
Condo Smarts

Headline: 1000 Columns!

Topic: Strata Living

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With over 34,000 strata corporations across BC, it is no surprise to reach 1,000 columns on the topic of strata living. British Columbia was one of the earliest adopters of strata titled legislation in the mid 1960's with townhouses in Point Grey and Port Moody being the first. Since then, strata property designations have been granted to every type of use. From duplexes to multi building sites of 1,100 units, and residential to commercial, industrial, hotel, vacation, recreational, golf courses, marinas, land strips, riding stables, storage units, parking facilities, and mixed variations of all configurations - strata titled property has become the broadest form of development.

Strata developments enable higher density, collective use of energy systems, added facilities such as elevators, gyms, pools, guest rooms, meeting rooms, and common shared expenses. When administered effectively, they provide safe, affordable benefits to investors and residents. The challenge many strata/condo corporations around the world face is the fact that decision making rests on the shoulders of the volunteer owners and councils/boards.

Strata/condo corporations in Canada are deemed to be non-taxable corporations. Their strata fees, special levies, interest and general user fees are non-taxable; however, to the surprise of many strata corporations, when commercial ventures are implemented, such as leases for communications towers, signage, billboards, and commercial activities such as the operation of a business or facility for profit of the corporation, the rules change, and taxation regulations apply. It is important for a strata corporation to identify they are a business, often with employees, and operate and negotiate as a business complying with all enactments of law. After all, this is a fundamental requirement of any bylaws adopted by a strata corporation.

They must comply with the BC Human Rights Code and any enactment of law. I have seen many strata corporations dig themselves into deep financial and operational crisis,

mostly due to volunteer council members or inexperienced managers in control of the finances and decision making, unqualified to administer the scope of routine maintenance, major projects, and long term planning. No one is expecting a strata council to be a corporate administrator, and yet we place the operations of strata corporations often exceeding hundreds of millions in value, on the shoulders of the volunteers, and often without the budgeted resources necessary to retain qualified professionals. As property owners we must properly equip our councils and managers with the funding and tools they require to operate effectively, and strata councils must be honest, fair, and act in the best interests of all owners.

After 1,000 columns, here are common issues that prevail in the industry:

1. No single council member has any special authority. Decisions on construction, operations, bylaw enforcement and legal matters are made by council majority at a council meetings.
2. Your home is not your castle! This is a classic phrase to describe strata living. Regardless of the type of strata corporation you live in, what you do in your strata lot, will affect other strata lots. This is the reason for bylaws that regulate the use and enjoyment of all property.
3. "Keep strata fees low to make your strata lots easy to sell". This statement is deadly for strata corporations. This results in lack of maintenance, planning and funding for annual and long term repairs, neglected property, emergency repairs, court actions, failed special levies, and court intervention for administration and repairs. Thank you to all the readers and your emails.