

Condominium Home Owners' Association

Serving BC's Strata Property Owners since 1976

Bulletin: 300-220

Condo Smarts

Headline: Help available for costs of repairing leaky condo

Topic: leaky condos

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Dear Condo Smarts: In 2006, we purchased a condominium in Richmond for a significantly reduced price.

The building is a leaky condo that was about to undergo repairs, and the cost for our unit repairs was to be \$40,000.

Now after a new engineering report and further investigation of the decks and balconies, our cost is going to be over \$100,000.

The water has penetrated the wood structure and there is significant rot and damage to the floor joist seriously inflating the cost of repairs due to damage. What can we do now? We can't afford the additional \$60,000 dollars for the repairs, and our values are so low we can't get a loan for the additional amounts.

How are we going to pay for the repairs and not lose our home ?

-- Margaret, Richmond

Dear Margaret: There is possible financial relief in your situation.

While you did budget for the \$40,000 in your purchase price, you could not have anticipated the \$60,000 overruns.

The Homeowner Protection Office (HPO) provides financial assistance for consumers for building envelope failures.

You need to contact the HPO at 604-646-7050 and speak to a loans officer and make an application for the additional \$60,000 which if you qualify could be secured by a no interest loan.

A sufficient payment schedule can also be arranged. The important factor for you is that you were unaware at the time of purchase of the additional cost over runs.

Unfortunately many people are still buying homes that are leaky condos, unaware that they have no way to secure the final costs until the actual project is complete and all the bills are paid.

Cost overruns are common, as estimates may not anticipate sufficient contingencies or unseen damages.

There are also a number of other projects that are found province wide that may affect your purchases. Roofing replacements, windows, re-piping and utilities like water and sewer services maintained by the strata.

Here's an alert for potential buyers: Before you complete the agreement for sale, talk to your lawyer about who pays for the additional costs and who receives any refunds if the project comes in under budget.

Whatever you do, make sure the conditions of the contract are written by someone qualified to review the terms and get everything in writing.

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