
Strata Living

Headline: Depreciation reports and the limitation period

Topics: Depreciation Reports, Limitation Act

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Written by: Tony Gioventu

Dear Tony: Our strata corporation recently received a copy of our new depreciation report. This was an excellent decision to go ahead with the report, because for the first time in our 22 years as a strata, we have a plan to schedule major projects over the coming 10 years and an idea of how much it is going to cost us. Our 2 major upcoming projects will be a roof & skylights and our balcony decks and with some minor increases in annual fees, our strata will not have its first special levy until September 2022. However, there is a statement in our report that is confusing. The report says that because of the 2 year Limitation Act the strata corporation cannot have special levies longer than a 2 year period and we need to contribute more each year to our contingency fund. Is this correct?

Caroline W. North Vancouver

Dear Caroline: Depreciation planners in BC have no specific qualifications or requirements set out by the *Strata Property Act*. Their basic duty is to provide the strata corporation with:

- a) an inventory of all common property, common assets and parts of a strata lot identified in the bylaws that a strata corporation must maintain and repair
- b) the condition of those components
- c) when those components require replacement or maintenance
- d) how much money your strata currently has
- e) the likely cost to repair or service the components and
- f) how the strata may plan to pay for those costs.

It is not within the scope of authority of the depreciation planner to interpret the *Act*, which is a

practice of law. The advice in the report is wrong. The *Limitation Act* has nothing to do with the duration of a special levy. It relates to the period of action that may be taken for the collection of debts and fees, from the date they are owing. For example, a special levy for a strata loan will match the term of the loan and the payments, which are often due over 5 or ten years. The *Limitation Act* applies to the date or dates of payments of a special levy, on which the special levy is due. I wouldn't go to my mechanic on advice about auto insurance, don't take advice about the *Strata Property Act* from a depreciation planner or consultant.