

ITEM 22

MANAGER'S REPORT NO. 49

COUNCIL MEETING July 8/74

Re: Condominium Conversions

Following is a report from the Director of Planning on condominium conversions. The report contains replies to the several inquiries that were made by Council on this subject at the June 24, 1974 meeting of Council.

RECOMMENDATIONS:

THAT a moratorium not be declared at this time on the understanding that a major review report on revised guidelines for residential condominiums and conversions will be submitted to Council in the near future; and

THAT the Provincial and Federal Governments and/or housing agencies be notified of the concern of the Municipality that initiatives and/or legislation is needed at a senior governmental level to create a climate whereby the construction and maintenance of rental accommodation is a viable economic proposition.

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PLANNING DEPARTMENT
JULY 4, 1974

TO: MUNICIPAL MANAGER
FROM: DIRECTOR OF PLANNING
SUBJECT: CONDOMINIUM CONVERSIONS

1.0 CONDOMINIUM CONVERSIONS

At the Council meeting of June 24, 1974, a proposal was advanced that a moratorium be declared on all condominium conversions until the vacancy rental reaches 2%. Council requested a report on a number of points.

2.0 RENTAL UNITS VERSUS HOME OWNERSHIP (INCLUDING CONDOMINIUMS)

2.1 Existing Housing Stock

High Density Multiple-Family Housing (RM5)	2,719 units
Medium Density Multiple-Family Housing (RM2, RM3, RM4)	9,249 units
Low Density Multiple-Family Housing (RM1)	1,491 units
Sub-Total Multiple-Family Housing	13,459 units
Single and Two-Family (Duplex) Dwellings	30,938 units
Total Existing Housing Stock	43,938 units

2.2 Existing Condominium Stock (See also attached Table A).

Condominiums established prior to the requirement for the Municipal approval of Strata Plans.

1,100 units

Condominium units approved by the Municipal Council

416 units

Total Existing Condominiums

1,516 units

2.3 The main points are:

- a) That only 6 duplex units have been approved thus far as condominiums.
- b) Almost all existing condominiums are multiple housing projects and include six 3-storey apartments projects containing 362 units and 13 townhouse or garden apartment projects containing 1,148 units.
- c) Existing condominiums represent approximately 11.2% of the existing multiple-family housing stock in Burnaby.
- d) The existing single and two-family (duplex) dwellings totalling 30,379 units appear to be overwhelmingly single-family dwellings and therefore represent a strong home ownership element.

3.0 CONDOMINIUM CONVERSIONS

Table "A" represents a current summary of New Condominiums and Condominium Conversions which have either been given Final Approval, Tentative Approval, or are Pending.

One significant observation is that there appears to have been a recent increase in Condominium Conversion applications. Pending Conversion Applications consist of one townhouse/garden apartment project of 67 units, seven 3-storey apartment projects totalling 347 units and two duplexes. This situation would appear to indicate that recent applicants are willing to go to considerable expense, for example, by reducing the number of units in a project or by increasing the parking ratio to meet the condominium guidelines and thereby be more likely to obtain Council approval of the requisite Strata Plan. However, this conjecture is not conclusive and should be monitored further since many of the applicants with pending applications for approval of Strata Plans may be unable to meet the condominium guidelines fully.

4.0 POSSIBLE CONVERSIONS

To our knowledge, no existing rental multiple-family projects can meet the condominium guidelines without major adjustments. The main point of difference is the parking requirement. Existing 3-storey rental apartments have a parking ratio of 1.0 spaces per unit and existing high rise rental apartments have a parking ratio of 1.25 spaces per unit. This is below the 1.5 parking space per unit ratio required for 3-storey and high rise apartments.

5.0 GENERAL COMMENTS

5.1 It is our understanding that the major revision to the Strata Titles Act (Bill 141, 1974) has now been given final approval by the Provincial Legislature. The revised Strata Titles Act states that new condominiums will require approval by the municipal approving officer but that condominium conversions will still require approval by the Municipal Council. The Act suggests that the Municipal Council shall consider the priority of rental accommodation over privately owned housing in the area at the time when a conversion application is considered by Council.

