

Condominium Home Owners Association

A non-profit association serving strata owners since 1976

Bulletin: 300-044

Condo Smarts

Headline: After you've asked questions, request documents

Topic: Buying

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The hot real-estate market is a time of great excitement, quick decisions, bidding wars and great success for many consumers.

But in the haste of a purchase, buyers can overlook a simple detail that can be costly for years to come.

A Langley couple who closed their purchase last week reviewed the minutes of council meetings and general meetings for the previous two years, requested specific information about engineering reports and studies, and pretty much figured they had covered all their bases. They understood that the strata had borrowed \$300,000 in 2002 and it was a special assessment for the roof replacements. They did not request an information certificate, or clarify when the special assessments were due and payable, as they assumed that everything had been completed in 2002. Now they find they have to make monthly payments for the levy on the loan until the end of 2007.

Strata Law: When a strata lot is sold, the matter of special levies is often negotiated as part of the transactions. However, if the payout is not negotiated, any amounts that are due and payable after the strata lot is conveyed is payable by the purchaser. Strata corporations may borrow money from lending institutions, but the terms

of payment and conditions of the loans should be scrutinized closely.

Tips: Before you complete your agreement for sale, obtain a Form-B Information Certificate. Any amounts of levies an owner is obliged to pay in the future that have already been approved must be disclosed. The payout of the levy can be negotiated by either the vendor or purchaser and should be discussed with your agent or lawyer.

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