

Condominium Conversion Handbook

Urban Planning Branch, Planning Department

April 2017

Table of Contents

A. Introduction and Definitions.....	5
B. Condominium Policy Bylaw.....	6
C. Application Requirements Summary.....	7
D. Condominium Conversion Application Checklist	8
E. Application Process.....	10
F. Application Routing Slip	12
G. Frequently Asked Questions	13
Appendix A - Regina CMA, Neighbourhood and Zone Vacancy Rates	15
Appendix B - Neighbourhoods and Zones.....	16



A. Introduction and Definitions

This handbook is created to provide complete information to the public and City of Regina (the City) staff. It will be revised in order to keep it current.

The most current version of the handbook can be accessed at the City of Regina web site: www.regina.ca.

Vacancy rates including Regina Census Metropolitan Area (CMA), Zone and Neighbourhood Vacancy Rates are based on the vacancy rates published by Canada Mortgage and Housing Corporation (CMHC) annually in the Rental Market Survey.

KEY DEFINITIONS¹

Apartment: One or more rooms that is rented to a tenant, used as a residence and has sleeping, cooking and toilet facilities.

CMA Vacancy Rate: Average of two most recently published vacancy rates for the Regina Census Metropolitan Area.

Condominium Conversion: The process of converting an existing residential rental apartment to condominium ownership. It also includes the process of dividing an existing residential rental condominium unit into one or more condominium units in accordance with the *Condominium Property Act*.

Designated Heritage Property: A property that has been designated as a:

- Provincial Heritage Property pursuant to *The Heritage Property Act*
- Municipal Heritage Property pursuant to a City Bylaw
- Heritage Property as part of the Victoria Park Heritage Conservation District pursuant to *The Victoria Park Heritage Conservation District Bylaw*

Neighbourhood Vacancy Rate: The most recently published neighbourhood vacancy rate, for the neighbourhood in which the property is located.

Rate of Availability: The impact of a conversion of rental property to condominiums based on CMA Vacancy Rate or Neighbourhood Vacancy Rate.

Tenant Guarantee: It is a legal obligation for property owner to tenant(s). Tenant(s) have the right to live in the apartment in which tenant is residing as of the application date, and which becomes a unit upon the condominium conversion of property, for 24 months from the approval date, notwithstanding the term of any existing lease or rental agreement between tenant and owner of property but subject to any provincial legislation pertaining to rental properties.

Vacant Property: A property in which all of the apartments are vacant on the application date and which have been continuously vacant during the 12-month period prior to the application date. A property that is vacant due to issuance of a fire or public health order may also be considered by City Council as a vacant property even if it has been vacant less than 12 months.

Zone Vacancy Rate: The most recently published vacancy rate, as of the application date, for the zone in which property is located.

¹ The City of Regina Condominium Policy Bylaw, 2012 as amended

B. Condominium Policy Bylaw

The purpose of *the Condominium Policy Bylaw* (the Bylaw) is to ensure that residential condominium conversions do not significantly reduce the supply of rental accommodations in the city and ensure the orderly conversion of residential rental apartments to condominium ownership.

Under a prior conversion policy, Regina experienced a substantial loss in the number of rental housing units. In 2011, the City of Regina placed a moratorium on applications for conversions of rental apartment buildings to condominium ownership pending review of the City's housing policies. In January 2012, the City introduced a new Condominium Bylaw following a review of the policy during the period in which the moratorium was instituted. Regina's rental vacancy rate at the time was 0.7%. The Bylaw placed restrictions on conversions of existing residential rental properties to condominium ownership and also established criteria and requirements for the conversion. The Bylaw is intended to support a stable rental market and has four objectives:

1. Ensure that condominium conversions do not significantly reduce the supply of rental accommodations in the city.
2. Ensure the orderly conversion of residential rental apartments to condominium ownership.
3. Provide measures that mitigate hardship for tenants of rental apartments subject to conversion.
4. Delegate to Development Officer all responsibilities as an approving authority for condominium applications except for the provisions specifically identified in the Bylaw that require City Council approval.

The Condominium Policy Bylaw was revised on November 23, 2015, to consider:

- The recommendations of the Comprehensive Housing Strategy and its implementation plan.
- The amendments made in 2014 to *The Condominium Property Act (1993)* and *the Condominium Property Regulations (2001)* by the Province of Saskatchewan.
- The significant changes to the housing market.

NEW AMENDMENTS (2015) to CONDOMINIUM POLICY BYLAW (2012)

The most current version of *the Condominium Policy Bylaw* can be found at www.regina.ca.

Two Major Thresholds for Consideration of an Application

1. Vacancy Rate

- The CMA, Zone and/or Neighbourhood Vacancy Rate must be at the required rate at the time of application for the application to be considered.

2. Rate of Availability

- Rate of Availability is the impact of a conversion of rental property to condominiums based on the rental vacancy rate required for the type of property that is subject to conversion application.
- If the Vacancy Rate is at the required level at the time of application, the proposed conversion's impact on the Vacancy Rate (Rate of Availability) has to be calculated.

Both of the above two major thresholds have to be met for the application to be considered.

C. Application Requirements Summary

Requirement \ Type of Property ²		5 or more units	3 - 4 units	Designated Heritage Properties	Vacant Properties
1	<u>CMA³ and Zone⁴ Vacancy Rates</u> 3% or higher	✓			
2	Rate of Availability 3% or higher Impact of Conversion will not reduce <u>Neighbourhood Vacancy Rate⁵</u> below 3%	✓			
3	Rate of Availability: 2.5% or higher Impact of Conversion will not reduce <u>CMA Vacancy Rate below 2.5%</u>		✓	✓	✓
4	Tenant Guarantee requirements	✓		✓	✓
5	Zoning and Building Suitability requirements	✓		✓	✓
6	No active incentives for rental housing	✓		✓	✓
7	Property taxes paid in full	✓		✓	✓
8	A review by Municipal Heritage Advisory Committee OR Regina Planning Commission			✓	
9	All units are vacant on the application date and have been vacant over the preceding 12 months.				✓
10	First right of refusal of tenant to purchase unit and financial obligation.	✓	✓	✓	✓

✓ Required

Ineligible Properties: Homes with secondary suite and laneway housing are excluded from the conversion to two titled units as well as a property that contains two or fewer units prior to conversion.

