
Strata Living

Headline: Missing repair report has buyer worried

Topics: Buying & Selling

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Dear Tony: We have been looking at a condo in Nanaimo that we are hoping will become a good retirement home for us in a few years. Your columns have helped us to understand the importance of documentation to help us analyze the strata and determine if we are happy with the condition of the property and the risks. We noticed the strata had a major repair in 2005, which was certified with an engineering report, but the report certified the completion of the "targeted repairs". We're a bit concerned about what wasn't repaired. We requested a copy of the Form B Information certificate but nothing showed up to answer our questions and the strata says they have nothing else, but what happened to the original engineering report? How do we get the information we need?

Dennis Colette

Dear Dennis: Strata corporations are required to maintain their records and documents under Section 35 of the *Strata Property Act*. Section 36 determines how a person may access records and the time period required for the strata to provide them on request to an authorized person, and the *Regulations* itemize the time periods that each of the records must be retained. Engineering reports were specifically introduced into the *Act* and *Regulations* over the past few years, to insure that a strata has to retain engineers' reports, risk management reports, sanitation reports and reports respecting any items for which information is, under section 94, is required to be contained in a depreciation report.

You may start by officially requesting any of these reports if they still exist in the possession of the strata; however, if the engineer who certified the work can be identified, they will maintain a copy of the report accessible to the strata corporation. If you have time

to review strata documents, look closely at past minutes of council meetings and general meetings along with financial information and insurance documents which are also essential in assessing risk. Insurance documents will show trends of increasing or decreasing insurance deductibles that may have been the result of ongoing water claims or insurable damages. The depreciation report and annual financial reports will show the upcoming major repairs and how the strata is preparing for those costs. Take a close look at how much the strata is contributing to the contingency reserve fund each year, how often they dip into the fund for emergency repairs and if how future repairs will be paid for.

If the strata does not have a report, check the minutes to confirm if the strata has voted to exempt from the requirement or if they are simply ignoring the legislation. Caveat emptor is still the mantra of investors. Buyer beware, better yet, buyer be aware.