
Condo Smarts

Headline: Majority votes for major expenses

Topic: Voting, Repair and Maintenance; financing options

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Dear Tony: Our building has a major roofing and deck reno coming up in the spring, but we can't get a 3/4 vote passed to approve a special levy. Our roofing system is 27 years old, but one owner continually collects proxies from the seniors in our building and convinces them we don't need the work done, even though we have several top floor units with ongoing leaks. Is there any alternative or action we can take to pursue this work? Without the replacement of the roofing we will be facing substantial costs for damages.

Caroline V. Richmond

Dear Caroline: In most situations where owners vote against repairs, the owners usually cannot afford the special levies. Owning property, especially in a strata corporation where we have joint obligations for maintenance and repairs, comes with significant financial responsibilities. In my experience, for every year a major project is delayed, add at least 10% to the final cost as building components will fail causing damages and losses.

The most ideal situation is to plan for the cost of major repairs and significantly fund your contingency reserves each year. The benefits are significant. The costs are spread over a longer period of time reducing the financial impact on owners, and your strata can invest those funds, plus the interest is not taxable.

The other major benefit of funding your contingency is the connection to your depreciation report. When a component is recommended for renewal in your report, and there are sufficient funds in the contingency, the voting threshold is only a majority vote approve those funds and that project. Additional special levies or significant changes will still require a 3/4 vote.

Another option is court applications. If more than half the votes at your meeting were in favour, but not sufficient to pass a 3/4 vote, the strata corporation may apply to the courts for an order for the repairs. If the project is imminent, it is recommended in the depreciation report, and there is evidence of damages and losses, this is a viable solution. The courts may order the repairs and the special levies. In extreme cases where the corporation is failing to meet their obligations under the Act, an administrator may be appointed to control and execute the ordered repairs and levies. Both options require legal consultation before you proceed.

The Civil Resolution Tribunal is also an option for owners to obtain a decision ordering the strata corporation to conduct the repairs. While the Tribunal may not order a special levy, they can order the repairs. In any of these situations, an information meeting with your owners and your lawyer is a good start to identify the options for the owners and a strategy to move forward.