

# Condominium Home Owners' Association

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Bulletin: 300-300

## Condo Smarts

Headline: Buyer's Documents

Topic: Buying

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**Dear Condo Smarts:** We bought an investment condo to rent in July. We contacted the property manager and obtained a Form B, and a Form F before we decided to go ahead with the purchase. At the time our agent told us this was sufficient information and once we had a firm signed deal we could get the minutes and financials and take our time reading them. We rented our unit out on September 1, and on September 5th we received a bylaw violation notice from our strata council advising that rentals were not permitted in our building according to the bylaws filed in 2006, and that we must evict our tenant or face a fine of \$500.00 per week until the tenant was evicted. We have to admit that we did receive the minutes for the prior 3 years, after the sale was firm, but never read them; however, the Form B Information Certificate we received, as confirmed by the manager, did not include the bylaw amendments in 2006. Because the strata through their manager disclosed the wrong bylaws, are we still bound to the new bylaws? If we cannot rent we will be forced to sell at a substantial loss. If we experience such a loss do we have any recourse?  
Emily Parke, Richmond

**Dear Emily:** The real question you should be asking here is, "Before a buyer enters into an agreement, what documents should they obtain, and from what source?" A Form B Information Certificate is an important document to include the items you will not find in the land title registry; however, it does not require past bylaw amendments to be included. Only bylaws that are about to be voted on if the strata has sent notice for them, or bylaws that have passed but have not yet been filed must be included. It also includes the current strata fees, alteration agreements you might be responsible for, court disputes, future special levy costs, whether the current budget will exceed expenses, and notices or work orders received by the strata corporation that pertain to your lot, or common property and common assets. The certificate also must include

the number of strata lots, the rules of the corporation, the current budget, and an owner developers' rental disclosure if any apply.

While much of this information is important it does not completely answer every question. Reading past minutes of council meetings, and annual and special general meetings can give you some significant insight into the operations of the property. There are other documents that are also critical. Make sure a copy of the registered strata plan and all of the bylaws that apply to the strata corporation are printed from the Land Title Registry. Without these two documents you know little about the boundaries of your strata lot, common property, limited common property, and what your real percentage of all common costs will be. To calculate your common costs look at the schedule of unit entitlement and any amendments. To find your share, take the unit entitlement of your unit and divide it by the total number (aggregate). This percentage is used to calculate all your common costs. In Emily's strata her unit entitlement is 1,295 divided by the total 45,410. Her share of all common costs is 2.8517%. If, for example, the strata had a special levy of \$200,000 for roofing, her share would be \$5703.58.

Read the bylaws, including past filed amendments that may impact your use of property, and request copies of reports such as inspections, engineering and roofing that may impact your future investment. Then make your decision. Emily's strata corporation and manager have complicated the process by providing information that was not required and incomplete. Ultimately, Emily relied upon this material to make her purchase. As a buyer or strata council, if you find yourself in this type of situation, seek legal advice. Before a tenant is evicted, confirm if this is the only option.

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