



**Date:** May 29, 2025

**Subject: 1012 Oliphant Avenue (SUB00438) – Strata Title Conversion Consideration**

The residential building at 1012 Oliphant currently includes five rental units. The property has existed as a small rental building since 1938. All five units are currently tenanted. The property owners have requested as per their letter to the City (see Attachment 1) consideration of the conversion of the residential rental building to a two-unit strata residential building. The request would enable the owners to move in and occupy the building in a way that meets their needs. The owners also intend to

create a secondary suite that would be part of one of the proposed strata units.

## **ISSUES & ANALYSIS**

The following sections provide an overview of the relevant City policy and Provincial Legislation regarding strata conversions and a technical analysis as to the alignment of the application with relevant policies.

### **Policy**

In reviewing Strata Title Conversions, Council must take into account Section 242 of the Strata Property Act (SPA) and the City's Strata Title Conversion Policy.

#### Strata Property Act (SPA):

Section 242 (6) of the SPA outlines considerations for evaluating a request for strata conversion. This includes the following factors:

- the priority of rental accommodation over privately owned housing in the area
- any proposals for the relocation of persons occupying a residential building
- the life expectancy of the building
- projected major increases in maintenance costs due to the condition of the building
- any other matters that are considered relevant.

#### Strata Title Conversion Policy:

The City's *Strata Title Conversion Policy* (see Attachment 2) requires Council consideration for a strata title conversion where a building has more than four units or where there are existing tenants in place. Additionally, in line with the City's *Official Community Plan* (2012), the following guidance is provided by the policy:

- that applications to convert existing residential rental buildings containing more than four rental units shall not be accepted when the rental apartment vacancy rate is below 4% (which may be appealed to Council)
- that an application is to include a Tenant Plan for buildings with tenants.

### **Analysis**

Based on the relevant policy and legislation the following section of the report analyses the proposed request for strata conversion on three key areas including: housing and tenant impacts, building condition, and land use (zoning and servicing).

#### Rental Housing and Existing Tenants:

Both the SPA and City policies highlight the importance of considering the priority of rental housing as well as the potential impacts on tenants of occupied rental buildings. The *Official Community Plan* states that for the conversion of rental buildings (with four units or more) to stratified units is not supported when the vacancy rate as provided by Canada Mortgage and Housing Corporation (CMHC) for Greater Victoria is at 4% or lower for a period of two consecutive years. The building includes five

occupied rental units and the CMHC vacancy rate is currently at 2.6% and has not been above 4% for many years.

Generally, the greatest impact to the rental housing market vacancy rate would be the conversion of large purpose-built rental apartment buildings which form the basis of the primary rental housing market. For smaller, older buildings that operate as rental, applications for conversion should also consider the following:

- number of long-term rental units proposed for conversion
- existence of any legal agreements (i.e. housing agreement) registered on title by the City to secure long-term rental housing on-site and
- potential supports offered by the applicant to tenants impacted by strata conversion.

As a five-unit building, the strata conversion proposal would have a limited impact on the long-term rental housing vacancy rate. To somewhat mitigate this, the applicant has expressed their intent to incorporate a secondary suite into one of the proposed strata lots that could be operated as a rental unit on the secondary rental market.

It is further noted that the City has no legal agreements registered on title to secure these units as long-term rental housing.

The applicant has committed to providing support to the five impacted tenants in alignment with section 4.0 of the *Tenant Assistance Policy* to help mitigate the impacts of displacement. All eligible tenants will be provided with financial compensation, moving support, and relocation assistance. Ineligible tenants will be offered compensation as per the *Residential Tenancy Act*. The tenant residing in the secondary suite being retained as a rental will be offered right of first refusal at the current rent to return to the unit once house conversion is complete. Tenant assistance commitments have been outlined in the letter to Council (See Attachment 1) and provide the compensation and support proposed.

#### Building Condition:

As per the SPA and the City's *Strata Title Conversion Policy*, buildings under consideration should be in good condition and in compliance with the *BC Building Code*. This includes common walls and bearing walls meeting the standards of the *BC Building Code* for fire separation and sound rating.

To meet these building condition requirements, the applicant has engaged an architect who has provided to the City a building conditions report (Attachment 3, 4 and 5). Based on the report, the applicant has committed to the following as a condition of Strata Consideration:

- Applying for a Building Permit
- Installing a heat-pump for the main units and base-board electric heating for the suite
- Providing new water, sanitary and drain services.

