

Strata Living

Headline: New Developments

Topic: AGM; First AGM, Owner Developers

Publication / Date: 24 Hours, May 21, 2015

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Dear Tony: We are in a new townhouse development of 22 units. The first unit was sold in April of 2014 and we have not yet had a meeting of the strata corporation. There are a number of deficiencies remaining and the developer is not responding to our requests. We are concerned because we have been paying strata fees with no records or financial reports, and there are only 3 units left to sell and once all the sales are complete it will be more difficult to get the developer's attention.

Lisa M. Tri Cities

Dear Lisa: The *Strata Property Act* sets out the conditions and requirements for the owner developer on new developments. Within 6 weeks of either 50% of the units being sold or 9 months after the date of the first conveyance, the owner developer must hold the first Annual General Meeting (AGM). If they do not, the strata owners may give notice of the AGM, and convene the meeting. The strata fees are based on the interim budget provided by the owner developer, and the developer must contribute 5% of that amount to the contingency reserve fund of the strata corporation. Strata owners can request copies of the financial accounts and deposit statements to identify that all of the strata lots have been paying strata fees and to verify the expenses that have been accrued. The Act gives the strata one very strong advantage. If the owner developer does not meet the provisions of the first AGM, and provide all of the records and documents to the strata required under the Division 3 of the Act, the strata may do

whatever is reasonably necessary, including retaining legal assistance, to obtain the documents and ensure the meetings are conducted. Those related costs may be secured against one of the unsold units of the developer in the form of a lien filed against that strata lot. It is also important for your strata to identify who the warranty provider is for your strata corporation and file a written list of claims directly with the warranty provider and the developer. You may not get them immediately resolved, but there are time limits on warranty coverage so it is essential to have your claims filed with both parties as soon as possible.

The Homeowner Protection Office of BC provides a valuable series of guides and resources for new strata corporations and warranty claims. Go to www.hpo.bc.ca and select the home owner section for more information.