporation, or where there is a written record of 100% support from all owners of a strata with fewer than 5 units, and, in either case, where information is provided related to the building's condition and confirmation has been provided on the developer's relocation assistance to any owner not in support of the strata wind-up.
3. That a letter be sent to the Premier of British Columbia, and the Minister of Municipal Affairs and Housing, with copies to all Richmond Members of the Legislative Assembly, and the Leader of the Third Party, and the Leader of the Official Opposition, requesting that the Province review the provisions of Bill 40 which enables wind-up of a strata corporation with less than unanimous support from strata owners.

  
Barry Konkin  
Manager, Policy Planning

BK:je  
Att. 3

REPORT CONCURRENCE		
<b>ROUTED TO:</b>  Affordable Housing Development Applications Law	<b>CONCURRENCE</b>  <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<b>CONCURRENCE OF GENERAL MANAGER</b>  
<b>REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE</b>	<b>INITIALS:</b>  CS	<b>APPROVED BY CAO</b>  

## Staff Report

### Origin

In July 2016, the previous Provincial government approved Bill 40 of the *Strata Property Act*, which enabled strata corporations to “wind-up” and cancel a strata plan where 80% or more owners vote in favour of the wind-up. Prior to the amendment to the *Strata Property Act*, 100% agreement of owners or a court order was required in order to wind-up a strata corporation.

Since the changes to the Act were enacted by the Province and came into force, the wind-up of strata corporations has become an emerging issue in the City. Staff have received numerous inquiries from developers, strata corporations and real estate agents regarding potential redevelopment of existing strata townhouse and apartment developments. As the Province now enables a strata to wind-up with a vote of 80% of owners in favour, up to 20% of residents may be forced to sell their homes and relocate against their wishes.

As Richmond’s first strata corporation wind-up was recently approved by the Supreme Court of BC, and staff continue to receive inquiries related to the wind-up of other strata sites, time is of the essence in addressing this issue. A clear Council policy on this issue will assist staff and avoid undue pressure on strata owners due to a development application being submitted prior to resolution of the wind-up.

Staff wish to emphasize to Council that as strata wind-up is regulated by the Province through the *Strata Property Act*, and involves private property owners (strata owners) and potential purchasers or developers, there is no approval role for local government in the wind-up process. Provincial regulations rely on the BC Supreme Court to review the application and approve of the wind-up process.

This report responds to Council’s 2014-2018 Term Goal #3 A Well-Planned Community:

*Adhere to effective planning and growth management practices to maintain and enhance the livability, sustainability and desirability of our City and its neighbourhoods, and to ensure the results match the intentions of our policies and bylaws.*

*3.1. Growth and development that reflects the OCP, and related policies and bylaws.*

### Analysis

#### Bill 40 Process for Termination (Winding Up) of Strata Corporations

Bill 40 allows a strata corporation to proceed to wind-up with a vote of at least 80% of all registered owners (not all owners present or those holding proxies) in favour of the wind-up resolution. Under Bill 40, the BC Supreme Court must also review the proposal, confirm that all required steps have been met, and confirm that no owners are unfairly treated. Unless a strata corporation has fewer than 5 units, Supreme Court review is required for all strata corporation wind-up applications even if there is a vote of 100% of owners in favour of the resolution.

We note for Council that a strata corporation with fewer than 5 units can apply to the Land Title Office to cancel the strata plan, with confirmation of a unanimous vote on the wind-up resolution. No BC Supreme Court order is required.

For strata corporations with 5 or more units and at least 80% of owners voting in support of the wind-up, Bill 40 requires the Supreme Court to consider:

- whether the application is in the best interests of the strata owners;
- the probability and extent of any significant unfairness to an owner or charge holder if the wind-up is confirmed or not confirmed; and
- the probability and extent of significant confusion or uncertainty in the affairs of the strata corporation, whether wind-up is confirmed or not.

Under Bill 40, following the BC Supreme Court review and court order approving of the proposed wind-up, owners have the right to file an appeal within 30 days of the Court order.

See Attachment 1 for the Province's overview of the process for cancellation of a strata plan and winding up of a strata corporation under Bill 40.

