

Condo Smarts

Headline: Grow Ops

Topic: Grow-ops

Publication date: July 1, 2012

Publication: The Province

Written by: Tony Gioventu

Dear Condo Smarts: What do you do when a strata lot owes the strata corporation \$50,000 but the strata cannot collect it? We are an 18 unit townhouse complex in East Vancouver and a grow op was discovered last fall. The police and the city were involved and the owner was ordered to effect the repairs. The units on both sides were damaged as well as the offending strata lot. Because we have grow op coverage on our insurance policy, the owner requested we file a claim, which we did, and agreed to pay the \$50,000 deductible. Unfortunately we did not get this in writing, and we did not file a lien for the deductible amount. We were also unaware that the owner was in default of his mortgage payments so his bank is foreclosing on his strata lot. They have advised us that they will not pay the deductible amount because it was not lienable under the Act. Are the remaining 17 owners expected to cover the loss of the \$50,000 because the bank had a bad client? Luckily we had enough saved in the contingency for our roof, but now we are looking at special levies for a roof replacement. *Jerrit F.*

Dear Jerrit: Grow ops and meth labs are a nasty problem for multi family buildings. In addition to the grow op, all of the adjacent units, sometimes including entire buildings are contaminated, requiring major restoration before they can be occupied again. The bank is correct in that the strata corporation cannot lien for an insurance deductible; however, in your case the strata corporation covered a cost directly created by the owner and their tenant. You need to consult a strata lawyer to figure out your options and to negotiate with the bank. Generally when a strata corporation identifies a grow op or meth lab they want to make sure they are in communication with the bylaws officer of their local city or

district office to confirm they are included with the order for repairs and restoration. This is also a good time for legal advice to ensure that all possible damages and risks associated with the contravention are included the order to repair. If the strata corporation is included with the order to repair, under section 84 of the Strata Property Act, if the owner fails to do the required work, the strata corporation has the ability to do the required work, and may file a lien for the reimbursement of the cost of the work done under the repair order. It is important to confirm the details with every party in writing. Many disputes are quickly resolved when a reliable record is produced. The other side of drug labs that is more important is prevention. Strata corporations have the ability to routinely inspect strata lots for maintenance purposes. The annual inspections of the interior of strata lots to address drainage issues, mould, window performance or plumbing will achieve both a better maintenance program and become a routine deterrent to drug labs. If a tenant or owner does not provide access, enforce your bylaws. It may also be an indication of greater problems in a strata lot of unauthorized alterations or drug labs if there is absolute refusal.

**For more information on CHOA resources and benefits visit www.choa.bc.ca
or contact the office at 1-877-353-2462 or email office@choa.bc.ca.**

No part of this publication may be reproduced without the prior written permission of CHOA

This publication contains general information only and is not intended as legal advice. Use of this publication is at your own risk. CHOA will not be liable to you or any other person for any loss or damage arising from, connected with or relating to the use of this publication or any information contained herein by you or any other person.