

Breia Holdings Ltd.
8270 Thomson Place
Saanichton, BC V8M 1T6

Central Saanich
1903 Mount Newton Cross Road
Saanichton, BC V8M 2A9

May 7, 2024

RE: STRATA CONVERSION APPLICATION –7925 EAST SAANICH RD.

Attn: Mayor and Members of Council:



On behalf of Breia Holdings Ltd., I am requesting permission to form a Strata with four titles under s.242 of the Strata Property Act at 7925 East Saanich Road. Below is a brief summary of the project background, rationale for this request, and anticipated benefits.

Project Background:

In June 2021 Mayor and Council approved re-zoning and development permits to expand the on-site daycare and convert retail space to residential use (three townhomes). Breia Holdings Ltd. received building permits in January 2023 (BP003042 and BP003055) and completed the upgrades and renovations approximately a year later. Occupancy permits were provided by Central Saanich in January 2024.

There are currently three rental townhouse units (Unit A-7925 East Saanich Rd., Unit B-7925 East Saanich Rd., Unit C-7925 East Saanich Rd.) and one Commercial Unit (Unit D-7925 East Saanich Road) on the property which is owned under a single title. As of February 2024, all four units are rented for a minimum term of 1-year for the residential units, with a long-term lease in place for the daycare.

With this application we are proposing to separately title each of the four existing units currently owned under a single title. Importantly, no tenants will be displaced, and the townhomes will remain as rentals with the formation of the proposed Strata.

To ensure the townhouse units remain rental units, we are proposing to work with staff to register a covenant on title that all three residential strata units remain rental units for a period of 10 years (from first occupancy: January 2024). To comply with BC Housing Licensing and Warranty Requirements, we are also proposing that ownership of all four strata units be limited to a single entity for a period of 10 years (from first occupancy: January 2024).

As the buildings on the site were recently upgraded and constructed no changes to the buildings are being proposed. Due to the recent upgrades, the building now has a life expectancy anticipated to surpass 50 years (as per the Building Code Report), and major increases in maintenance costs are not anticipated with the formation of a Strata.

Strata Conversion Rationale and Benefits:

While approximately 40% of the building's use at 7925 East Saanich Rd. is commercial (daycare), due to the property being registered under a single title, the entire property is considered to be commercial by lenders and insurance providers. Classification of the building as commercial in its entirety, does not accurately reflect the actual uses of the individual units. This also results in increased interest payments, higher carrying costs, and a lower valuation, which in turn effects our ability to obtain financing for other development projects. Converting the property to a Strata, would allow Breia Holdings Ltd. to seek financing for each unit separately, which will result in financing and insurance rates which are more reflective of use.

If 7925 East Saanich Rd. is converted to a Strata, it is anticipated that property taxes payable to Central Saanich will be higher due to increases in valuation, which will benefit Central Saanich.

Summary:

Thank you for the opportunity to submit this strata conversion application. We feel that the formation of a Strata at 7925 East Saanich Road would be beneficial for Central Saanich as well Breia Holdings Ltd., and hope that you are able to grant us this request. If you have any questions or require further clarification of any part of this application, please do not hesitate to contact me directly.

Sincerely,



Bart Johnson
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