

Strata Living

Headline: Are commercial lots different than residential?

Topic: Commercial Stratas, Voting

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Dear Tony: We live in a strata that is a mixed use building. The bottom three floors are retail and offices and the top 26 floors are residential strata lots. For years we have had annual meetings where everyone just registers and is issued a generic voting card and one vote is taken on every resolution. Our council was recently advised by an owner that we have been passing bylaws incorrectly and all of our bylaws are likely unenforceable because we have not been voting properly on the amendments. Are there significant differences between commercial and residential strata lots?

John Reynolds , Vancouver

Dear John: Whether a strata lot is residential, commercial (non residential), a bare land strata, storage lockers, hotel suite, stable, parking space, marina slip, townhouses or another configuration, they are basically all treated the same under the *Strata Property Act* and Regulations with a few minor variations. All strata lots pay for common expenses based on unit entitlement, or an amendment filed in the land title registry. The Standard Bylaws apply to the extent there are amendments. A strata council or executive is elected, and the strata is required to hold an annual general meeting and approve an operating budget. The differences between commercial and residential are easily identified in the amendment and application of bylaws. For example, the Act does not permit a bylaw that limits or prohibits rentals or leasing of commercial strata lots. Commercial strata lots may also have different voting formulas that may have been created by the owner

developer or the strata corporation and are part of the bylaws. If a strata corporation has both residential and commercial strata lots they are also required to vote separately on any bylaw amendments in order for the amendment to be approved. That would require a separate three quarters vote resolution of the residential and three quarters vote or bylaw voting threshold requirement by the commercial. Both resolutions should be included in the notice package for the meetings, voted separately, and if they both pass, filed on the Form I for the bylaw amendment filing in the Land Title Registry. One other significant difference is that commercial strata lots do not generally have 1 vote per unit. The voting is based on the relative size of the strata lot and may be fractional. In order to comply with proper voting procedures a strata corporation will be required to obtain a complete copy of the schedule of voting entitlement to understand the voting ratio of each strata lot.

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