² Number of units is based on the number units existing prior to conversion.

³ CMA Vacancy Rate is based on past two fall CMHC Rental Market Surveys.

⁴ Zone Vacancy Rate is based on the most recently published CMHC Rental Market Survey.

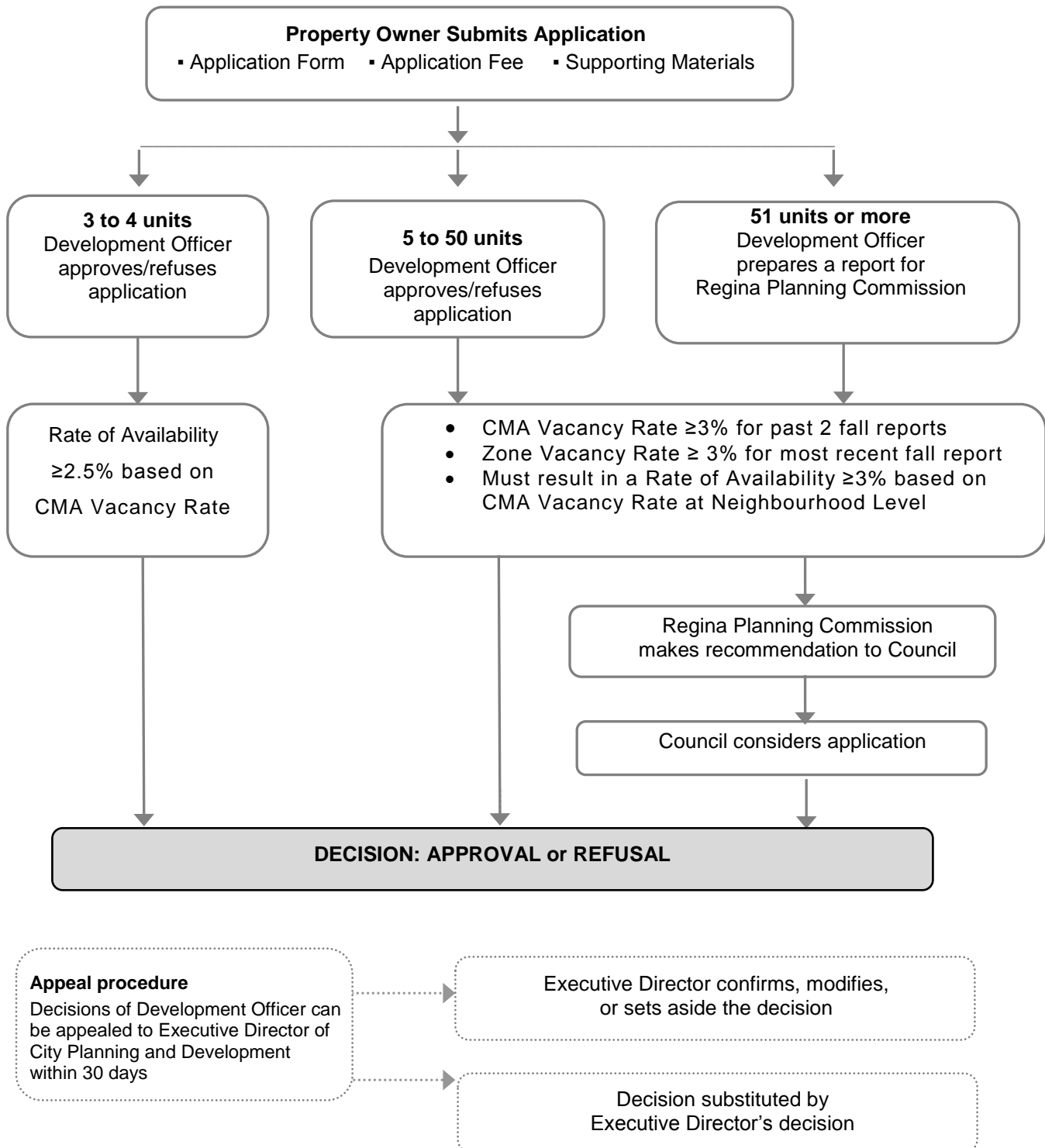
⁵ Neighbourhood Vacancy Rate is based on the most recently published CMHC Rental Market Survey.

