

Condominium Home Owners' Association

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Bulletin: 300-183

Condo Smarts

Headline: Buyers need a Form B

Topic: Buying - Form B

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Dear Condo Smarts: I recently purchased an older townhouse in Richmond. On the surface everything appeared fine. No leaks, new roof, plumbing replaced in 2002, simple bylaws, and low strata fees. I read the minutes for the previous couple months and all was generally fine.

Now the bad news. During my offer to purchase I suggested to my agent we obtain an information certificate.

As it turned out the market was hot and it would have taken too much time to produce the information before the deal was gone and the vendor was eager to sell without subjects. I have discovered that through a mediated settlement, our strata had settled a legal dispute that is ending up costing the strata over \$150,000 and my unit share is \$7,000.00.

Along with other owners, I'm speechless, uninformed and unable to pay the amount. What do we do?

Doesn't the strata have to tell us about this?
- KC Fenton.

Dear KC: New purchasers get stung every day by not demanding sufficient information before they buy.

The information certificate, also known as a Form B is a small investment to make in time and money to obtain some pretty basic disclosed info about your intended strata.

It covers monthly strata fees, agreements for alterations you might assume, future special levies recently approved, projected deficits, contingency balances, bylaw amendments yet to be filed in land titles, 3/4 votes waiting for land title filing, like changes in property designations, notice of pending bylaw votes, pending court or arbitration proceeding, official notices for the strata as work orders, rules of the corporation, the current budget and a developers rental disclosure statement if one applies.

Buyers need to ask themselves how they can consider buying without this information. Don't be pressured by others into buying before you are satisfied!

It's possible that the strata or your vendor knew and it was intentionally withheld from the minutes to avoid complicating the sale.

Double check your documents for dates and times of the disputes, but if you didn't request several years of the minutes or the Form B it might be tough for you to recover this cost.

Another specific request that a buyer should make is for any engineering reports commissioned by the strata.

Is it really worth the risk when a few dollars and a few days may save you thousands in years to come?

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