#### Precedents in the Metro Vancouver

There is significant interest across the Metro Vancouver region in winding up existing strata corporations for the purpose of redevelopment. Staff have reviewed how other municipalities respond to proposed strata wind-ups, and if there are requirements imposed for development applications. None of the municipalities have adopted Council policies for applications involving strata-wind-up, however, the City of Vancouver and the District of North Vancouver have developed processes for rezoning applications that involve strata wind-up.

See Attachment 2 for a table summarizing the processes other municipalities are following to address this issue.

#### Strata Redevelopment Pressure

The recent Provincial government changes to the *Strata Property Act* have resulted in increased interest in stratified multi-family residential sites for redevelopment.

#### Multi-Family Residential Strata Units in Richmond – Potential Magnitude of Redevelopment

Staff analysis shows that there are 259 multi-family strata sites in Richmond that were built in 1990 or earlier, with over 13,000 strata-titled dwelling units. These statistics demonstrate the potential magnitude of residential strata units that could be subject to redevelopment, particularly with the easier wind-up process enabled by the *Strata Properties Act*. Staff are of the opinion that buildings constructed after 1990 are less likely to be redeveloped at this time, given their age. Table 1 provides a breakdown of strata apartment buildings and townhouses sites, with corresponding number of units, built between 1970 and 1990:

**Table 1: Strata Units Built Prior to 1990**

Age of Building	Number of Buildings (Apartments) or Sites (Townhomes)	Number of Units
1970 and older	12	780
1971 to 1980	64	5,345
1981 to 1990	183	7,097
<b>Total</b>	<b>259</b>	<b>13,222</b>

The Metro Vancouver 2017 Housing Data Book estimates that there are 4,223 rented private condominiums (apartments and townhomes) in Richmond. In an analysis completed by staff, that number is potentially higher: based on Home Owner Grant applications in 2017 for strata units, approximately 7,533 strata units in Richmond did not claim the Home Owner Grant. These units are not owner-occupied and it is possible that these units may be rental units.

Approximately 1,175 of these strata units are listed as secured market rental housing by the Canadian Mortgage and Housing Corporation (CMHC), and as a result could also be subject to any City-adopted policies on market rental housing.

#### Implications of Strata Wind-up and Redevelopment

Strata wind-up and redevelopment of existing stratified multiple-family residential buildings has potential negative consequences: it displaces owners who do not support the wind-up and any tenants, reduces local affordable home ownership opportunities, and removes units from the secondary rental market.

##### *1. Displacement*

Under Bill 40, up to 20% of owners in a building may not agree to winding-up the strata and would be forced to sell their homes against their wishes. New or comparable housing in the area may be limited or unaffordable to owners.

##### *2. Loss of affordable home ownership or secondary rental market units*

Existing older strata buildings provide options for lower priced home ownership, and are a component of the secondary rental market. It is estimated that 15,500 Richmond households find housing in the secondary rental market. Redevelopment of older stratified multiple-family residential may reduce options for affordable home ownership and remove units from the secondary rental market housing in the city.

#### **Policy Recommendations**

Staff recommend that Council pass a policy resolution to address on-going pressures on existing older stratified multiple-residential buildings. A policy by Council resolution will enable staff to provide a quick response to any possible future legislation changes enacted by the Provincial government, as a bylaw amending the Official Community Plan would not be required. This

would allow staff to assess legislative changes, and present required amendments to the policy in a timely manner.

As staff cannot refuse the submission of a development application, it is recommended that processing of development applications for existing stratified multiple-family residential strata sites only be commenced when there is confirmation that the mandatory process has concluded. Where the stratified multiple-family residential strata site has more than 5 units, and as a result requires confirmation by the Supreme Court of BC, staff also recommend that such an application not be processed until 30 days following the Supreme Court order. By waiting 30 days, which is the appeal period permitted through the *Strata Property Act*, the City mitigates the risk that the court order would be overturned. It is extremely unlikely that an unsuccessful appellant in a strata wind-up matter at the provincial level would be heard by the Supreme Court of Canada, and as a result a court order from the BC Supreme Court can be considered a definitive action.

