

Understanding The Role Of The Strata Manager: What We've Learned From COVID-19

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There are many unique aspects to living in a strata. But as strata owners and strata council members across BC discovered this spring, life in a strata during a pandemic can be particularly challenging. Efforts to “flatten the curve” in BC placed many new demands on stratas to protect the health of the 1.5 million of us who live in stratas in this province.

Suddenly, strata councils found themselves tackling unfamiliar challenges: how to conduct an annual general meeting or special general meetings that comply with restrictions on the size of gatherings, how to maintain health and safety and ensure that orders and guidelines from the Provincial Health Officer are followed, and, most recently, how to safely re-open communal areas and recreational facilities, to name just a few. The success that our province has demonstrated to date in reducing transmission rates of COVID-19 is, in part, due to the diligent efforts of many strata council members and licensed strata managers.

Of course, not every strata corporation contracts with a strata management company, but for those who do have a licensed strata manager, the additional demands of the COVID-19 public health emergency have highlighted the importance of fully understanding the role of that strata manager.

That's where the Real Estate Council of BC (RECBC) comes in. We educate, license and regulate strata managers under the Real Estate Services Act, as part of our mandate to protect the public in relation to real estate services and transactions. And we answer questions – lots of them, from real estate professionals (including strata managers) as well as from members of the public (including strata owners and council members). When BC declared a public health emergency, our phone and email lines immediately got

much busier with inquiries about what to expect from a strata management company.

Whether you are a newly elected member of a strata council, an experienced council member, or thinking about running for council membership, it is important to be aware of the role and responsibilities of a strata manager – as well as the limits to their responsibilities and the differences between their role and the role of the strata council. As the regulator, it is our experience that many complaints start with misunderstandings or miscommunications between strata councils and strata managers.

While strata councils are responsible and accountable to their strata lot owners for ensuring that the duties under the Strata Property Act (SPA) are performed, a strata management company can help provide guidance to assist the strata council with making their decisions. Strata owners and councils can find comprehensive guidance and advice in the Working with a Strata Management Company guide available on our website, www.recbc.ca.

We've recently updated the guide with expanded information on the required disclosures a strata manager must make to their clients, to ensure that strata councils have the information they need to make well-informed decisions on behalf of the strata corporation. Strata managers must disclose:

- fees that they receive or expect to receive from sources other than the client, and
- any benefits (such as financial gains that they may receive).

Examples of when disclosure is appropriate include when receiving a referral fee or benefit for placing insurance with a particular insurance broker, or for recommending or using a service provider, or receiving a benefit from placing funds with a financial institution.

Strata managers must also promptly and fully disclose a conflict of interest to their client to ensure they can make informed decisions. Common conflicts of interest may include when a strata manager or management company:

- has a close business or personal relationship with a contractor who provides services to the strata corporation, or who has been proposed as a service provider; or
- might be acting for multiple parties with conflicting interests.

Of course, even with a full understanding of what to expect from a strata manager, issues can still arise. RECBC can investigate and take action if a licensed strata manager has committed misconduct. Strata councils who wish to file a complaint about the conduct of a licensed strata manager can use the Complaint Form available on the RECBC website.

We recommend speaking to an RECBC Professional Standards Advisor before filing a complaint to confirm that the matter is in RECBC's jurisdiction. A Professional Standards Advisor may also be able to suggest ways to resolve misunderstandings or miscommunications. Call us from Monday to Friday, at 1-877-693-9664. As the regulator for licensed real estate professionals in the province, RECBC's top priority is to help ensure the public is well served by ethical and competent real estate professionals.