

Condo Smarts

Headline: Selling your strata lot

Topic: Buying & Selling

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Dear Condo Smarts: We were wondering if you would ever write a column about selling a strata lot and what sellers should know? As an owner living in a strata corporation, your columns have been a great asset. We have certainly improved the business practices in our strata corporation with fewer disputes as a result, but beyond a realtor's advice, there is little information for sellers in strata buildings in BC. Our strata has completed its depreciation report, and because we have been aggressively maintaining our 27 year old building, and replacing major components, our report has become one of our best selling assets. It may seem strange, but we have not had a single bylaw dispute in over 8 years. We have discovered that well maintained and well administered property attracts residents, both owners and tenants, who have a greater respect for the lifestyle of condo living. We are selling our condo and moving to Ontario to be near our grandchildren, so any tips would be helpful.

Marion Spencer, Vancouver Island

Dear Marion: There are certainly some issues that every seller needs to know before they enter into a deal or come to the transaction date. One of the greatest points of confusion for buyers, sellers and strata councils, is the allocation of parking spaces and storage lockers. On January 1, 2014, the Form B information certificate is changing, requiring strata corporations to disclose the designation of the parking and storage lockers and the allocations if any. At this time, when an owner lists specific parking stall numbers on an agreement for sale, it is difficult to determine if that information is accurate without reliable documentation. The parking may be limited common property, a strata lot, common property allocated by the corporation or common property that has license are lease agreements created by the developer. It will be essential for strata corporations to create parking plans and inventories which will provide substantial accuracy and merit for sellers. The most important issue for a seller is the knowledge that their strata account is clear of any claims or debts. When you sell your strata lot, a Form F Payment certificate is

required to convey the title. This is a common complaint from sellers that when their transaction was completed, an amount was adjusted from the proceeds of sale of their unit that was owing for past fines, claims, fees or costs that the seller was unaware existed. As an owner/seller you may request a Form F Payment Certificate from the strata corporation at any time. Sadly, many sellers do not request the certificate in advance of the transaction and are left with little or time to investigate the claims of monies owing to the strata corporation on the form. Sellers should request their forms well in advance of the conveyance. A Form F is valid for 60 days, and cannot include the claim of damages or insurance deductible costs. The only way to avoid surprise claims and costs at the time of transaction is for the seller to request the form as early as possible. Many strata corporations also insist that owners retain copies of minutes to provide to buyers. It is the duty of the strata corporation to provide copies of minutes, financial information, and rules of the strata corporation, if requested by the vendor/agents of the vendor. The last item is bylaws. While an owner may have a copy of the bylaws, they may be incomplete or out dated. Remember that you the seller may incur liability for providing information or documents that are not accurate. Bylaws are a public document filed in the Land Title Registry accessible to everyone. Bylaws passed and not yet filed must be included with a Form B Information Certificate. Sellers should always exercise care in providing any documentation to a purchaser that may be incomplete or outdated.

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