
Condo Smarts

Headline: What are the average strata fees?

Topic: Strata fees

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Dear Tony: Our strata corporation is a Vancouver Island apartment style mid rise complex. The units range from apartments between 700-1,200 sq feet and townhouses that average 1,600 ft. Condo fees for small units are around \$350 per month with the larger units at \$800.00 per month. We have a pool, underground parking, guest facilities, exercise room, and meeting rooms. Our owners refuse to contribute enough to our contingency funds and we are always in some sort of equipment crisis because we don't apply sufficient maintenance. Owners and several real estate agents are claiming our fees are too high, but we can barely manage the services. Is there a place we can find a reasonable estimate of fees?

John C

Dear John: Strata owners in BC often misunderstand the cost of their operations. It is not cheaper to live in a strata corporation, and because of many added amenities some may even be more costly, but there are also many benefits of strata living.

A reasonable estimate of fees is based on a property evaluation. In a strata owners share services like landscaping, common in ground infrastructure like sanitation and utilities, drive and road maintenance, security systems, elevators, and recreational facilities. These are manageable because of the joint sharing of cost, but they are not inexpensive.

As buildings age, life cycles will increase costs for operations and renewals. I advise all properties owners to commission or develop a depreciation report. Identify all common elements the strata must maintain and that have a fixed life cycle. Determine when they are anticipated to require inspection, service and renewals, and separate those items that require annual maintenance and service cycles as part of your annual budget and those items that are part of the reserve fund

planning. If your strata corporation identifies and funds annual service items such as: elevator maintenance, heating and ventilation maintenance, surface drain and stack flushing, electrical service, backup generator service, roofing, deck and balcony inspection and service, emergency fire safety components, pools and ponds, sumps and grease traps, pest control, and security systems, you may discover your funding is insufficient, not costly.

The alternative to proactive service planning is emergency response and crisis. Emergencies can double your costs, result in system failures and significant inconvenience or losses to owners. The same applies to renewal components. Roofing systems are often neglected until they begin to fail. By then it is too late and much more costly as the renewal becomes urgent. There is a significant risk of losses resulting in insurance claims and structural damage, and a funding crisis. Both the operating and the reserve fund budgets require annual evaluation to ensure your corporation is effectively maintaining and repairing common property. Low fees never produce positive results. Budget according to a reasonable standard of protecting your investments.