Condominium Home Owners Association of British Columbia
Leadership, Education and Resources for Strata Owners Across BC
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Condo Smarts

Headline: Investment Decisions
Topic: Investing
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Written by: Tony Gioventu

Dear Tony: We are in need of a special assessment to cover an emergency underground repair in our townhouse complex. We have enough funds in our reserves to cover the cost, but our strata president decided to invest the funds in a 3 year non-redeemable GIC, so we have no choice but assess the owners. Obviously, our owners are quite unhappy about this. Are there any options to this we have not considered? Can we prevent this in the future?

Cal Surrey

Dear Cal: Decisions on investments can be undertaken in a variety of methods. A majority vote of council, a majority vote of council delegating authority to a council member, through a service agreement with a strata manager, or as stipulated in your bylaws. Bonds or non-redeemable investments are generally not recommended unless you have a well planned investment laddering scheme that coincides with your scheduled renewals. At the current interest rates, high interest savings accounts still offer the best returns and are quickly accessed. Remember, investments must be in the name of a strata corporation, "the owners, strata plan ABC1234" and copies of the investments and bank statements may be included with the council meeting minutes or reported on a financial statement to show interest yields. You may also contact the financial institution and request an early release of the funds, but you will likely lose any interest earned and they may charge a fee.

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