

## **INVESTING - RENTALS IN STRATA PROPERTIES (Part II)**

Owners in strata complexes have the right to decide whether or not rentals will be permitted or restricted in their complex. There are some exceptions to do with family and hardship cases which I briefly outlined in my previous column.

Most often owners put in rental prohibitions or restrictions in an effort to assure a peaceful lifestyle. Fair enough. Such restrictions are usually voted in once there has been some incident or disruption caused by a tenant.

Before owners make such a decision they might like to consider the resale factor. Owners need to know that we have now realized that voting against allowing rentals, impacts resales. Many sales have been lost in this busy market, due to investors not being able to buy in certain complexes because of a no rental policy. Generally, the more buyers there are for a property, the better the price obtained. Most investors prefer to buy in complexes that are low to mid price range as the rental income better covers their financing, but there is also significant number of investors who want to retire to mid and upper price range units in a few years and wish to have rental income on them in the meantime.

This kind of buyer is usually cautious about choosing the right tenant. After all the unit will be their retirement home someday and they want to know it's not being abused. So many complexes have voted to have no rentals that it can be very difficult for such investor buyers to find something suitable.

While on the subject of tenants, did you know that you cannot discriminate against them on the basis of age? It's against the Human Rights Act. At this time, only age restrictions of 55+ years can be upheld with tenants. All other restrictions on age 19+, 40+ etc. are enforceable against owners, but not tenants. I should mention that this is a correction on some information I published in this column in July 2004. My apologies for that error. There has been so much misinformation circulated in this regard. I hope I have now managed to set the record straight, for all of us.

Another worthwhile thing to know is that if a tenant wishes to rent in a strata complex, the owner is required to have the tenant sign a Form K. This is a form contained in the Strata Property Act that says that the tenant agrees to be bound by the rules, regulations and bylaws of the complex.

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