

Firm denies using lease loophole

A spokesman for Pacific Strata Services Ltd. rejected charges Friday that his firm is using a "loophole" in provincial legislation by selling assigned 99-year leases on suites in the Orchard House apartment building in James Bay.

Clifford O'Connor, manager of Pacific Strata's Victoria office, said in an interview his company is "within the law" in selling the leases.

O'Connor said his firm is only acting as a real estate agent for Westsea Construction Ltd. of Vancouver which owns the building.

He said the leases were sold to Capital Construction Sup-

plies Ltd. before provincial legislation was passed making it illegal for a landlord to enter into lease arrangements exceeding three years.

Capital Construction, O'Connor explained, is now legally the tenant of the suites and there's nothing in the legislation prohibiting the sale of a lease by tenants.

If the provincial government doesn't like it, he said, it should change the act.

"Meanwhile, we are not doing anything against the law," O'Connor said.

He added his firm stopped advertising the sale of leases after he received a strongly-worded letter from Victoria

city collector Jason de Villiers.

A spokesman for the attorney-general's department confirmed there is nothing illegal about the 99-year leases being "assigned" tenants by Pacific Strata Services.

"As far as I can ascertain, it's an isolated case of an apartment owner anticipating legislation and leasing his apartments to a corporation, then simply assigning them to tenants," the spokesman said.

The spokesman said he couldn't get "too excited" about the Orchard House issue because with all the publicity it has received "I'm

sure the tenants know their rights."

"This is just a one shot deal," he said. "From here on in, all long term leases will need municipal approval. But this time he just anticipated and is quite within his rights to assign leases from the corporation to the individual tenant."

De Villiers said Friday that until he has examined the company's explanation in detail, he can only assume it is acting in compliance with the act and doing nothing illegal.

The firm is offering 99-year leases at Orchard House. A section of the new Landlord

and Tenant Act, proclaimed Aug. 9, prohibits the sale of leases exceeding a period of three years.

The leases at Orchard House were sold to Capital Construction and Supplies Ltd. last June.

Westsea Construction, which owns Orchard House, is headed by George Mulet, a Vancouver developer.

Mulet has been battling with Victoria city council over another one of his developments, an apartment building at View and Quadra, which Mayor Peter Follen has often referred to as one of the city's biggest development "monstrosities."

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(p. 1 of Local News section)

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Text of news story in The Daily Colonist of August 24, 1974. (Some paragraph breaks are removed.)

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He added (that) his firm stopped advertising the sale of leases after he received a strongly-worded letter from Victoria city solicitor Jacob de Villiers.

A spokesman for the (B.C.) attorney-general's department confirmed there is nothing illegal about the 99-year leases being "assigned" tenants by Pacific Strata Services. "As far as I can ascertain, it's an isolated case of an apartment owner anticipating legislation and leasing his apartments to a corporation, then simply assigning them to tenants," the spokesman said.

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The leases at Orchard House were sold to Capital Construction and Supplies Ltd. last June. Westsea Construction, which owns Orchard House, is headed by George Mulek, a Vancouver developer.

Mulek has been battling with Victoria city council over another one of his developments, an apartment building at View and Quadra (today View Towers), which Mayor Peter Pollen has often referred to as one of the city's biggest development "monstrosities".