D. Condominium Conversion Application Checklist

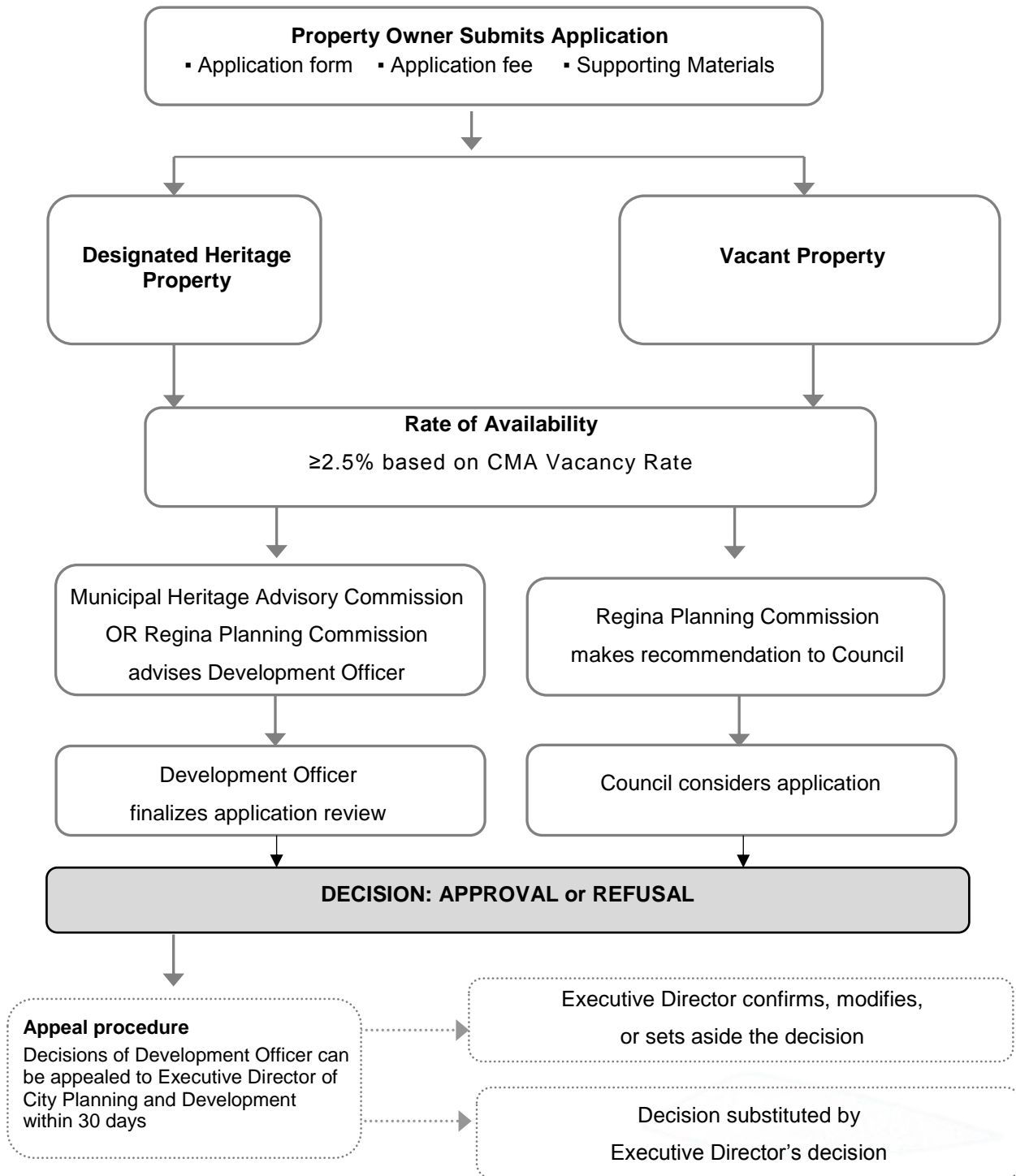
- ☐ 1. Condominium Conversion Application Form
- ☐ 2. Application Fee: A cheque payable to the City of Regina, reflecting the current application fee. Please see Regina.ca to obtain the current application fee. *(All unit numbers are based on the condominium unit numbers prior to conversion)*
 - ☐ Properties with 3 or 4 units: \$1,600.00
 - ☐ Properties with five to 50 units: \$2,500.00
 - ☐ Properties with over 50 units: \$3,400.00
- ☐ 3. Inspection Report *(It needs to include all of the following):*
 - ☐ An independent, structural analysis of property's condition
 - ☐ A complete set of drawings for property
 - ☐ A description of potential items of repair or replacement for property
 - ☐ Analysis of life safety requirements of property, including any deficiencies
 - ☐ Area, height, classification of property under the *National Building Code*
 - ☐ Analysis of property for compliance with or any variances from all applicable statutes, regulations, codes or bylaws relating to building requirements
 - ☐ Recommendations for corrective measures for property to become compliant with statutes, regulations, codes or bylaws relating to building requirements
- ☐ 4. Written Plan of Proposed Work for Property
 - ☐ Remedy deficiencies of life safety requirements identified in Inspection Report
- ☐ 5. A Copy of Completed Building Permit Application for construction or repairs to property to remedy deficiencies as identified in *The Condominium Policy Bylaw* clause 6d.
 - ☐ A Letter of Completion will be required once renovations are complete
- ☐ 6. A Copy of Written Notice Posted at Property notifying future tenants of pending Condominium Conversion application
- ☐ 7. A Copy of any Housing Grant, Incentive Agreement or Tax Exemption Agreement with requirements or restrictions in regards to the conversion of property to condominium units
- ☐ 8. A List of Properties that are Subject of Condominium Conversion Application
- ☐ 9. Affidavit of Service: Every tenant has been provided with the following by registered mail:
 - ☐ Notice that property owner has applied to the City for the conversion of property into condominium
 - ☐ The City's website address (Regina.ca)
 - ☐ Contact information for the Office of Residential Tenancies

- ☐ Copy of the City of Regina Condominium Policy Bylaw
- ☐ A Written Document That:
 - ☐ Explains Tenant Guarantee
 - ☐ Creates a legal obligation on property owner to provide tenant(s) with Tenant Guarantee
 - ☐ Affirms tenant's right to rely on Tenant Guarantee
- ☐ A Written Document That:
 - ☐ Explains tenant's right of first refusal to purchase the unit in which tenant is residing as of application date
 - ☐ Creates a legal right for tenant, exercisable at any time within thirty days after receipt, of the option to purchase tenant's unit at a price equal to or not more than the price at which the unit will be offered to the public and on terms that are not less favorable
 - ☐ Estimates of all additional charges for management, maintenance and condominium fees or service charges that tenant would be required to pay as an owner of unit
 - ☐ Discloses financial reserves for replacements and repairs
- ☐ 10. Drawings for Property: *Two full size copies and one reduced (8 1/2 x 11) copy including following:*
 - ☐ Site Plan with locations and other details of work to be done to property—both interior and exterior—and including the following information:
 - ☐ Drawn to scale with metric dimensions
 - ☐ Identify lot dimensions where the building will be located
 - ☐ List the position, height, and horizontal dimensions of all buildings that exist or to be constructed on the lot
 - ☐ Note the elevations of the building
 - ☐ Show the plan of each floor or building that identifies the use of each room
 - ☐ Contain cross section showing construction of walls, roof and floor, including insulation
 - ☐ Mechanical and electrical drawings, where required.
 - ☐ Corridor pressurization system with fire dampers, new shafts for duct work
 - ☐ Shaft construction details
 - ☐ Sprinkler system drawings including fire alarm system
 - ☐ Exit signs and emergency lighting
- ☐ 11. If Subject Property is a Designated Heritage Property, following document is also required:
 - ☐ Heritage Alteration Permit Application Form
- ☐ 12. If Subject Property is a Vacant Property, following documents are also required:
 - ☐ Affidavit that property meets the requirements of a Vacant Property
 - ☐ Monthly summary of property's occupancy for 12 months prior to application
- ☐ 13. Development Officer may request other information/ documentation considered necessary for evaluating the Condominium Conversion Application.

