

Condo Smarts

Headline: Commercial Strata Developments

Topic: Commercial Stratas

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Dear Condo Smarts: My wife owns a unit in a commercial strata corporation in Richmond. There are 36 offices and 8 retail stores. Over the years all of our decisions have been made at our Annual General Meeting, and every strata lot has voted equally as 1 vote per strata lot. Now we have a new owner who has purchased the largest strata lot and is insisting that he gets 5 votes, because his unit is 5 times larger than any other unit. This has never been the procedure in our strata, and we need to know how we can establish a different voting allowance. Is it possible for the strata corporation to change how it counts its votes after 12 years of 1 vote per strata lot? George Mankovich.

Dear George: It would surprise condo owners in BC to realize how many non-residential strata units actually exist in the province. They include everything from mixed commercial retail on the ground floor of a high rise to rented storage units, marinas, industrial parks, parking lots, hotels, golf courses and professional offices.

The process of creating a measured area of space in a strata plan, is the same as any other property, with the exception that the strata plan and strata lot are identified with boundaries of exclusive use and common use. Within the registered strata plan, or on a separate schedule, you find the schedule of unit entitlement, which, unless otherwise amended, is used to calculate common expenses. You will also find a schedule of voting rights.

The voting schedule identifies each strata lot and how many votes each strata lot is allocated. In residential property, the common voting entitlement is 1 vote per strata lot; however, there

can be variations. In a non-residential/commercial strata, the proportional voting is based on the relative average strata lot area and then determined by percentage. For example, if the average commercial strata lot is 1089 metres and gets 1 vote, a unit that is only 589 metres will get .54 votes. So the new owner is correct. If you review George's strata plan and schedule of voting entitlement, it is clearly illustrated that the new owner gets 5.13 votes for his strata lot, whereas, many of the other units only get an average of .67-1.05 votes.

Whenever a commercial or mixed use strata corporation convenes an annual or special general meeting, it is important that when they issue voting cards or ballots, they clearly indicate on the ballots and voting cards the total number of votes each strata lot is allocated. Without knowing this information, it is impossible to establish whether a majority vote or more importantly, a 3/4 vote resolution has been properly passed. The accuracy of the voting allocations as reported in the minutes will be invaluable in the event there is a dispute. If your strata corporation is a combination of commercial and residential, it is important to have a copy of the registered strata plan along with the schedule of unit entitlement and voting entitlement at your general meetings to ensure accuracy in issuing voting cards and voting calculations. Different coloured ballots and voting cards can also be an important tool to ensure you properly account for and record the separate votes required by sections. Never use strata "hand me downs" for convening meetings. Make sure your documents are directly from the registered strata plan, schedule of unit entitlement and the voting entitlement filed in the Land Title Registry.

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