

August 2025

GUIDELINES FOR SHARED TENANCIES WITHIN A SINGLE TENANCY

RATIONALE

The City of Medicine Hat understands the need to provide business owners opportunities to sublet unused space within existing buildings and suites. To provide clarity for building owners, landlords and tenants, business owners and Safety Codes Officers, this guideline lists when and where these types of occupancies can be considered and still comply with current Building Codes. Safety Codes Officers reserve the right to approve applications following a comprehensive review and may request additional information or requirements as deemed necessary.

REFERENCES

Division A

Article 1.1.1.1 Application of this Code

The Code applies to the *occupancy* of any *building* and the change in *occupancy* of any *building*.

Article 1.4.1.2. Defined Terms

“Building” means any structure used or intended for supporting or sheltering any use or *occupancy*.

“Occupancy” means the use or intended use of a *building* or part thereof for the shelter or support of persons, animals or property.

“Suite” means a single room or series of rooms of complementary use, operated under a single tenancy, and includes *dwelling units*, individual guest rooms in motels, hotels, boarding houses, rooming houses and dormitories as well as individual stores and individual or complementary rooms for *assembly occupancies*, *business and personal services occupancies*, *medium-hazard industrial occupancies* and *low-hazard industrial occupancies* (refer to Appendix A).

Appendix A - Suite

Tenancy in the context of the term “suite” applies to both rental and ownership tenure. In a condominium arrangement for example, dwelling units are considered separate suites even though they are individually owned. In order to be of complementary use, a series of rooms that constitute a suite must be in reasonably close proximity to each other and have access to each other either directly by means of a common doorway or indirectly by a corridor, vestibule or other similar arrangement.

The term “suite” does not apply to rooms such as service rooms, common laundry rooms and common recreational rooms that are not leased or under a separate tenure in the context of the Code. Similarly, the term “suite” is not normally applied in the context of buildings such as schools and hospitals, since the entire building is under a single tenure. However, a room that is individually rented is considered a suite. A warehousing unit in a mini-warehouse is a suite. A rented room in a nursing home could be considered as a suite if the room was under a separate tenure. A hospital bedroom on the other hand, is not considered to be under a separate tenure, since the patient has little control of that space, even though he pays the hospital a per diem rate for the privilege of using the hospital facilities, which include the sleeping areas.

For certain requirements in the Code, the expression “room or suite” is used (e.g., travel distance). This

means that the requirement applies within the rooms of suites as well as to the suite itself and to rooms that may be located outside the suite. In other places the expression “suite, and rooms not located within a suite” is used (e.g., for the installation of smoke and heat detectors). This means that the requirement applies to individual suites as defined, but not to each room within the suite. The rooms “not within a suite” would include common laundry rooms, common recreational rooms and service rooms, which are not considered as tenant-occupied space.

Supplementary Definitions

“Complementary Uses” means different uses of land or other resources, each of which benefits from the other(s) where they exist together in the same area.

“Landlord” means an owner of land who leases it to a tenant by way of a tenancy agreement.

“Tenancy” means possession of land or property as a tenant.

“Tenant” means a prime lease holder who occupies land or property rented from a landlord.

COMMENTARY | RELEVANT FACTS | CONCLUSIONS

This statement outlines the conditions under which certain occupancy types - business and personal services (Group D), mercantile (Group E), low and medium hazard industrial (Groups F2 and F3) - may be considered a single suite when subleased by multiple tenants operating under a shared tenancy agreement.

Group D Occupancy – Business and Personal Services

Group D Occupancy refers to the occupancy or use of a building or part thereof for the transaction of business or the rendering or receiving of professional or personal services. This includes:

- Business offices and sales areas
- Personal services rooms such as massage, tanning, nail and hair salons, makeup, personal training, nutritional advice, etc.

Group E Occupancy – Mercantile

Group E Occupancy refers to the occupancy or use of a building or part thereof for the displaying or selling of retail goods, wares or merchandise. This includes Flea Markets and Craft Sales.

Group F2 Occupancy – Medium-hazard industrial

Group F2 Occupancy – Medium-hazard industrial refers to industrial uses where the combustible content is more than 50 kg/m² or 1 200 MJ/m² of floor area and not classified as a high-hazard industrial occupancy. F2 occupancies typically include the following types of business:

- Repair Garages
- Warehouses
- Woodworking facilities
- Workshops

Group F3 Occupancy – Low-hazard industrial

Group F3 Occupancy – Low-hazard industrial refers to industrial uses where the combustible content is not more than 50 kg/m² or 1 200 MJ/m² of floor area. F3 occupancies typically include the following types of business:

- Storage Garages
- Storage rooms
- Warehouses
- Workshops

SHARED TENANCY REQUIREMENTS FOR ALL OCCUPANCY TYPES

A space with subleased areas within any of the above occupancy classifications may be considered a single suite provided all of the following conditions are met:

1. A formal statement of agreement must be submitted by all tenants sharing the occupancy. This agreement must indicate that the facilities are shared and that all of the tenants operate as a single occupant without restriction to circulation and access throughout the building or suite. The agreement must be endorsed by the prime tenant, sub-tenant and property owner and is to be submitted with each tenant's business license application.
2. All businesses must be of similar occupancies as described by Table 3.1.2.1 of the National Building Code, Alberta Edition (NBC(AE)) and must be mutually compatible in terms of operations and processes.
3. The floor area shall have open circulation, with all entrances, exits and other common facilities unobstructed and accessible to all tenants at all times. Provisions for egress and exiting shall conform to the NBC(AE).
4. Access to building or suite safety facilities must be unobstructed and accessible to all tenants at all times, including but not limited to: fire extinguishers, alarm systems, utility disconnects, etc.
5. Access to common washrooms, or access to public washrooms in a common area of the building, must be accessible to all tenants at all times. Washroom facilities and required water closets shall conform to the NBC(AE).

RESTRICTIONS

The above guidelines may be used where there is a Change in Tenancy application made to Planning & Development Services in support of a Business License application by a proposed business owner. The existing occupancy classification of the building or suite must be approved under a valid and subsisting Occupancy Permit for the proposed occupancy type and can not include a change in building classification. Additional information may be required to ensure the proposed business is of complementary use and to ensure compliance with the Code.

Where a change of occupancy classification of a building is required to accommodate a proposed business into an existing building or suite, the building or landowner is required to apply for a separate building permit as required by Alberta Permit Regulation for the change in occupancy classification of the building. Occupancy will not be granted until all work is completed to ensure compliance with the Code.

Safety Codes Services
Planning & Development Services
City of Medicine Hat