
Strata Living

Headline: The cost of non compliance?

Topics: Spending Authority

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Dear Tony: Our strata seems to always function under a veil of secrecy. Every year we are optimistic about a successful new council who claim to be working for the owners, keeping the owners informed, and consulting with the owners before anything major happens. The problem is 6 months after the election and nothing is new. We have new lobby furniture that and no one knows how it was approved, so a group of owners requested a hearing of council to ask questions. Council refused to hold the hearing so the owners had to threaten a petition to remove council so they would hold an information meeting. Finally we found out that a council member scored a good deal on surplus hotel furniture and council approved the purchase, but the cost is almost \$8,000 and the owners are furious. No one on council including the property manager paid any attention to the bylaws of our strata or the Act, and what would we do about it anyhow?

Jeff M. Vancouver

Dear Jeff: Before a strata corporation purchases or disposes of any assets of a strata they must first check their bylaws and the Act. The *Strata Property Act* sets a limit for the disposal or acquisition of personal property of the strata, such as furniture, to a limit of \$1,000, unless the bylaws have been amended authorizing other amounts. Any transactions above this amount requires the owners' approval of a three quarters vote resolution at an annual or special general meeting.

That's the easy part, but what recourse do the owners have when a strata council doesn't follow the bylaws or the Act? Under the current system owners' options are: accept the decision of council, remove and elect a new council, court action or arbitration against council members. Unfortunately all of the options are costly and time consuming or may not necessarily resolve the problems. Even if 20% of the owners sign a petition to

remove and elect a new council you still need a majority of the votes at the meeting to be successful, and it doesn't solve the problem, and holding the meeting and notice can easily cost the strata several thousand dollars. Supreme Court action or Arbitration will take months at least and the parties can anticipate a cost starting around \$5,000 depending on the complications of the dispute, and easily reach \$25-50,000.

Change is coming. When the Civil Resolution Tribunal is enacted in 2016, many strata disputes that address compliance with the Act or the strata bylaws will no longer require a Supreme Court action or Arbitration, and can be brought to the tribunal by an owner, tenant, or the strata corporation/council. Your issue would only require an owner to commence a dispute with the CRT, and a decision can be rendered that can order the strata to comply with the Act and their bylaws, and may order remedies. Cost will be similar to Provincial Court, around \$250 although fees are not confirmed, and the time for dispute resolution will be 60-90 days. For more info go to www.civilresolutionbc.ca