For a development application that involves an existing stratified multiple family residential site with fewer than 5 units, and as a result is not required to be confirmed by the Supreme Court of BC, Staff recommend that processing not be commenced until the City has received written confirmation of a favourable vote by 100% of all owners, and a copy of the certificate of Strata Corporation stating that the resolution required to be passed by under the *Strata Property Act* to cancel a strata plan has been passed.

The intent of the proposed policy is to prevent additional pressure being placed on owners as a result of a development application being submitted before the strata corporation completes wind-up.

### Proposed Policy

The proposed policy requires that the following information be submitted prior to the processing of a rezoning or a Development Permit application for a multiple family residential strata site:

- i. For any strata corporation with 5 or more units, certified confirmation of the Supreme Court decision on the strata's application for wind-up (i.e. the court order).
- ii. For any strata corporation with 5 or more units, written confirmation that at least 80% of owners voted to wind-up the strata, including the total number of owners in support, not in support, or absent from the vote.
- iii. Meeting minutes from the General Meeting where the resolution to wind-up was approved and a letter describing the rationale for the wind-up, the general processes followed by the strata, and how the views of any dissenting owners were considered during that process.
- iv. A certificate of Strata Corporation (Form E of the *Strata Property Regulation*) stating that the resolution required to be passed under *the Strata Property Act* to cancel a strata plan has been passed.
- v. A statutory declaration by the applicant / new owner executed at least 30 days after the date of the court order confirming the resolution to cancel the strata plan, and

confirming that as of the date of the statutory declaration, there has been no appeal filed with the Supreme Court in relation to that court order.

- vi. A Building Condition Assessment Report or a Depreciation Report which justifies that the building(s) is in such an advanced state of disrepair that redevelopment is more practical than repair or maintenance. The report would include the life expectancy of the building, the state of repair, the cost of necessary repairs or major maintenance projects, and degree of compliance with all City bylaws, servicing standards and requirements.
- vii. A statement on how the developer has offered assistance to any owner opposed to the wind-up. This may include:
  - Assistance with finding alternative accommodation;
  - Offering free or discounted rent following completion of the sale but prior to demolition of the building;
  - Offering significant notice to vacate the unit for site redevelopment after completion of the sale; and/or
  - Offering the first opportunity to purchase new units.

As a note to Council, a statutory declaration is similar to an oath made in court, and any false declaration would be considered perjury under the Criminal Code of Canada. In addition to the declaration submitted by the applicant/new owner, staff will verify through the court registry whether any appeals were made during the 30 day period following issuance of the court order.

See Attachment 3 for a draft Bulletin outlining the proposed policy.

Should Council endorse the proposed Residential Strata Redevelopment Policy, staff will refer the policy to the members of the development community (e.g. Urban Development Institute) and the Condominium Homeowners' Association of British Columbia (an industry resource and advocacy group for strata home owners across the province) for their information.

In addition, as the process for strata redevelopment with less than 100% support of owners is under the Province's jurisdiction through the *Strata Properties Act*, Staff recommend that a letter be sent to the Premier of BC, the Leader of the Opposition and the Minister of Municipal Affairs and Housing, with copies to all Richmond Members of the Legislative Assembly, the Leader of the Third Party, and the Leader of the Official Opposition, requesting that the Province review the provisions of Bill 40.

### **Financial Impact**

None.

### **Conclusion**

Since 2016, when the Province approved Bill 40 of the *Strata Property Act*, strata corporations have been able to wind-up with only 80% rather than 100% of owners voting in favour. Since the bill came into force, staff have received a number of redevelopment inquiries.

This report provides a summary of the strata wind-up process and recommends that staff be directed through a Council resolution to not consider redevelopment applications for sites occupied by existing stratified multiple-family residential buildings unless the criteria outlined in this report are met.

It is further recommended that the City forward a letter to to the Premier of British Columbia, and the Minister of Municipal Affairs and Housing, with copies to all Richmond Members of the Legislative Assembly, and the Leader of the Third Party, and the Leader of the Official Opposition, to request reconsideration of Bill 40 and the strata corporation wind-up procedures.



