

Condo Smarts

Headline: Home Buying Without Conflicts?

Topic: Buying & Selling

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Dear Condo Smarts: My wife and I have enjoyed living in our residential home for many years and we are getting closer to making a decision about downsizing and/or moving to a townhouse or condo complex. But regular readings of your column and other sources makes us wonder if, in our older years, we could tolerate the kinds of aggravations and problems you so often profile. Issues relating to having shared walls, diminished privacy, and lack of control over our property are already challenging enough for us for us to consider after all these years, but the things we are reading and hearing about strata-council conflicts are simply adding to the stress of making a decision about changing our life style. Our anxieties are exacerbated by the fact that a few friends and relatives have had their lives negatively affected by situations such as a severely undermined sense of neighbourhood and neighbourliness (divisiveness in a medium-sized complex), never-ending conflict precipitated by power-obsessed residents (large complex), and a council arbitrarily applying penalties for bylaws that either don't exist or are not precisely defined (townhouse complex). Asking residents about their experiences and perspectives would be problematic because you never know who you are talking to and what side of an issue they represent. And reading the minutes of past council meetings may not reveal what one is looking for as I know first hand that reports can be sanitized and/or slanted at the will of the governing body. And if the grounds seem well-maintained that only provides one kind of information and nothing in relation to other important questions.

What to do, what to do? Are there any positive experiences out there? What can we do to make a decision easier?

Ray Arnold, Richmond, B.C.

Dear Ray: For every strata community in BC that is experiencing a raft of troubles there are 100's that function as great communities. Having an issue in a community unto itself is not a detriment, it's how the community responds to the issue is what determines the strength and success of strata communities. Many buyers fail to take the time to consider what they really want before they start looking. Before you start, write down a list of those life style elements that are important for you. It is not only about the location but also the design. Consider many of the following elements. Do you want to eliminate stairs? Do you want a controlled quiet environment? Do you want increased security? Is the location to transit and community services like shopping, health centres, theatres, spiritual communities, and sporting facilities important? Do you want site amenities such as exercise rooms, swimming pools, common use gardens or guest facilities? How many cars do you have?

Once you have a general sense of your building location and basic design features, then think about how the strata community and its bylaws. Are pets important? Are you attracted to a retirement community? Do you plan on travelling and being away from your property frequently? Are you considering rentals or home exchanges for travel experiences? Do you have frequent visitors or family? Is a quiet environment important?

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When looking for the right strata, the questions and subsequent answers will help you focus on the right community. Strata corporations often have bylaws that limit age of residents, the number of pets and rentals and home exchanges. A thorough review of all the strata bylaws and rules can give you a clearer picture of the community, but don't be lulled into false assurances. Bylaws can and often do change as communities change and there are no guarantees.

The minutes of the council meetings and the general meetings will provide you with a good insight into the operations of the building and the types of conflicts that may be present in a building, but everything may not be in the minutes. Look at the financial and risk status of the strata. A close review of the annual budgets and financial reports, the status of the contingency reserve fund, the age of the building and the summary documents of the depreciation report provides a clear insight into how the building has been managed. The insurance deductible and claims history will also provides some valuable information. If the insurance deductible for water escape is greater than \$10,000 it is an indication of past claims. They may have been accidental and resolved, related to chronic problem, or there may be a link to maintenance or repair issues.

There is a link between strata corporations that are well maintained, well funded and a reduced number of problems. Living in a strata corporation is like living with your in-laws, and in sharing the same space and assets, like most families, the greatest disputes are over money, and almost always the lack of money. Low strata fees are also an indication of underfunded budgets and planning. It is unrealistic to compare the fees of one strata to another. They are different ages, services and maintenance histories, construction materials, ownership, facilities and locations. The strata fee is a combination of what is really needed to effectively operate and the contingency contributions to plan for

the future. The lure of the view, the granite counters, the pools and gardens, and modern facilities, often cloud our judgment, so take time to plan your purchase. Finally, get involved. Support your strata council, be prepared to give some time on strata council, and take an active role in the successful management of your property.

For more information go to CMHC and the BC Real Estate Association web sites for guides and check lists on home buying and planning @ www.cmhc.ca or www.bcrea.bc.ca

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