E. Application Process: Occupied and Non-Heritage Properties



F. Application Process: Vacant and Heritage Properties



G. Application Routing Slip

To be completed by Current Planning (Development Services)

Applicant Information		
1	Applicant's Name	
2	Address	
3	Application Date	
STEP 1 Acknowledge Receipt of Application		
	Development Officer sends letter to applicant acknowledging receipt of application.	
STEP 2A Identify Property Type		STEP 2B Identify Number of Units (Prior to condominium conversion)
	Designated Heritage Property / Victoria Park Conservation District	3 or 4 units
	Vacant Property	5 to 50 units
	General	51 units or more
STEP 3 Verify Completeness of Application		
	Complete Application Form	
	Application fee is correct: 3-4 units: \$1,600, 5-50 units: \$2,500, 51 units or more: \$3,400	
	All required supporting materials are included in application package (See Application Checklist)	
STEP 4 Determine if the application meets Vacancy Rate and Rate of Availability thresholds		
	<p>Properties with 5 or more units: Application will only be accepted;</p> <ul style="list-style-type: none"> If CMA Vacancy Rate is 3% or higher based on two most recent CMHC reports and If Zone Vacancy Rate is 3% or higher based on most recent CMHC report and if conversion may not reduce Rate of Availability to 3% based on the previous 12 months of both CMA, Zone and Neighbourhood Vacancy Rates. 	
	<p><u>3-4 unit properties, designated heritage properties, vacant properties:</u> Application will only be accepted;</p> <ul style="list-style-type: none"> Conversion may not reduce Rate of Availability to 2.5% based on CMA Vacancy Rate. 	
STEP 5A Technical Circulation		STEP 5B Development Officer's Review
	Engineering	Adequate Tenant Transition & Assistance measures
	Traffic	Zoning and building suitability requirements met
	Legal	Property taxes paid in full
	Current Planning (for report to Municipal Heritage Advisory Committee OR Regina Planning Commission if Designated Heritage Property)	Requirements of all previous agreements fulfilled
STEP 6 Prepare Report / Decision		
	50 or fewer units: Development Officer prepares report / decision / letter for applicant.	
	51 or more units: Development Officer prepares report for RPC. Must be approved by Council.	

H. Frequently Asked Questions

1. What are the requirements to convert existing residential rental properties to condominium ownership?

- Applications will be considered for properties with five or more units:
 - Based on CMHC Rental Market Surveys
 - If CMA (Census Metropolitan Area) Vacancy Rate is 3% or higher within past 12 months.
 - If Zone Vacancy Rate is 3% or higher
 - If proposed conversion will NOT reduce Rate of Availability below 3% based on the most recent Neighbourhood Vacancy Rate.
- An inspection report must be completed for the property.
- Zoning and building suitability requirements must be met.
- All requirements for Tenant Guarantees must be met.

2. What are the requirements to convert existing heritage properties and vacant properties to condominium ownership?

- Applications will be considered for three to four unit apartment buildings, heritage and vacant properties if:
 - Conversion will NOT reduce Rate of Availability below 2.5% based on the respective CMA Vacancy Rate.
- Heritage properties must have an approved heritage designation prior to the application in order to be considered as a designated heritage property.
- Vacant properties must confirm vacancy for 12 months prior to application date.

3. What information must applicants provide about tenant transition and assistance measures?

Applicants must give proof that tenants have been provided with the required documents, including;

- Information that a conversion application has been made
- Assurance of the right of tenancy for 24 months
- Right of first refusal for tenants to purchase their unit at a price not exceeding the price offered to the public and on terms that are not less favourable
- Estimates of all proposed charges for management, maintenance and condominium fees or service charges
- A copy of Inspection Report identifying building safety and suitability for conversion
- Disclosure of financials reserved for replacements and repairs
- Information on housing, heritage, or other grants and incentives applying to the units.

4. Who has authority to approve applications?

- Development Officer has the authority to consider and approve/ refuse applications for properties with three to 50 units.
- City Council will consider all applications for properties over 50 units.
- The Municipal Heritage Advisory Committee OR Regina Planning Commission will review applications that also require a Heritage Alteration Permit. Development Officer (up to 50 units) or Council (over 50 units) will have final approval authority on Heritage Alteration Permit applications.

5. Can I appeal the decision?

- Decisions of Development Officer can be appealed to the Executive Director of City Planning and Development Division within 30 days of the decision. A decision will be rendered within 60 days of receipt of the appeal.

6. What is the time-frame to register condominium units?

- The condominium plan and titles for units that are the subject of a condominium conversion application must be registered at the ISC provincial land registry within two years of the approval date for a conversion.
- Approval of the conversion will be rescinded if the condominium plan and unit titles are not registered within the two years of the approval date.
- Development Officer may approve a one-time extension of the registration deadline for the condominium plan and unit titles. The extension period shall not exceed six months.