The architect has also indicated that the project will meet the City's Policy regarding fire separation and sound attenuation as an aspect of Building Permit and that they will provide the necessary assurance letter upon completion (Attachment 6).

#### Zoning:

Any strata conversion application must be compliant with the *Zoning Regulation Bylaw*. Through the application review process several matters were identified that would be addressed through a Delegated Development Variance Permit application:

- the lower-level storage area is to be included in the floor area
- a variance is required for the roof deck (no existing record)
- fence height to be in compliance with Schedule S – Fences.

The applicant would require a Delegated Development Variance Permit to ensure compliance with the *Zoning Regulation Bylaw* prior to final approval of the Strata Title Conversion.

#### Services:

The existing services to the property are old and upgrades to site servicing (new installations) are anticipated. To confirm the sanitary, drain and water size requirements, the applicant will be required to supply hydraulic load calculations. The owners may choose to service each strata lot individually (or through common pipe), which would be determined upon building permit application, and would be necessary prior to final approval of the strata title conversion.

### **OPTIONS & IMPACTS**

#### Option 1: Decline the Strata Title Conversion application (Recommended motion)

This option is consistent with the *Strata Title Conversion Policy* and the OCP. However, if Council declines the application for strata title conversion due to the loss of rental units, even without the creation of the two proposed strata lots, the property may still be occupied by the property owners. As a result, the current tenants could still be displaced (for the landlord's own use under the *Residential Tenancy Act*), but without the support of a tenant assistance plan for those tenants. However, the building would remain one title, and the current landowners would not be able to sell individual units within the property.

#### Option 2: Accept the Strata Title Conversion Application subject to conditions (Alternate motion)

If Council wishes to proceed with the consideration of strata title conversion, there are a number of conditions to be met prior to final approval of a Strata Plan. The alternative motion requires that the property be brought into compliance with the *Zoning Regulation Bylaw* through a Delegated Development Variance permit, that the applicant apply for a building permit to ensure building code compliance and that upgrading of city services be undertaken, and that support be provided to the displaced tenants consistent with the requirements of the *Tenant Assistance Policy*.

#### **Alternate motion:**

That Council direct the Approving Officer to sign the plan of strata title conversion after the following conditions have been met:

- a) That the owner provides a Tenant Assistance Plan consistent with requirements of Section 4.0 of the Tenant Assistance Policy and that the City approve the plan prior to the issuance of a Building permit so that the requirements can be met concurrently.

- b) That the owners apply for and obtain approval for any Zoning Regulation Bylaw variances
- c) That the owners apply for a Building Permit:
  - i) Provide for the sound attenuation and fire separation requirements, and that these be confirmed as being met by the architect involved in the project.
  - ii) Provide a Hydraulic Load calculation (water) and upgrade the service if necessary, and
  - iii) Provide new sanitary and drain services to the lands.
- d) That the registered architect provide a letter of assurance at project completion, in support of the strata title conversion consideration.

#### 2023-2026 Strategic Plan

The proposal aligns with the Housing section of the *City of Victoria's 2023–2026 Strategic Plan*, which emphasizes enabling more market and non-market housing, as well as diversifying housing types and their distribution across the city.

#### Impacts to 2024-2028 Financial Plan

There are no impacts to the City's 5-year Financial Plan.

### **CONCLUSIONS**

The proposal to convert five rental units to two stratified units results in a decrease in the City's rental housing stock. Therefore, as the existing rental vacancy rate is less than 4%, as per the OCP and Strata Title Conversion Policy, it is recommended that Council decline the Strata Title Conversion application. However, given the owners intent to owner occupy one of the proposed strata units, provide upgrades to the building and servicing, and meet the conditions of the City's policies, including the provision of a Tenant Assistant Plan, an alternate motion is provided for Council's consideration to advance the application.

Respectfully submitted,

Brent Molnar  
Deputy Approving Officer  
Engineering and Public Works, Land Development

Karen Hoese, Director  
Planning and Development Department

**Report accepted and recommended by the City Manager.**

### **List of Attachments**

- |              |  |
|--------------|--|
| Attachment 1 | Strata Application Letter with Tenant Assistance Information |
| Attachment 2 | Strata Title Conversion Policy                               |
| Attachment 3 | Depreciation Report  |
| Attachment 4 | House Inspection Report                                      |
| Attachment 5 | Storage Tank Report  |
| Attachment 6 | Architect – Letter of Professional Assurance                 |

