

April 17, 2013

To: Members,  
Regina Planning Commission

Re: Update on Condominium Policy Bylaw

---

RECOMMENDATION

1. That item CR12-4 be removed from the list of outstanding items for the Regina Planning Commission.
2. That a follow-up report be submitted to the Regina Planning Commission in 2014/2015 discussing operational aspects of the Condominium Policy Bylaw and evaluating implementation.

CONCLUSION

Since market conditions for rental properties are currently more viable relative to previous years and vacancy remains below the 2 per cent rate necessary for major conversions as set out in the Condominium Policy Bylaw, no applications for condominium conversions have been received since the Bylaw went into effect in early 2012. As such, the Administration will continue to monitor vacancy rates and evaluate, according to the Condominium Policy Bylaw, any condominium conversion applications that may be received in the future.

BACKGROUND

In May 2010, the City of Regina (the City) engaged the Business Centre for Management Development Inc. (BCMD) of the University of Regina to undertake a review of the City of Regina Condominium Conversion Policy, dated October 17, 1994. The review was needed to respond to the dramatic change in the housing market since 2005-2006, the marked increase in the number of conversion applications in 2007 and 2008, and the need for a better process which was raised in presentation to Regina Planning Commission (RPC) and City Council. While the review was taking place, City Council issued a moratorium on condominium conversion applications.

At the January 23, 2012 meeting of Council, Council received a report from Planning Commission recommending that the City Solicitor be directed to prepare a condominium policy bylaw. At the same meeting, there was a motion requesting Administration to prepare a follow-up report to RPC to consider the discussions during previous condo conversion debates and provide further information related to issues dealing with hardship and clarification of significant reduction.

On February 21, 2012, Council adopted the Condominium Policy Bylaw (No. 2012-14) which gave legal effect to a new condominium conversions policy.

## DISCUSSION

The previous policy on the conversion of rental apartments into condominiums provided for the City to conduct a tenant survey about a proposed condominium conversion. City Council had the ability to deny applications for condominium conversion if the conversion would create “significant hardship” for more than 10 per cent of the tenants (based on responses to the tenant survey). The tenant survey process was identified as problematic in terms of transparency and response rates.

The key differences between the former policy and the new Condominium Policy Bylaw are that applicants are now required to provide more detailed information at the time of application, the ineffective tenant survey process has been eliminated, requirements for tenant transition and assistance measures have been introduced, and the largely subjective criteria of “significant hardship” has been replaced by a clear vacancy rate requirement, based on figures published semi-annually by the Canada Mortgage and Housing Corporation (CMHC).

The Bylaw states that *“the Development Officer is hereby delegated the authority to consider and approve applications for Condominium Conversion for any Property that contains 5 to 50 Units where the following conditions have been met: ...[these conditions include] CMA Vacancy Rate is 2 per cent or more.”*

The CMA Vacancy Rate is defined as the average of the two most recently published spring vacancy rates or the two most recently published fall vacancy rates for the Regina CMA, based on CMHC’s rental market survey. CMHC conducts its Rental Market Survey (RMS) twice a year in April and October (i.e. spring and fall).

The objective of this requirement is to mitigate hardship for tenants of apartments that are subject to conversions by ensuring that the vacancy rate is at a sufficient and stable level such that tenants can reasonably expect to obtain rental accommodations elsewhere. Properties with two to four units, Designated Heritage Properties, properties in the Victoria Park Conservation District, and Vacant Properties are exempt from the vacancy rate requirement, but other criteria apply.

Tenant Transition and Assistance Measures are also established in the Bylaw to mitigate hardship for tenants residing in a building subject to conversion. These include a guarantee of occupancy for two years following the approval of a conversion, subject to any existing lease conditions and provincial legislation pertaining to rental properties. A second measure is that tenants are provided with the right of first refusal to purchase their unit at the proposed market rate.

Bill No. 57, An Act to amend *The Condominium Property Act, 1993* is currently before the provincial legislature. The Bill proposes some changes to section 10(5) of *The Condominium Property Act, 1993* to modify the definition of “significant hardship” by adding a phrase relating to the developer's mitigation plan. The Province is planning to further address this issue via regulations. The Bill received second reading on March 13, 2013 and has been referred to Committee stage.

No applications for condominium conversions have been received since the new Bylaw came into effect. This is largely due to the fact that market conditions for rental properties are currently more viable relative to previous years. In addition, based on CMHC’s Fall 2012 Rental Market

Statistics, the Regina Census Metropolitan Area (CMA) had an apartment vacancy rate of 1 per cent, which is below the minimum 2 per cent vacancy rate specified in the Bylaw for most types of condominium conversions. CMHC has forecast vacancy rates of 1.2 per cent and 1.3 per cent respectively for 2013-2014. On this basis, no major condominium conversion applications would be anticipated during this period.

The Administration will continue to monitor vacancy rates and will evaluate, according to the Condominium Policy Bylaw, any condominium conversion applications that may be received in the future. It is recommended that a follow up report be submitted to the Regina Planning Commission in 2014/2015.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

None with respect to this report.

### Environmental Implications

None with respect to this report.

### Policy/Strategic Implications

The *Condominium Policy Bylaw* coincides with other City policies and programs to address housing issues. The Housing Incentives Policy, which is currently being revised by Administration, and other measures in the Comprehensive Housing Strategy, will focus on the need to increase the volume of rental units in the City in order to increase the vacancy rate and provide more availability of rental units. Revisions to the Housing Incentive Policy will be brought before Council with the Implementation Plan in the second quarter of 2013.

### Other Implications

None with respect to this report.

### Accessibility Implications

None with respect to this report.

## COMMUNICATIONS

The Condominium Policy Bylaw as passed by Council on February 21, 2012 has been posted on the City's website under the "Most Requested Bylaws" section and the relevant page within the Housing section of the City's website has been revised accordingly.

An application form and a user-friendly guide to the Policy have been developed by the Administration. These will be posted online following further review by Administration in the context of the Current Planning branch's initiative to review all the application forms used in its business area.

DELEGATED AUTHORITY

Consideration of this matter falls within the purview of Regina Planning Commission.

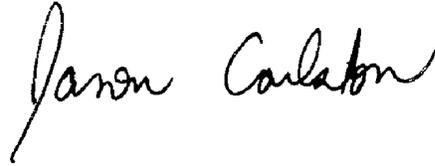
Respectfully submitted,

A handwritten signature in blue ink, appearing to read "D. Hawryluk".

For: Diana Hawryluk, Director  
Planning

Prepared by: Emily McGirr

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jason Carlston".

Jason Carlston, Deputy City Manager  
Community Planning and Development