7. What are the penalties for failing to comply with The Condominium Policy Bylaw?

- Any person who contravenes or fails to comply with any provision of the Bylaw is guilty of an offence and liable on summary conviction:
 - In the case of an individual: a fine not exceeding \$10,000.00, or imprisonment for not more than one year, or both.
 - In the case of a corporation: a fine not exceeding \$25,000.00, or imprisonment of the directors of the corporation for not more than one year, or both.
- For the purpose of determining the applicable fine required, the number of offenses may be determined by the number of units in the property that is the subject of the Condominium Conversion Application.

8. How do I apply?

Submit a complete application to:

City of Regina
Current Planning Branch
9th Floor, City Hall
2476 Victoria Avenue
Regina, SK S4P 3C8

9. What constitutes a complete application?

- The application form, the application fee and supporting materials.
- Please refer to the *Application Checklist* to ensure that your application is complete.

10. What is the application fee?

Property Type	Application Fee
3-4 unit	\$1,600
5-50 units	\$2,500
51 or more units	\$3,400

Application fees are amended from time to time. Check on the City of Regina's web site the *Development Fee Bylaw* to verify current rates. Payment can be made by a cheque payable to the City of Regina. Application fees are not refundable regardless of whether the condominium conversion is approved or not.

Appendix A - Neighbourhood and Zone Vacancy Rates

Canada Mortgage and Housing Corporation (CMHC) conducts a Rental Market Survey every year in October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 or more and involves a survey of market-initiated rental apartments (publicly-owned apartments such as social housing units are excluded). The October Rental Market Survey includes data at the Neighbourhood and Zone level as illustrated below.

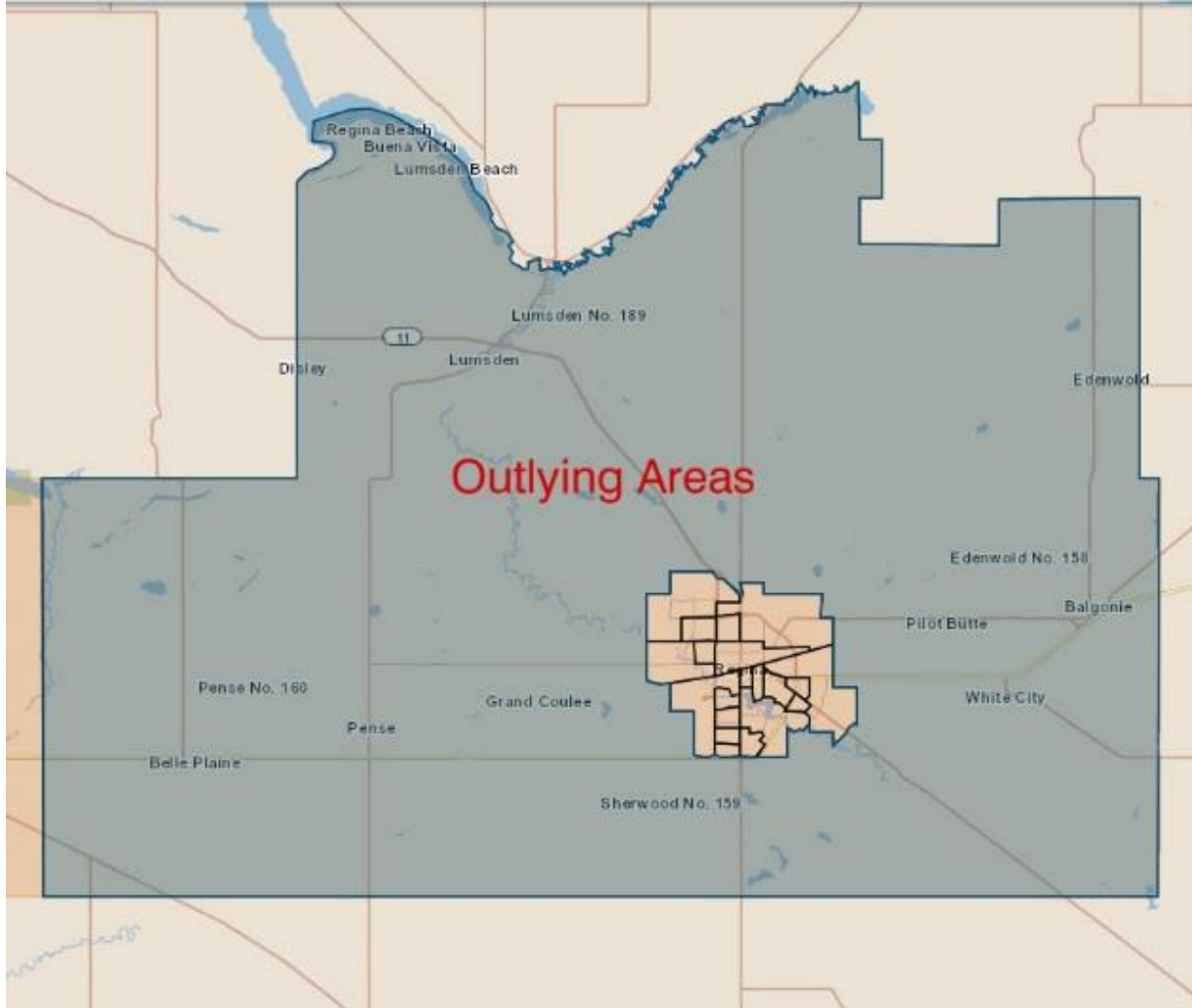
Most up-to-date Vacancy and Availability Rates at neighbourhood and zone level can be found at: www.cmhc-schl.gc.ca

