

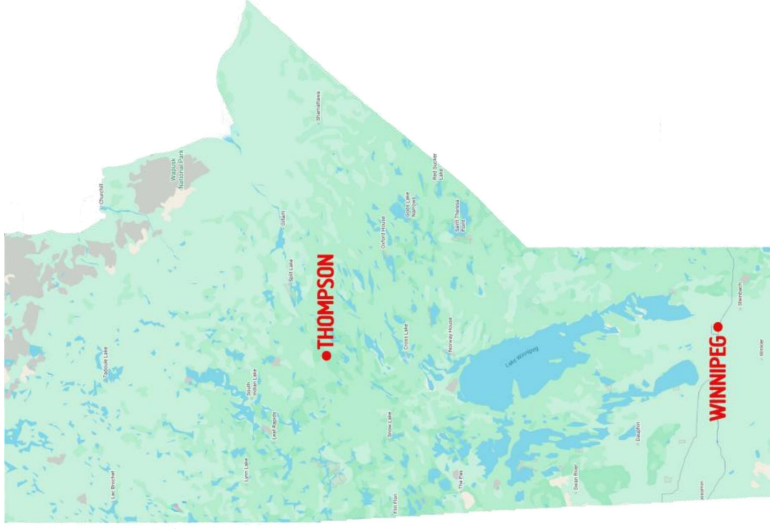


The Long Road to Compliance: A Municipal Case Study on Derelict Buildings

Lyle Safronetz & Danny Haywood
City of Thompson

2026 Manitoba Planning Conference

Introductions



Lyle Safronetz - Director of Development & Technical Services

- ▲ 5 years with the City

Danny Haywood - Chief Building Inspector

- ▲ 20 years with the City
- ▲ Red Seal Carpenter, Certified Building Code Official (CBCO)

Disclaimer



We are not lawyers



Details regarding the property and ownership cannot be disclosed while the matter remains before the courts.

Derelict buildings – the challenges

City seizing derelict homes sooner would be game-changer: William C

[Regina](#) | News

Owners of neglected properties in Regina may soon see steep increases in property taxes

By [Donovan Maess](#)

Published: March 27, 2026 at 7:00AM EDT

Edmonton

City of Edmonton takes aim at non-residential derelict properties with new tax subclass

City staff identifies 20 properties that could be candidates



[Mirinali Anchan](#) · CBC News · Posted: Mar 30, 2026 7:00 AM CDT | Last Updated: March 30

...erprises to build,

January 29

Where do derelict buildings come from...

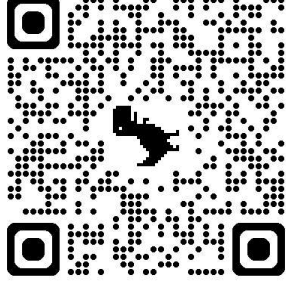
-
- ▲ Fire
 - ▲ Disrepair
 - ▲ Non-local ownership
 - ▲ Lack of insurance

The Thompson Story – Our By-Laws

- ▶ Vacant & Derelict Building By-Law (2020)



- ▶ Building Safety & Property Standards (1994)



By-law Definitions



DERELICT PROPERTY means property upon which is located an unoccupied residential or commercial building that is not in compliance with the provisions of this By-law;

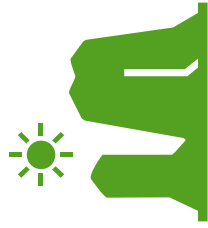


NON-CONFORMANCE means a condition which does not comply with the standards established by this By-law;



UNSAFE BUILDING means any Building that is in an unsafe condition in that it is unoccupied or open and unguarded to which entry can be gained;

The Property



Large commercial property overlooking the river.



Previously a nightclub, bar, and restaurant.



Sought after by many different groups, organizations, developers

Timeline: 2021

| Initial Enforcement

- ▶ Property Standards orders issued to property owner. Issued under Building Safety & Property Standards By-Law
- ▶ Determined that our By-Law was lacking powers, especially with a vacant building.
- ▶ Owner's agent was giving City promises that things were going to happen - nothing happened

Timeline: May 2022 | Escalation

- ▶ Property continued to fall into disrepair, nothing addressed under Building standards.
- ▶ Order to Maintain was issued.
- ▶ Legal Counsel was involved at this step going forward.
- ▶ Challenges: Nonlocal ownership, complex ownership structure involving a multi-member board, with outdated or inaccurate contact information for board members.