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Attachment 1: Provincial Overview of the Process to Terminate (Wind-Up) Strata Corporations

Attachment 2: Environmental Scan (Metro Vancouver) of Residential Strata Redevelopment  
Requirements

Attachment 3: Bulletin: Proposed City Response to Residential Strata Redevelopment





## Termination (Winding Up) of Strata Corporations

Strata corporations can now terminate (wind up and cancel the strata plan) with an 80% vote of all owners, instead of the previous unanimous voting requirement.

It is strongly recommended that a strata corporation considering termination seek independent professional and legal advice well in advance of a vote to wind up (terminate). There are many steps in the termination process and not all of these are referenced in strata legislation.

Bare land strata corporations ("strata subdivisions") wishing to terminate must also notify the applicable local government 90 days in advance. A bare land strata corporation considering termination may wish to transfer responsibility for bare land strata services (e.g. sewer, roads, water) to local government. *The applicable local government does not have to accept responsibility for any bare land strata services. Prior to a vote on termination, the strata should clarify how services will be provided.*

This page provides a basic overview of the strata termination process; it is not a substitute for legal advice.

Learn more on this page:

[Why Would a Strata Corporation Choose to Terminate?](#)

[From Unanimous to 80%](#)

[Overview of the Termination Process](#)

[Exploring Termination](#)

[Giving Notice of a General Meeting for a Termination Vote](#)

[Voters](#)

[Court Oversight](#)

[Submitting an Application to the Land Title Office](#)

[Bare Land Stratas - Additional Requirement](#)

### Why Would a Strata Corporation Choose to Terminate?

Under some circumstances, terminating a strata corporation may be the best choice for strata lot owners. As some older strata corporations reach the end of their life cycle, the cost of repair may not make economic sense or owners may not have the financial ability to pay for the necessary repairs. Sometimes the land can be sold for redevelopment; for example, a low-rise building could be redeveloped into a building with many more units.

Bare land stratas ("strata subdivisions") may want to terminate as well; this is known as cancelling the bare land strata plan. For example, a bare land strata corporation may want to convert to a fee simple (non-strata titled) subdivision or, in certain circumstances, become a single parcel with "tenants-in-common".

### From Unanimous to 80%

Effective July 28, 2016, strata owners are now able to terminate (wind up) their strata corporation with an 80% vote instead of the previous difficult-to-achieve unanimous voting requirement. Many other jurisdictions, including Alberta and Ontario, do not require a unanimous vote to terminate.

The 80% vote means the termination resolution **must have 80% approval of all the registered owners**. It is not a quorum vote. Unlike majority and 3/4 votes, it is not an 80% vote of those owners present, or holding proxies, at the meeting (learn more in [types of voting](#)). For strata corporations with fewer than 5 strata lots, the 80% voting threshold is effectively unanimous.

Given the significance of terminating a strata corporation, there is court oversight to protect any dissenting owners and registered charge holders (e.g. mortgage providers).

[These changes to the Strata Property Act](#) are based on the [BC Law Institute's recommendations](#). There was extensive public consultation and the changes are widely supported by the strata community.

### Overview of the Termination Process

Voluntary winding up from initial exploration to finalizing the sale (or liquidating) and owners moving out can take up to 18 months or even longer. This section provides a general overview of voluntary winding up but it does not list all the steps. Strata corporations are strongly advised to seek independent professional and [legal advice](#) from a knowledgeable strata lawyer as it is important to understand the full termination process and implications, well in advance of a vote to wind up a strata corporation. A lawyer can also advise on the pros and cons of voluntarily winding up with and without the services of a liquidator. (In addition to voluntary winding up, the *Strata Property Act* also continues to allow a court-ordered winding up, a rare occurrence).

Sometimes strata lot owners may be concerned about protecting their interests. The termination process has a number of safeguards built in including: advance notification to every owner; an 80% vote of approval from all owners (not a quorum vote from those present, or holding proxies, at a meeting); and court oversight. However, individual owners may also wish to consult a strata lawyer for independent advice.