	Fall 2014	Fall 2015	Fall 2016
Central Zone	3.2	5.3	6.6
Central	7.9	7.9	8.3
Downtown East	3.6	4.9	6.5
Downtown West	3.2	5.7	3.7
North Central	6.0	9.6	13.3
South West/ Cathedral	1.6	4.0	8.5
North West Zone	4.2	3.4	1.7
North East Zone	4.7	4.6	4.6
North East	0.9	4.4	1.0
Coronation Park	3.8	5.0	4.3
East Zone	2.1	9.6	6.3
North East Arcola	2.3	6.5	6.0
South East Arcola	1.4	-	10.1
East	2.4	12.4	5.6
West Zone	3.1	5.8	4.8
Normanview	1.1	3.5	4.6
Rosemont/Mount Royal	4.7	8.1	6.3
West	6.4	7.5	2.9
South/Lakeview/Albert Park Zone	0.9	2.9	2.0
Lakeview North	3.1	3.7	2.5
Lakeview South	2.5	6.3	8.7
Albert Park North	2.7	4.5	7.9
Albert Park South	1.3	2.0	2.3
South/Wascana University Zone	0.9	2.9	2.0
Hillsdale	0.8	2.2	2.5
Whitmore Park	0.9	4.4	1.0
REGINA	3.0	5.3	5.4

