Condominium Home Owners Association
A non-profit association serving strata owners since 1976
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Condo Smarts
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In a hot real-estate market where decisions are quick, there are risks for both the buyer and the seller.

For example, recently Bob purchased a townhouse in a totally renovated complex. Over the previous five years, the strata had raised enough in special levies to completely refit the plumbing, replace roofing, windows, building siding, and new landscaping. making the purchase an attractive one.

At the time of the sale, the final report on the account had not been delivered to the owners, and Mary, who was selling her unit to Bob, had paid all of her special levies. Thinking she might get a refund, she told the council at the time of her sale to forward any refunds to her new address. Two months after the sale, the strata sent out the final statements. Because all of the owners had worked as volunteers on the project, the strata had saved almost $200,000 in costs, creating a $4,000 refund for each owner. To Mary's dismay, she discovered the refund was issued to Bob.

Strata law: When you are buying or selling a strata lot, there may be special levies or refunds that are due after the sale. The Act stipulates that a refund is payable to the owners proportional to their contributions. The "owner" is defined as being registered in the land title office as the owner of the “freehold estate in the land” (property) shown on the strata plan. Hence, the refund is payable to the "owner" at the time of the refund.

Tips: Mary thought that a simple instruction to the council about forwarding her the refund would be sufficient, as she had paid all the levies for the renos. However, the assignment of any such refund would require a written agreement between the buyer and the seller, including relevant details that might limit periods of time that refunds would apply, the value of the refund, and any liability for future costs or expenses relating to the project. Mary should have used her lawyer to negotiate special terms for her transaction.