Listed below are some other resources if termination is being considered:

- [Strata associations](#) have information about the new termination process and may offer consultation services for a fee.
- The [Civil Resolution Tribunal \(CRT\)](#) does not replace the court's role in the termination process. However the CRT can play a role to address certain unfair actions under sections 164 and 173 of the *Strata Property Act*. The CRT may make an order:
  - regarding an action or threatened action by the strata corporation, including the council, in relation to an owner or tenant
  - regarding a decision of the strata corporation, including the council, in relation to an owner or tenant

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- directed at the strata corporation, the council or a person who holds 50% or more of the votes, if the order is necessary to prevent or remedy a significantly unfair action, decision or exercise of voting rights.

- If there are concerns about professionals not acting in good faith, please check with their professional disciplinary bodies.
- Additional information on the termination process includes: CHOA's spring 2016 Journal Article "[How Simple is Liquidation of a Strata Corporation?](#)" and a [termination \(winding up\) infographic](#) by Clark Wilson LLP.

### Exploring Termination

Often a termination process starts when a developer approaches a strata corporation wishing to buy all the strata lots for redevelopment. Or a strata corporation may be interested in winding up and selling for redevelopment because of excessive repair and maintenance costs.

Open and transparent communication with owners is essential. Information meetings should be held with owners from the very beginning to discuss options and collectively learn more about termination (winding up) including disbursement of funds to owners (if selling to a developer), costs and fees.

Owners will also want to understand how funds from selling would be disbursed. Disbursement to owners will be affected by when the strata plan was filed: before August 1974, unit entitlement; August 1974 to 2000, interest upon destruction; after 2000, relative assessed values.

If the majority of owners are interested in termination, usually a resolution is adopted to enable the strata council to move the process forward and hire legal counsel. Given the costs of the legal review and governance implications, the strata council should only proceed once the owners have formally given direction. The strata corporation is strongly advised to obtain independent legal and professional advice.

The strata council may also hire a real estate broker to market the property or negotiate an offer from a developer. When hiring a broker, the strata corporation's legal counsel should closely review: the terms and conditions of the agency agreement; the commission rates; and whether any type of limited dual agency (i.e. representing both buyer and seller) is permitted.

There is no set procedure but once an eligible offer has been received, a resolution to terminate can be drafted. The winding up resolution should be drafted by the strata's legal counsel and will usually be a detailed multi-paged document. The termination resolution will authorize termination of the strata plan, authorize the strata corporation to apply to the Supreme Court for termination orders and a vesting order authorizing the cancellations of the strata plan and winding up of the strata corporation; approve expenditures (funding for the lawyer, liquidator, liquidator's legal representation, fees and commissions); and may also address miscellaneous matters like move out timelines or rent-free periods.

### Giving Notice of a General Meeting for a Termination Vote

A strata corporation is required to give at least two weeks' written notice of a general meeting. However if the agenda includes a resolution on termination, the strata must give at least four weeks' written notice. Four weeks actually means at least 32 days when also considering the notice requirements under the *Interpretation Act*. If the general meeting is called by petition, then eight weeks' written notice (at least 60 days when also considering the notice requirements under the *Interpretation Act*) is needed.

The notice of the general meeting to vote on termination must be given to all persons who are entitled to receive the meeting notice, regardless of whether a person previously waived the right to receive notification. Learn more about [notice requirements](#) and [preparing for a general meeting](#).

### Voters

**Approving a strata termination resolution requires an 80% vote of approval from all the strata owners.** It is not a [quorum vote](#) of those owners present or holding proxies at a meeting.

Given the importance of a termination resolution, all [strata owners are eligible to vote](#) on the resolution, regardless of any provisions in the bylaws making a strata owner ineligible to vote if the owner has unpaid special levies or unpaid strata fees.

In some situations a mortgagee (the person, organization or financial institution holding the mortgage) of a strata lot may vote at a general meeting on matters relating to insurance, maintenance, finance or other matters affecting the security for the mortgage. However, a mortgagee is not permitted to vote on a resolution to terminate a strata corporation.

### Court Oversight

After passing a resolution to terminate, a strata corporation with five or more strata lots must apply to the BC Supreme Court for an order confirming termination.

For small strata corporations with fewer than five lots, the requirement for an 80% vote to terminate is effectively unanimous. These stratas may choose whether to apply for a court order or not. On the one hand, obtaining a court order has a cost. On the other hand, having a court order means small strata corporations do not have to get unanimous written consent of the registered chargeholders.

