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Condominium Home Owners' Association of British Columbia

Leadership, Education and Resources for strata owners across BC

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Strata Living

Headline: Liquidation or winding up, what's the difference?
Topics: Winding up a Strata, Buying & Selling
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Dear Tony: Our strata is starting the process of looking into the sale of our strata. We are an older 4 floor wood frame building located a block from a sky train station. A number of agents have approached us to see if we are interested in selling, but we are getting conflicting information. Of the 42 units in our building we have at least 6 owners who have advised no matter what the offer, they will not vote in favour of the sale, but one of the agents has told us if we can get all 42 units to vote for the sale, we don't have to liquidate. So how does the sale work then? Do we still need an 80% vote? Does each owner negotiate a sale price or is it a single offer divided among everyone?

Kelly L.

Dear Kelly: It is possible for a buyer to negotiate a direct purchase with each owner, but this has a potentially volatile side that could be unfair and go off the rails quite easily. If one or more owners hold out for a higher price at the end the sales could be delayed, cancelled, or values could be significantly unfair. The term used in the *Strata Property Act* is "winding up" a strata. This means the strata corporation would vote to sell as a collective. The *Act* sets out the formula that is used to distribute the money depending on when your strata plan was filed. If the strata obtains an 80% vote or more, a court application is made to approve the vote and the sale, and a liquidator is appointed. The role of the liquidator, frequently referred to as liquidating the strata, is to independently receive the purchase funds on behalf of the owners, calculate how much each owner is to receive after costs such as brokerage and legal are paid, pay out each owners charges on their lot, such as their mortgage, and basically dissolve the titles and strata plan to hand a clear piece of property to the buyer.