Appendix B - Neighbourhoods and Zones

All the maps can be accessed at: www.cmhc-schl.gc.ca

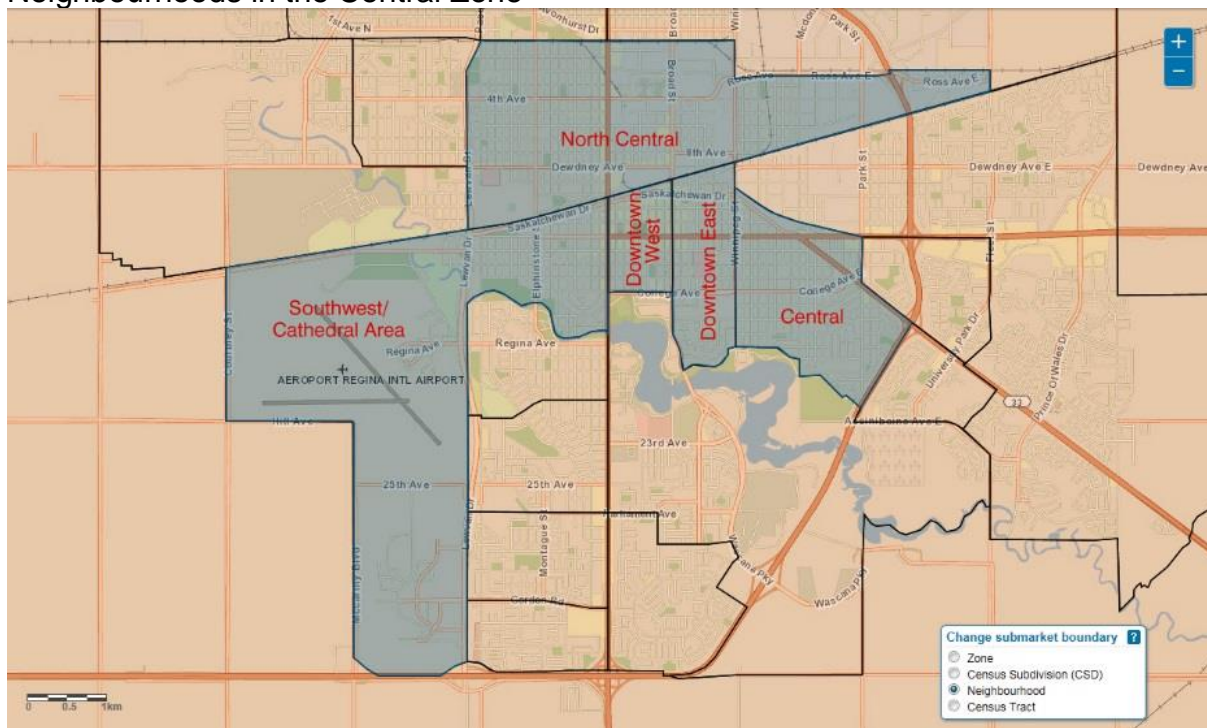
Regina CMA



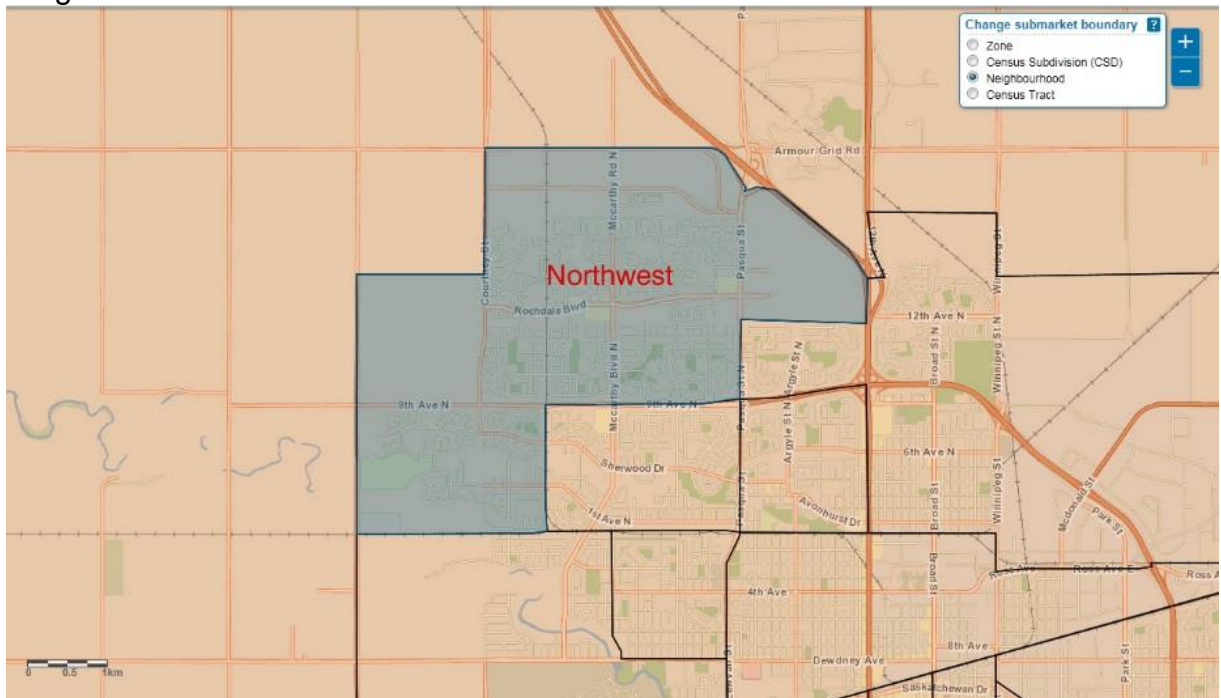
CMHC Zones



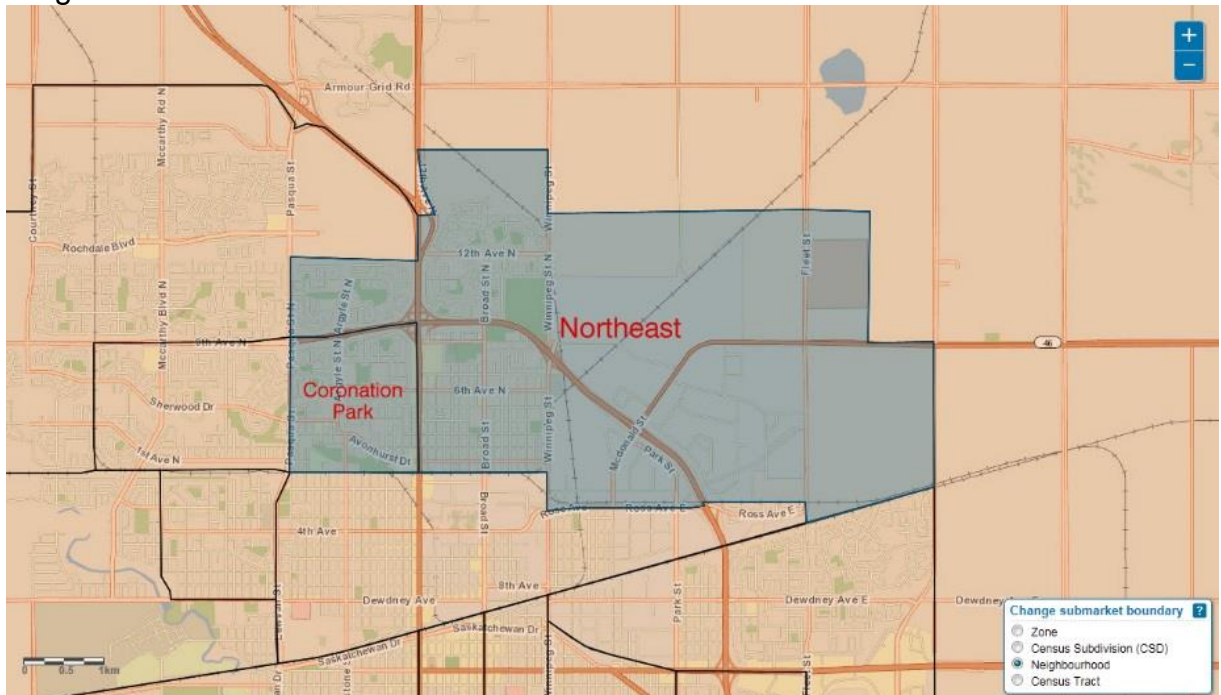
Neighbourhoods in the Central Zone



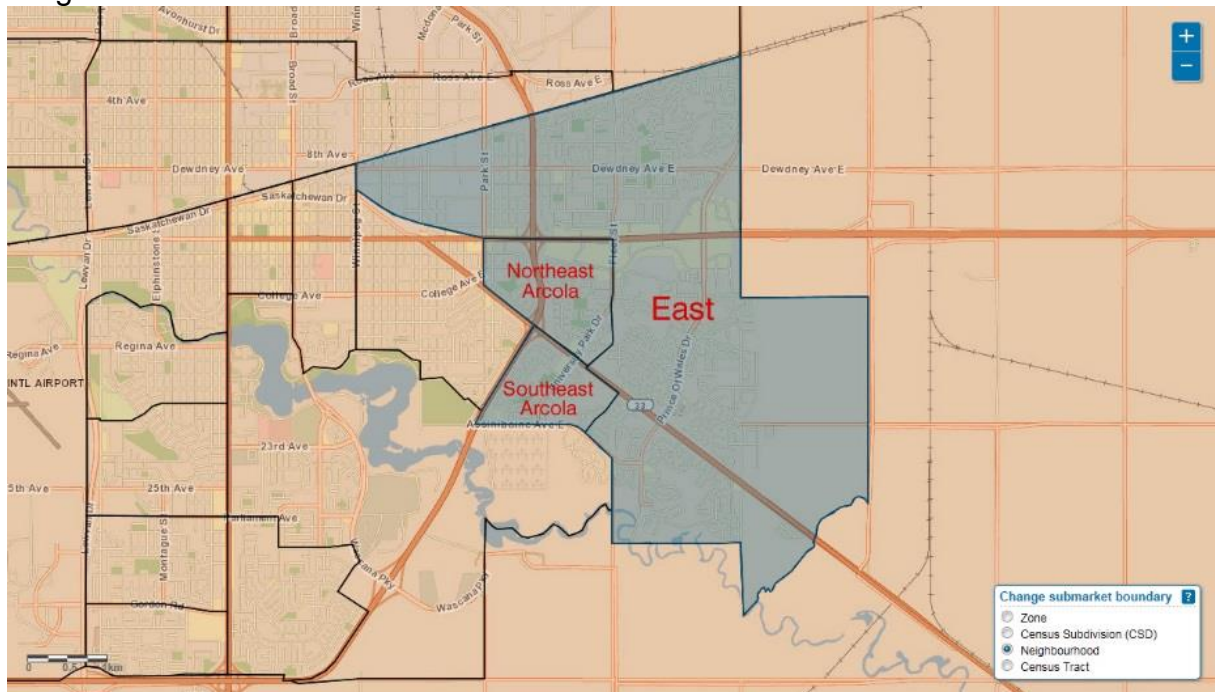
