

GOVERNMENT RELATIONS

Know the rules when it comes to insuring secondary suites

Secondary suites continue to be an affordable housing option for Metro Vancouver area residents, benefitting home owners as mortgage helpers and tenants as a less expensive roof over their heads.

Secondary suites are so prevalent that Canada Mortgage and Housing Corporation estimates there are now about 101,808 accessory suites in the Metro Vancouver region.

“With so many suites in our area, it’s important to remind home owners to let their insurer know about a suite and to buy insurance to cover the suite,” says REBGV member David Chambers, a licensed REALTOR® and a licensed insurance agent, and vice-president of Chambers Olson Insurance in Vancouver.

“Whether the suite is legal or illegal, having insurance coverage is vital,” says Chambers who notes there is a misconception among home owners that their existing policy will cover a suite. “It doesn’t,” says Chambers.

A home owner who doesn’t tell their insurer about a suite and that there are two households living in the home, opens themselves up to significant risk.

An unreported and uninsured suite could potentially void the existing insurance contract on the primary residence if there is a flood or a fire,” explains Chambers.

Some home owners may not properly insure their property because of fear that their insurer will report the suite to the local

municipality. “This isn’t true,” says Chambers. “However, we always advise our clients to comply with local bylaws and report and register the suite with the local municipality.”

How much will insurance cost? “About 10% of the cost of your total home insurance. So if you’re paying \$1,200, it will cost you an additional \$120,” says Chambers.

Did you know?

Based on the official community plans for Metro Vancouver municipalities, there is room for an additional 215,000 suites in the region.

Source: Metro Vancouver

Home owners who rent their secondary suite can also buy separate comprehensive rental insurance. Depending on the insurer and on the policy, this can cover vandalism and damage by tenants, typically up to a payout maximum limit of \$5,000. This insurance doesn’t cover the tenant’s belongings. The tenant has to buy their own insurance for their possessions.

Home owners with laneway homes, coach homes above garages and other authorized or unauthorized accommodation on their property should also let their insurer know and should buy appropriate coverage.

REALTORS® should also advise clients buying property with suites to find out beforehand whether the property is insurable. “If your client can’t get insurance, it could void the contract,” notes Chambers.

Maple Ridge to update secondary suites bylaw

When it comes to hot button issues in Maple Ridge, secondary suites top the list with neighbours complaining about illegal suites, building code compliance and parking problems.

In 1999, Maple Ridge council amended its zoning bylaw to allow secondary suites in a limited number of single family residential zones with minimum lot areas of 557m² or greater.

The goal was to help provide affordable rental housing within the District, with the recognition at that time that there were many unauthorized suites in Maple Ridge.

Since 1999, Council has approved additional policies and

regulations that allow temporary residential accommodation for family members and detached garden suites.

But illegal suites continue to be an issue, creating significant neighbourhood concerns. At the same time developers and builders are in favour of the District allowing secondary suites in zones with smaller lot areas.

To address all of these issues, Council has asked staff to review current secondary suites and temporary residential uses

policies and regulations and identify a comprehensive list of issues and potential solutions.

In September and October as part of this review, staff will host focus groups, workshops and open houses for local developers, builders, community associations and residents.

Maple Ridge is hoping this consultation process will provide a wide range of opportunities for input.

Maple Ridge REALTORS® interested in participating should check the Maple Ridge website at www.mapleridge.ca. Dates and times of workshops and focus groups will be posted later this summer.

Comprehensive secondary suite bylaw matrix available

The Real Estate Board has prepared a handy matrix of all of the secondary suite bylaws in the Board area. It includes easy-to-understand summaries and links to bylaws. To use this matrix, visit www.realtorlink.ca and click on Lobbying and Legislation and then select Secondary Suite Bylaws.

If you have questions, please contact Harriet Permut, Manager, Government Relations at hpermut@rebgv.org