Timeline: July 2023 | Safety Measures

- ▲ Significant structural failures observed:
 - ▲ Collapsed exterior wall sections
 - ▲ Roof system damage and loss
- ▲ Order to remedy dangers and unsightly property pursuant to Municipal Act 243(1) was issued to property owner.
- ▲ No action was taken. City erected fencing around the site

Timeline: August 2023 | Preliminary Order

- ▲ Preliminary Derelict Building Order issued to property owner
- ▲ Order was registered to Title
- ▲ Service attempted on all parties with an interest in the property
- ▲ 90 Day appeal period expired without any appeal being filed.
- ▲ Property condition continued to deteriorate

Timeline: September 2023 | Second Notice

- ▲ Second Notice of a Preliminary Derelict Building Order issued to property owner
- ▲ Order was registered to Title
- ▲ Service efforts repeated
- ▲ Order posted publicly at City Hall
- ▲ 60 Day appeal period expired without any appeal being filed.
- ▲ Ongoing deterioration

Timeline: November 2023 | New Claims

- ▶ City contacted by a party claiming to act for a mortgage company
- ▶ Mortgage company had been de-certified in 2021
- ▶ No registered interest on Title
- ▶ Party served with Notice of Application for Derelict Building
- ▶ Invited to attend Building Standards Committee hearing

Timeline: Status Update | Late 2023

- ▲ All Preliminary Orders properly served and posted
- ▲ All registered interest holders served
- ▲ Registered owner could not be located despite reasonable efforts
- ▲ Procedural compliance maintained by City throughout process

Timeline: January 2024 | Substitutional Service

- ▶ City applied to Manitoba Land Titles Office for an Order of Substitutional service to the Owner.
- ▶ Land Titles instructed City to:
 - ▶ Discharge Second Notice caveat from Title
 - ▶ Serve Preliminary Notice with Order of Substitutional Service
 - ▶ Wait 30 days, re-register Second Notice and serve as per Substitutional Service
- ▶ City complied with all requirements.

Timeline: May–June 2024 | Decision

- ▶ Building Standards Committee Meeting - May 30, 2024
- ▶ Notices posted in accordance with legislation
- ▶ Committee heard submissions from all parties
- ▶ Decision rendered to issue Derelict Building Certificate
- ▶ Certificate registered to Title on June 26, 2024
- ▶ Statutory appeal period commenced

Timeline: July 2024 | Court Action

- ▲ Appeal Period set to expire on July 29, 2024
- ▲ July 23 - Notice of Application and Notice of Motion for Pending Litigation Order (PLO) filed with Court of King's Bench.
- ▲ PLO was granted, and registered to Title.

Timeline: Q3- Q4 2024 | Litigation Status

- ▲ Affidavits prepared - City Manager, Chief Building Inspector, and Process Server
- ▲ Motion to move the case from Winnipeg to Thompson
- ▲ Awaiting further court direction

Timeline: 2025–Present | Current Status

- ▲ Matter remains before the Court of King’s Bench
- ▲ One party retained new legal counsel
- ▲ City requested the matter proceed
- ▲ One party offered to abandon application if City waived costs
- ▲ City agreed to no-cost abandonment

Status of the property

- ▶ Continued deterioration
- ▶ Fencing installed in July 2023 - monthly rental costs added to taxes
- ▶ Frequent trespassing incidents - drain on resources
- ▶ Major fire - October 4, 2024
 - ▶ Building demolished by City - concerns of structural stability
 - ▶ Pile of building rubble remains onsite

Property Tax - Tax Sale

Property continually on tax sale list

Payments were remitted on final day before sale

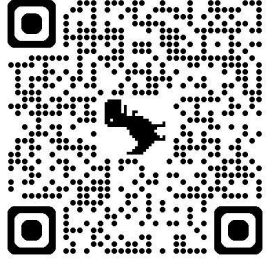
Returned to Tax Sale list following year

Value owing for Mar 2026 tax sale -
\$78,653.10 (2021, 22, 23)

Legal loophole with Tax Sale

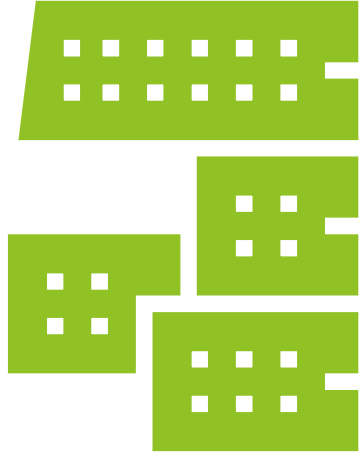


- ▶ Pursuant to Section 45(5) of *The Real Property Act*, Derelict Building Certificates do not survive a tax sale.



- ▶ Property changes hands - starts from scratch

Tax Sale – March 10, 2026



- ▲ Numerous people in attendance
- ▲ Bidding opened, and closed - no bids
- ▲ Property reverted to City of Thompson ownership
- ▲ Legal Counsel is anticipating challenges from current ownership

Lessons Learned/ Areas of Improvement



By-law enforcement powers must be sufficient to compel action



Thorough documentation is essential (records and dated photos)



Early legal involvement is critical in complex cases

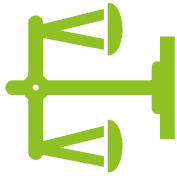


Maintain a clear, up-to-date enforcement timeline

By the numbers



Total Months; 60
months



Legal Costs;
~\$48,000



Person-hours; in
excess of 400 hrs

What does the future hold?

- ▶ Uncertainty on Pending Litigation Order
- ▶ Derelict Building Certificate should die after tax sale
- ▶ As per Building Standards Committee (May 2023), Council has requested that an RFP be posted for property development



**Thank you for your
time and attention**

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