

Condominium Home Owners' Association

Serving BC's Strata Property Owners since 1976

Bulletin: 300-162

Condo Smarts

Headline: Have condo-management rules changed?

Topic: Strata Manager Licensing

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Dear Condo Smarts: Our property manager has advised us that because of new licensing requirements, we can no longer hold our own operating and reserve funds and that our management fees will be doubling, otherwise they will not be able to manage our property any longer. We have also been told that we can no longer consider self-management. Has the government imposed a new regulation on condo owners that is unfair?

-- Marge Dennis, Okanagan Valley

Dear Marge: As of January 1, 2006, the amendment to the Real Estate Services Act came into full effect for the licensing and regulation of strata managers.

Management companies will incur costs for licensing, insurance and education, and each management company will be required to negotiate their costs and fees through their own management contracts.

The management of funds and services is still negotiated between each strata and its manager, but there are conditions that may limit services. For example, if the management company has the responsibility of providing real estate transaction forms B and F, they will be required to rely upon their own financial records and documents, not those of a third party. Also, the accounting of trust funds and auditing must be reported annually to the Real Estate Council, which is another management responsibility.

A strata corporation can still be exempt from the licensing requirement and may self-manage their own affairs.

In fact, an owner may be employed to manage in their own strata without licensing, so it may be wise for you to inquire with the Real Estate Council if in doubt.

The new regulations have protected the rights of the strata owners to manage their own affairs, but have also imposed protection and regulation for the financial management and responsibilities of strata managers. With over \$1 billion in financial assets, this legislation is critical for consumer protection.

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