Dear Tony: When an owner sells their strata lot, what types of funds is a strata corporation permitted to collect when they are issuing a Form F Payment Certificate? Our strata manager issued a Form F to a seller’s agent 1 week ago claiming an amount of $2,500 was owing. The amounts were not detailed and now the seller’s lawyer has demanded the form be re-issued and the details of the charges be included. What happens if we don’t re-issue the form and just hold out for the amount owing?

CDR, Mission

Dear CDR: The best opportunity for a strata corporation to collect unpaid strata fees, levies, fines, alteration agreement costs or user fees, without much effort, is during the sale of the strata lot. A seller requires a Form F Payment Certificate in order that the title may be transferred to complete the sale. Strata corporations and their managers often use this as an opportunity to collect anything owing in hopes the seller will simply pay the amount and not challenge the charges.

The strata corporation is required to provide the details of all charges because there are restrictions to what may be claimed on the form. Specifically, damages and insurance deductibles may not be included in the form, and if the transaction is delayed or cancelled as a result of the strata failing to meet the obligations of the form, the seller may sue the strata corporation for the loss of the sale and damages. Sellers have the opportunity to commence a court action and pay the amount owing into trust to the strata corporation to dispute the claimed amount after the sale is complete.

Don’t let your strata fall into the “wait for the sale” trap to collect money owing. The limitation period is now only 2 years to collect these debts; however, once the Civil Resolution Tribunal comes into effect this year, strata corporations will be able to use the CRT for collections and sellers will be able to commence a tribunal claim and pay their claimed amounts into trust to the strata pending the outcome.