The *Strata Property Act* provides guidance to the court in how to consider the best interests of the owners, including any significant unfairness to any dissenting minority owners or registered charge holders (e.g. mortgage provider) and ensures all parties have a standing in court.

### Submitting an Application to the Land Title Office

When the strata corporation is ready to submit an application to the [Land Title Office](#) to cancel a strata plan, the strata corporation in addition to other documents, must include the following:

If the strata has obtained a court order:

- a Certificate of Strata Corporation confirming:
  - the winding up (termination) resolution has passed, and
  - the strata corporation has no debts other than the debts held by holders of registered charges.
- a copy of the court order

If the strata has fewer than 5 strata lots (and does not obtain a court order):

- the written consent of all holders of registered charges

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- a Form E Certificate of Strata Corporation for Section 274 confirming:
  - the winding up (termination) resolution has passed, and
  - the strata corporation has no debts other than the debts held by persons who have consented in writing to the winding up of the strata corporation.

### **Bare Land Stratas Additional Requirement: Notification of Intent to Cancel**

In addition to the process outlined above, bare land strata corporations must also meet another requirement in order to terminate.

Bare land strata corporations ("strata subdivisions") wishing to terminate must notify the applicable local government 90 days in advance. A bare land strata corporation considering termination may wish to transfer responsibility for bare land strata services (e.g. sewer, roads, electricity) to local government.

*However, the applicable local government does not have to accept responsibility for any bare land strata services and this may prevent the bare land strata from terminating.*

#### **Bare Land Strata Subdivision Services**

Many bare land strata corporations have significant responsibilities for common property and limited common property such as roads, water, sewage, hydro and recreation facilities.

However, a bare land strata corporation's water and sewer services may or may not be provided by the local government and may or may not be constructed, installed and maintained to local government standards. Local government subdivision standards may also differ for things like building setbacks, road widths, road construction, road finishing, sidewalks, curbs and gutters. In Electoral Areas (parts of Regional Districts) roads are the responsibility of the Province and strata roads may or may not meet provincial standards.

- It is strongly recommended that a bare land strata corporation wishing to cancel a strata plan (terminate the strata) consult with the appropriate local government officials (including those in development and planning) *well in advance of submitting an application to cancel a bare land strata plan, e.g. six months.*
- It is very important that the bare land strata corporation and the appropriate local government have come to a shared agreement, with legal documentation, about who will be responsible for the bare land strata property's common property and assets and the associated repair and maintenance costs if the bare land strata terminates. This shared agreement should be reached *before* owners vote on a termination resolution.  
If a bare land strata corporation does not reach a shared agreement with the appropriate local government (or in some cases the Province) and terminates without having an approved subdivision plan, the owners could inadvertently become "tenants-in-common" on a single land parcel. Being "tenants-in-common" has significant legal implications including not being governed by strata legislation.

*A bare land strata corporations cannot unilaterally transfer their responsibilities for strata services to local government.*

#### **Form BL-A Notice of Intent to Wind Up a Strata Corporation and Cancel a Bare Land Strata Plan**

Before submitting an application to the registrar in Land Titles to cancel a bare land strata plan, the bare land strata corporation must provide notice of the cancellation to the appropriate local government 90 days in advance using "Form BL-A Notice of Intent to Wind Up a Strata Corporation and Cancel a Bare Land Strata Plan".

The notification requirement is a step to help ensure that the bare land strata corporation and the applicable local government (e.g. municipality or regional district or, in some situations, the Province) are aware of their respective termination responsibilities and have come to a mutual agreement.

Like other strata corporations contemplating termination, bare land strata corporations are strongly advised to retain independent legal counsel familiar with strata law and bare land strata corporations.

#### **References:**

Strata Property Act: Sections 43, 45, 54, 273.1, 274, 278.1, 279, 284

Bare Land Strata Plan Cancellation Regulation: Section 2.1

*The information on strata housing is provided for the user's convenience as a basic starting point; it is not a substitute for getting legal advice. Learn more about the site's purpose and limits. The content on this website is periodically reviewed and updated by the Province of British Columbia as per the date noted on each page: February 20, 2017.*

## **Professional and Legal Advice**

It is highly recommended stratas get independent professional and legal advice if considering termination.

