

# RENTAL/INVESTMENT - PROPERTIES -

# ↑ ROB'S UPDATE

WINTER/SPRING 2006

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## Food for thought . . . .

*"The means by which we live  
have outdistanced the ends  
for which we live. Our  
scientific power has outrun  
our spiritual power. We have  
guided missiles and  
misguided men"*

...Martin Luther King

## Courtesy of ROB DRYSDALE



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## CHANGES IN STRATA ACT

## *Affect Rentals*

Although most of you own detached housing, new regulations under the Strata Property Act will impact those owners of strata property that is rented out as an investment. First purchasers (those who bought directly from the Developer) appear to be protected in most cases, but any subsequent purchaser will find that if a rental restriction bylaw is passed by the Strata Corporation, (which must be accomplished at a Strata meeting with quorum present and a minimum 75% in favour of disallowing rentals in the building) they will no longer be able to rent the suit out. There is a Delaying Provision which states that if there is a tenant occupying a strata lot at the time of the bylaw's passage it will not apply until one year after the existing tenant moves out. If a unit is vacant or owner occupied, the bylaw will not apply for one year. If an owner wishes to take advantage of the delaying opportunity the owner(s) should be very careful with respect to the term of the tenancy agreement, so they are not obligated to continue to rent to a tenant once the rental restriction bylaw takes effect. Please remember the current Residential Tenancy Act limits the grounds upon which an owner can request a tenant to terminate month to month tenancy. If a bylaw is breached the Strata Property Act allows for a maximum fine of \$500 a week! Under old legislation when a newly imposed rental restriction bylaw was approved, you were allowed to continue the usage as a rental until you sold the property, at which time only a owner occupier could purchase. So far the only way around this new situation would be under a hardship basis or the moving in of immediate family (parents, spouse or children of the owner). My suggestion is to insure that all investment owners know about this change and that attention is paid to the minutes and notices of the Strata Corp. to insure a full turn out of investment owners and/or their proxies should a new bylaw be tabled for a vote.

***FYI: Rental increase directive from RTO is 4% for 2006***

**[www.robdrysdale.ca](http://www.robdrysdale.ca)**

My website is under on going improvements but you will find the last 7 years of the Investment Update Newsletter, some of my rental and residential property listings and sales, as well as links to various websites such as City Halls, Residential Tenancy Office, School Districts and more. You can e-mail me directly at [rob@robdrysdale.ca](mailto:rob@robdrysdale.ca) or through the website.

**If you do not want to receive the newsletter or to be contacted by phone please email or page me through my office at 604-575-5262**



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### MARKET STATISTICS FOR 2005

A record number sales were processed through the Multiple Listing Service (MLS) in 2005, an astounding 21,282 sales which trounced the previous record set in 1992. Sales increased 17% compared to 2004 with a dollar volume of 6.9 billion. The number of listings processed through Fraser Valley Real Estate Board was 28,745 an increase of only 3.2% over 2004. The residential detached median\* sales price in North Delta was \$366,000 which represented an increase 16.9% from December 2004. In Surrey the median price \$399,900 up 12.6% from year end of 2004. The median price for all areas in the Valley was \$383,500, an increase of 18%. Strata properties and duplexes saw somewhat similar increases. Obviously supply and demand had an effect, but the price increases were more due to the historical low mortgage interest rates, the increased immigration into the area and our robust economy.

**\*Please note:** I am now reporting value in a median price rather than average price. Median price is the mid point of all sales in category and is considered to more accurately describe market values.

#### Buying or Selling:

For experience, enthusiasm and results, call Rob at 604-575-5262.

### LANDLORD TENANT DISPUTE PROCESS

Once all means of agreement and communication have broken down next step is to apply to the RTO for an arbitration hearing. Forms must be filled out and submitted along with a fee of \$50 (for an under \$5,000 claim). All evidence such as photos, video-tapes and documents must be given to the arbitrator and tenant not less than 2 days before the hearing. Unfortunately the Surrey Tenancy Office is closed so likely the hearing would be held in Burnaby (5021 Kingsway). I have found from experience that it is best to be well prepared, brief but succinct. You will find the Arbitrator is well versed and knowledgeable in regards to the Tenancy Act and will focus on and ask questions about the specifics of the claim. They have up to 30 days to make a ruling but my experience is that it is made within 24 hours. I have been successful in all my claims, which demonstrates not necessarily my skills but their fairness. All forms are at this website: [www.rto.gov.bc.ca](http://www.rto.gov.bc.ca). If you do not have a computer call Rob and he will mail or drop them off to you.

**NEXT ISSUE:** "Pitfalls of Collecting on Monetary Claims"



### Residential Mortgage Rates

Two financing alternatives for the investor could be:

- 80% belowprime for 5 years variable rate mortgage special currently at 4.2% or.
- Secured Line of Credit mortgage at Prime. Refinance your home and receive interest only payment option and free legal with a minimum draw down of \$50,000.

*All offers subject to change without Notice, some conditions may apply.*

For great rates and services call **Chris Landry**  
@ TD Canada Trust 604-531-6158 (office)

### RENTAL MANAGEMENT SERVICES

To have your rental property  
Operate carefree, have it looked

After by Cathy Mantel @  
HOMELIFE PROPERTY  
MANAGEMENT.

Cathy offers a very competitive  
Service with a low monthly fee  
With no start up charge.

**For more information call at  
Cathy's new number 604-575-4037**

### MARKET EVALUATION

Whether you are considering selling your rental property in order to take out your equity, take advantage of your capital gains tax exemption reservation made in 1994 or **planning to sell your principal residence**. I will be pleased to do an up to date market evaluation at no cost or obligation to you.

Please call 604-575-5262

### EXPERIENCE - TO SERVE YOU BEST

#### Rob Drysdale

For more than 21 years Rob has been working as a professional Realtor in the Fraser Valley. Specializing in residential and investment property sales, his knowledge of the market and community is impressive, and has served his clients exceptionally



#### Company Profile

Benchmark Realty was established in Langley in 1983 with 7 salespeople. Within one year additional branches were added in White Rock and Surrey and boasted 75 salespeople. In 1986 a long search for a franchise partner ended by hooking up with Homelife Realty Services. Homelife Realty with 9 offices and over 580 salespeople is a major force in the Fraser Valley Real Estate market.