## aCondominium Home Owners' Association Serving BC's Strata Property Owners since 1976 Bulletin: 300-485

**Condo Smarts** 

Headline: Alteration Agreements & Depreciation Plans

Topic: Alterations, Depreciation Reports

Publication date: June 3, 2012 Publication: The Province Written by: Tony Gioventu

**Dear Condo Smarts:** When we purchased into our condo in 2009, we performed all the diligence necessary in reviewing the bylaws of the strata, rules, the minutes and requesting a Form B information certificate. We thought we were fully covered in understanding our future responsibilities, but evidently not. Our strata recently had our depreciation report done, and we noticed in the report that there are 7 strata lots identified, including ours, that have obligations to maintain, repair, and pay for the skylights in our strata lot. We never agreed to this, and we had no notice of such an obligation. So how did the depreciation planner and the strata council determine that our strata lots are the only ones responsible for the skylights? There are 8 other units in our strata that also have skylights, but they are not on the list?

Jackie F. Coquitlam.

**Dear Jackie:** You have identified an important part of the depreciation planning process: how the obligations are determined in creating the inventory for the strata corporation and owners. Sub section 2 c) of 6.2 of the Regulations requires that the depreciation planner "identify common property and limited common property that the strata lot owner, and not the strata corporation, is responsible to maintain and repair". Under Section 72 of the Strata Property Act, "the strata corporation may, by bylaw, make an owner responsible for the repair and maintenance of limited common property that the owner has a right to use", and under Standard Bylaw 6, "may require as a condition of its approval, that the owner agree in writing to take responsibility for any expenses related to an authorized alteration to common property". Depending on each strata plan, and any registered Limited Common Property (LCP)

amendments, owners may either be responsible for maintenance and repair of the LCP or costs associated with common property alterations. Skylights are a perfect example of common property alterations. If an owner requested permission to alter the roof and install a skylight, the strata corporation could consider this application, and could require in writing that the strata lot owner would be responsible for any costs relating to the maintenance, repair and installation of the skylight, both now and in the future. To be able to enforce the obligation of costs relating to the maintenance and repair of the skylights, the strata corporation would have required a written agreement with the owner of the strata lot for the permitted alteration. That agreement forms part of the records of the strata corporation, and when Jackie purchased her unit and requested a Form B Information Certificate, the strata corporation was required to include that agreement as part of the form. This is how the obligation to be responsible for the future costs would bind the next purchaser, being Jackie. The agreement would also be a document that the depreciation planner would rely upon, when they are calculating the future costs for the strata corporation, and strata lot owners, as identified separately. Without any such agreement disclosed to Jackie, or bylaws that set out the obligations indicating such an agreement even existed, it is unclear how the strata corporation has any authority to make the owner responsible for the costs of the skylights. Strata corporations who have created such agreements need to ensure they have them well documented and available for the depreciation planners, potential buyers as part of the Form B, and as part of the perpetual records.

For more information on CHOA resources and benefits visit www.choa.bc.ca or contact the office at 1-877-353-2462 or email office@choa.bc.ca.

No part of this publication may be reproduced without the prior written permission of CHOA

This publication contains general information only and is not intended as legal advice. Use of this publication is at your own risk. CHOA will not be liable to you or any other person for any loss or damage arising from, connected with or relating to the use of this publication or any information contained herein by you or any other person.