

Headline: Strata ABCs: Understanding Condo Basics

Topic: Strata Living

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How can you tell if the condo you are looking at is a good buy? This topic or some variation is one of the most common questions that the CHOA offices receive from buyers. Buying a condo, whether it is a new development or 40 years old, requires thorough investigation if you plan on making your purchase a great success. Strata corporations in BC are self-regulated by the *Strata Property Act*, Regulations and bylaws of the corporation, so when you buy a condo you are also investing into a strata corporation and the shared interests and liabilities of all of the owners, tenants and occupants of that community. A strata corporation is created when the strata plan created by the owner developer is filed in the Land Title Registry. The plan will include diagrams showing the boundaries of strata lots, the common property and limited common property. The strata lot creation allows for the title to be created for all the strata lots in the corporation. In new developments of 5 units or more, an owner developer must create a disclosure statement. The disclosure statement includes a description of the property being marketed, a proposed strata plan, a proposed budget, contracts agreements that the strata will be a part of, information about other strata corporations or other properties that may share common facilities or shared expenses, parking and storage locker information, proposed bylaws for the strata and whether any rental exemptions will be granted. When the strata plan is filed, 2 other schedules are filed: Voting Rights and Unit Entitlement. The voting rights show how many votes for each strata lot which applies to decisions made at general meetings of the strata. Residential strata lots are normally 1 vote per strata lot, and non-residential strata lots (commercial units) are given the equal number of votes of the relative size of their strata lot. For example, a commercial strata lot that is 7,894 square feet is likely given 7.89 votes. The unit entitlement is one of the most important documents in a strata. This is the schedule that is used to calculate how much each strata

lot has to pay for all common expenses. This schedule is used to calculate monthly strata fees, contributions to the contingency reserve funds, special levies, shares of judgements against the strata or any other joint liabilities. All of these documents are also available from an existing strata corporation by requesting an Information Certificate of the strata or specific documents.

Think of a strata as a simple city government. Once a year, the strata approves an annual budget which then results in your monthly strata fees to pay for utilities, insurance, maintenance, management and any other operational requirements. A strata council are elected at the same meeting, and they are responsible to implement the budget. Like a local government, strata corporations must have bylaws, which are enforced by the elected council, that govern the use and enjoyment of common property, common assets, strata lots and the general administration of the strata corporation. Always read the bylaws of a strata before you buy. Strata corporations are permitted to have bylaws that limit or prohibit rentals, establish minimum age restrictions for occupancy, limit the number of pets or type of pets, and bylaw that control the use of common property and common facilities such as parking, storage lockers, recreation services, pools and marinas. While there may be accommodations under the Human Rights Code and exemptions granted under the *Act*, never assume dogs are allowed, just because you saw a dog in the lobby when you visited the building for the first time.

Strata living is a great lifestyle option for many owners. Find the property that fits your needs and price range and take the time to read the strata minutes, review the bylaws, the finances, the depreciation report, information certificates before you make your decision.