Neighbourhoods in the North West Zone



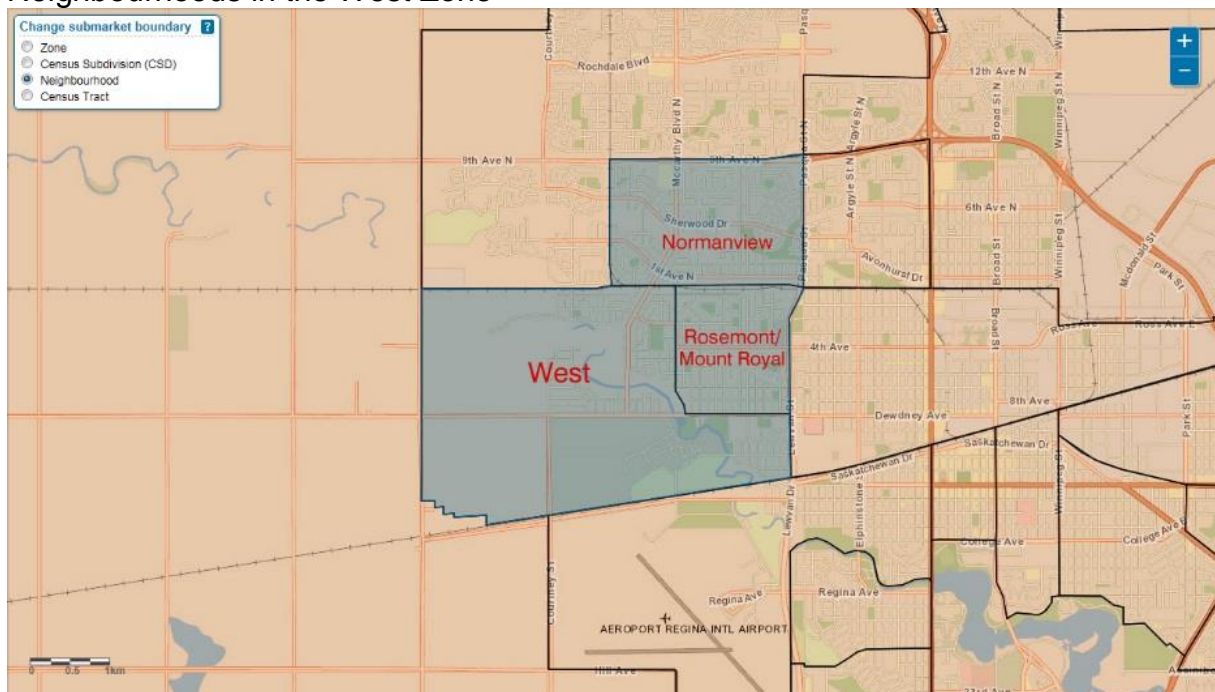
Neighbourhoods in the North East Zone



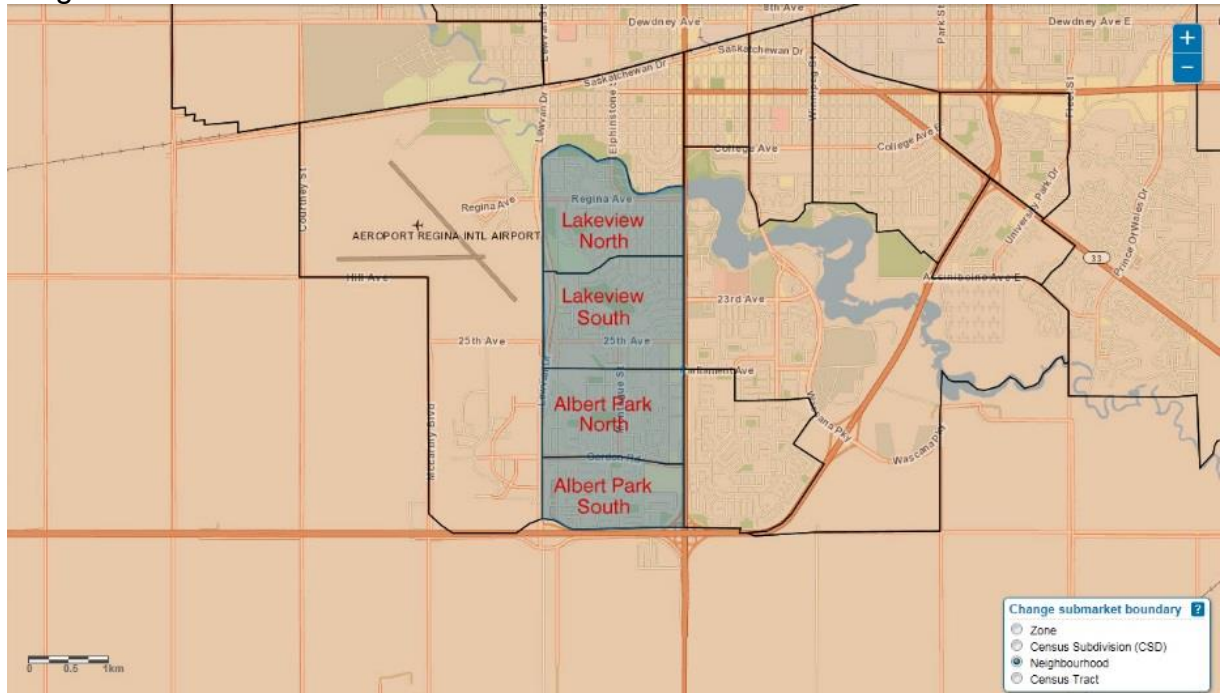
Neighbourhoods in the East Zone



Neighbourhoods in the West Zone



Neighbourhoods in the South - Lakeview/ Albert Park Zone



Neighbourhoods in the South - Wascana University Zone

