

Condominium Home Owners Association

A non-profit association serving strata owners since 1976

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Condo Smarts

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Topic: Repairs

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In 2001, one Lower Mainland strata received a report that its 18-year-old roof should be replaced immediately to avoid any deck or building damages. The strata received a bid at the time for \$292,000 for its 117 townhouse roofs. The council was aware there were not sufficient funds to do so and knew a special levy would have to be imposed. They chose not to bring all this information to the owners. The owners, aware of the reports but fearing special levies, did not petition or request a special meeting.

The upshot of all this avoidance was considerable damage to the decking, trusses and units themselves. The project was not undertaken until the last possible moment. When it was finally completed last week the cost, including repairs over time, had skyrocketed to \$549,000, or almost \$4,700 per unit. One unit owner wrote to our office last week asking if she could sue her strata because they didn't replace the roof as recommended in 2001 and the cost has almost doubled.

Strata law: In virtually all townhouse strata plans the roofing systems and exteriors are part of the common property. As such, they are the responsibility of the strata to maintain and repair. While the standard of care is not clearly set out in the Act, it is a reasonable assumption that this work should be done to reasonable standards. However, in this case the owners did have some

knowledge of the situation and were equally responsible for delaying the job, with little likelihood of recovering any losses.

Tips: When facing unexpected expenses, stratas can borrow funds. In this case, considering the low interest rates and the high costs experienced, it would have been prudent to do so. The damages would have been avoided and the high labour and construction costs would have been offset. If this strata had borrowed the original \$292,000 at six per cent for a five-year term in 2001, the cost of the loan would have been \$46,111. The owners would have saved more than \$200,000 or \$1,709.40 per unit. Also, they could have paid their assessments over 60 months at \$48.16 per month. Which option would you choose?

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