
Condo Smarts

Headline: Sub metering of utilities

Topic: Utilities

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Dear Tony: Our strata corporation has gas services to all units in our building in a variety of forms. Some units have gas stoves, others have one or two fireplaces, and some units have gas hookups on their balconies and roof decks for barbeques. Each unit was metered with the assumption that all the gas consumed by that unit passed through the meter; however, we have since identified the gas fireplaces do not pass through the meters because the gas lines are set up in a serial system from unit to unit. The gas for the gas fireplaces, whether it is one or two fireplaces, was included in the same accounting as the hot water boilers. As a result of this, our strata council has proposed we simply allocate all gas consumption as a common expense and that the remainder of our strata fees be based on unit entitlement. This would also resolve the claims by owners of excessive charges, even when they have been on vacation. We cannot find any section of the Strata Property Act that permits sub metering of strata lots for utilities or how that would be administered. We have been on a sub metering plan since 2008, when our condo was completed. Is sub metering of utilities permitted?

JDL, Vancouver

Dear JDL: The *Strata Property Act* permits user fees for the purpose of amenities or common facilities of common property and common assets. These expenses are generally electrical service or rates for charging stations for electric vehicles in common areas, fees for gym memberships or for the rental of additional parking spaces or storage lockers. The Act does not permit a strata corporation to segregate common expenses such as utilities for strata lots on a user fee basis. The exception is a utility service provider that monitors Measurement Canada approved meters, that are inspected and calibrated and comply with the BC Utility Commission's Regulations. There are several district energy programs and buildings that have been constructed to these standards throughout BC.

If your utility bill for gas is a single bill as a common expense, the expense is based on unit entitlement and calculated under the same formula of unit entitlement. This is not a provision or calculation that may be altered with a simple bylaw amendment changing the application of meters or fee schedules. Often, in these situations, once a strata corporation calculates the additional cost of administration and billing fees for utilities, it is more economical to apply unit entitlement. It reduces the cost and time often dedicated by strata council members and the property manager.

There are circumstances when a bylaw may be appropriate where a "type" of strata lot exists, and a bylaw may create expenses that are exclusive to that "type" of unit. For example, a mid rise building where the only gas consumption benefits the top floor units with gas fireplaces and gas stoves. A "types" bylaw would identify these strata lots, and the exclusive utility being consumed by those units. The annual budget would identify a line item of those types of units, which would share the cost of the gas based on solely their shared unit entitlement.

CHOA receives many complaints about the formula of unit entitlement. While unit entitlement is not a perfect solution for every strata corporation across the province, it is a published land title formula that applies to all strata corporations. Every buyer should review the schedule before purchasing an existing or new home. For older strata corporations, the schedule is part of the registered strata plan and for newer developments it is filed as a separate schedule. Apply the schedule for your intended unit to monthly strata fees, insurance deductibles such as earthquake or costly water escape claims, or a major special levy for repairs. The liabilities may be significant for higher values.