

# Condominium Home Owners' Association

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Bulletin: 300-259

## Condo Smarts

Headline: Don't skimp on fixing problems

Topic: General advice

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**Dear Condo Smarts:** In March, one of our fourth-floor units had a common water leak from a broken pipe. Contrary to my encouragement, our council voted not to file an insurance claim and to fix the damage ourselves. The cost for the repairs was about \$2,900 and our deductible was \$2,500. Seemed like a reasonable way to fix the problem and not increase our insurance risk or costs.

Fast forward to December. A first-floor unit below the flood has been complaining that her unit is extremely cold and musty. She called in a restoration company that removed a section of her living room wall and literally gallons of disgusting ooze poured out. With a water test the culprit was identified as the flood from March. All of the water released into the building had gradually made its way down to the first floor.

The estimate for restoration is now close to \$50,000. The owners in the building are furious we didn't file a claim or report it to them and they're insisting that council pay the expenses out of their own pockets. What do we do?

-- Carol D., Victoria

**Dear Carol:** Strata corporations have regrets every day for not following up or taking action when they could have acted quickly and economically. In your case, for example, you paid more than the cost of the deductible originally and left yourselves with a latent defect that will place your strata in much greater jeopardy and at great expense.

There is nothing to stop the strata owners from bringing a lawsuit against the council for their neglect.

I frequently hear from owners with claims that the strata corporation wants to prohibit them from filing a claim. If it's a valid claim an owner can file it in the same manner as the strata council. The Act is clear.

Despite the terms of the insurance policy, those named as insured in a strata insurance policy include the strata, owners and tenants and persons who normally occupy the lots.

Your strata council needs to convene a special general meeting of the owners to report the damage and propose a resolution on how to raise the funds to pay the costs, either through a special levy or contingency approval. The most important issue now is to fix the building properly. Settle the disputes on fault later.

Here's a common list of 12 council regrets.

1. Don't assume there's no damage from water or fire. Report a claim immediately. Investigate it and restore it properly.
  2. If the bylaw says no pets, enforce it when you see a pet move in. Don't leave it for five years.
  3. Even though you had a serious disagreement with an owner, don't ever include libelous or slanderous information in your minutes.
  4. Pay your strata fees. Don't waive them in exchange for sacrificing your time on council.
  5. Before the roof leaks, replace it. Do the math: Why pay 50 per cent or more to get one or two extra years out of your roof?
  6. Strata council is not a good place for a romantic affair.
  7. It's not OK to allow a drug dealer to thrive in the building if they provide council with a share of the profits.
  8. Buying insurance outside of the country is not worth the paper it's written on.
  9. Don't make an 80-year-old owner shovel their own driveway.
  10. Don't use strata funds to pay your gambling debts.
  11. Respect all cultures, faiths and traditions. Defending yourselves at a human-rights hearing is no fun.
  12. Never agree on a verbal quote for anything. If it isn't in writing, it can't be true.
- May your strata have a conflict-free New Year.

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