5.2 The General Report for Residential Condominiums and Conversions which was adopted by Council on November 26, 1973 is due for a complete review as agreed upon by Council based on one year of operation. The Planning Department will be presenting a complete review report in early September, 1974. The overall ramifications of the revised Strata Titles Act will be considered in the review report. The trend in condominium conversions may also be clearer at that time.

5.3 It is recommended that a moratorium not be considered on condominium conversions.

It is noted that all new multiple-family housing developments rezoned, under rezoning, or submitted for preliminary plan approval are for condominiums. At least two recent large residential developments originally rezoned for rental accommodation have been changed (with Council knowledge) to condominiums.

Thus the trend, especially if condominium conversion applications are not considered by Council, would be towards older apartments being rental and all new apartments being condominium. Stricter controls on rental apartments (i.e. rent control, moratorium) would only appear in the long run to encourage the lowering of quality and maintenance standards of existing apartments due in part to the fact that consumer demand for rental housing will not decrease.

It is the opinion of the Planning Department that the existing guidelines for condominium conversions ensure that conversions, in general, meet a high health and building standard and the required provision of adequate communal facilities, Project Parking, in particular, must meet the current guidelines for new condominiums. Adequate explanations are required concerning the relocation of tenants who do not wish to buy. Extensive building adjustments are usually carried out by applicants in order to meet the conversion guidelines adopted by Council.

5.4 It would appear that a moratorium would not assist in achieving the basic desired solution which is the encouragement of the construction of new rental accommodation, in particular, by the private market and the creation of a climate whereby the maintenance of rental accommodation is a viable proposition. This climate can only be created by initiatives or legislation of the senior levels of government (provincial and federal).

5.5 As outlined in a previous report the tying of condominium conversion approvals to a vacancy factor may be subject to abuse and uncertainty based as it is on the possible rapid fluctuations of vacancy rates (due probably in part to conversion rates themselves) and the attempt of applicants to bring in conversion applications prior to designated deadlines.

6.0 RECOMMENDATION

It is recommended that:

- a) a moratorium not be declared at this time on the understanding that a major review report on revised guidelines for residential condominiums and conversions will be submitted to Council in the near future.
- b) the Provincial and Federal Governments and/or housing agencies be notified of the concern of the Municipality that initiatives and/or legislation is needed at a senior governmental level to create a climate whereby the construction and maintenance of rental accommodation is a viable economic proposition.

Respectfully submitted,



A. L. Parr,
DIRECTOR OF PLANNING.

KI:bp
Attachment

TABLE "A"
APPLICATIONS FOR STRATA TITLE APPROVAL
JULY 5, 1973 - JUNE 28, 1974

STATISTICAL CONCLUSIONS:

I. CONVERSIONS:

A. Council Consideration Pending -	(a) Townhouse/Garden Apt's.	= 1 project totaling 67 units
	(b) 3-Storey Apartments	= 7 projects totaling 347 units
	(c) Duplexes	= 2 projects totaling 4 units
<u>TOTAL</u>		<u>= 10 projects totaling 418 units</u>
B. Tentative Approval -	(a) 3-Storey Apartments	= 1 project totaling 39 units
	(b) Duplexes	= 3 projects totaling 6 units
<u>TOTAL</u>		<u>= 4 projects totaling 45 units</u>
C. Final Approval -	(a) 3-Storey Apartments	= 2 projects totaling 66 units
	(b) Duplexes	= 2 projects totaling 4 units
<u>TOTAL</u>		<u>= 4 projects totaling 70 units</u>

II. NEW:

A. Council Consideration Pending -	(a) Duplexes	= 1 project totaling 2 units
	<u>TOTAL</u>	<u>= 1 project totaling 2 units</u>
B. Tentative Approval -	(a) Duplexes	= 5 projects totaling 10 units
	<u>TOTAL</u>	<u>= 5 projects totaling 10 units</u>
D. Final Approval -	(a) Townhouses	= 5 projects totaling 171 units
	(b) 3-Storey Apartments	= 3 projects totaling 173 units
	(c) Duplexes	= 1 project totaling 2 units
<u>TOTAL</u>		<u>= 9 projects totaling 346 units</u>

III. Total Units Finally Approved	= 416 units
Total Units Tentatively Approved	= 55 units
Total Units with Council Consideration Pending	= 420 units