- Options for Getting Legal Advice

Strata associations offer useful information for strata owners and strata council members.

- CHOA (Condominium Home Owners Association of BC)
- VISQA (Vancouver Island Strata Owners Association)
- CCI Vancouver Chapter (Canadian Condominium Institute)

## **Strata Legislation**

### Environmental Scan (Metro Vancouver) of Residential Strata Redevelopment Requirements

Municipality	Residential Strata Redevelopment Requirements
City of Vancouver	<ul style="list-style-type: none"> <li>• At the time of a rezoning application involving strata wind-up, proof is required that an application has been filed with the Supreme Court to cancel the strata plan and wind-up the strata corporation.</li> <li>• If the applicant is a developer who owns 80% or more of the strata lots at the time of making an application, the application may be accepted as long as the remaining owners authorize the applicant to submit an application on their behalf, in lieu of presenting proof of filing with the court.</li> <li>• Prior to a rezoning application being considered by Council at a public hearing, the City requires proof that the strata plan has been cancelled and that the strata corporation has been wound up. An updated title search showing that the property is no longer strata-titled is considered acceptable proof.</li> <li>• While a rezoning application may proceed while a strata wind-up is in process (subject the requirements noted above), the City will not grant final approval until the strata wind-up has been completed</li> </ul>
District of North Vancouver	<ul style="list-style-type: none"> <li>• At the time of a preliminary rezoning application, the District requires a letter from the strata president showing that at least 80% of owners supported the wind-up, and the meeting minutes showing the total number of owners in support of wind-up.</li> <li>• In order to accept a detailed rezoning application, the District requires confirmation that there is a single owner of the property or that wind-up has been approved by the court and the applicant has been granted signing authority.</li> <li>• Where there is a rental component, the developer is asked to provide a housing strategy for tenants, such as hiring a consultant to assist with relocation to comparable housing.</li> <li>• The District is currently reviewing two rezoning applications for strata redevelopment.</li> </ul>
Other Municipalities	<ul style="list-style-type: none"> <li>• The Cities of Burnaby Coquitlam and New Westminster have received inquiries related to the redevelopment of strata wind-up sites, and the City of Coquitlam has received a rezoning application for a strata wind-up site.</li> <li>• None of these cities have any additional requirements.</li> </ul>

**BULLETIN: City Response to Residential Strata Redevelopment**

The City will not commence processing of any rezoning or Development Permit application that involves an existing stratified multiple-family residential strata site, until the following has been submitted:

- i. For any strata corporation with 5 or more units, certified confirmation of the Supreme Court decision on the strata's application for wind-up (i.e. the court order).
- ii. For any strata corporation with 5 or more units, written confirmation that at least 80% of owners voted to wind-up the strata, including the total number of owners in support, not in support, or absent from the vote.
- iii. Meeting minutes from the General Meeting where the resolution to wind-up was approved and a letter describing the rationale for the wind-up, the general processes followed by the strata, and how the views of any dissenting owners were considered during that process.
- iv. A certificate of Strata Corporation (Form E of the *Strata Property Regulation*) stating that the resolution required to be passed under *the Strata Property Act* to cancel a strata plan has been passed.
- v. A statutory declaration by the applicant / new owner executed at least 30 days after the date of the court order confirming the resolution to cancel the strata plan, and confirming that as of the date of the statutory declaration, there has been no appeal filed with the Supreme Court in relation to that court order.
- vi. A Building Condition Assessment Report or a Depreciation Report which justifies that the building(s) is in such an advanced state of disrepair that redevelopment is more practical than repair or maintenance. The report would include the life expectancy of the building, the state of repair, the cost of necessary repairs or major maintenance projects, and degree of compliance with all City bylaws, servicing standards and requirements.
- vii. A statement on how the developer has offered assistance to any owner opposed to the wind-up. This may include:
  - Assistance with finding alternative accommodation;
  - Offering free or discounted rent following completion of the sale but prior to demolition of the building;
  - Offering significant notice to vacate the unit for site redevelopment after completion of the sale; and/or
  - Offering the first opportunity to purchase new units.