

Condo Smarts

Headline: Parking Spaces – What are we really buying?

Topic: Parking

Publication date: Apr 14, 2013

Publication: The Province

Written by: Tony Gioventu

Dear Condo Smarts: I purchased my condo in 2009. At the time parking spaces were a premium. There were only 110 parking spaces to match our 110 units in our building, so the developer was offering the purchase of an additional space. We decided to pay the \$25,000 for the parking space, as it added a substantial amount to our assets. The strata council sent us a letter indicating we had to surrender 1 parking space, as there was a shortage, and as our unit only has 1 car, we had no right to the additional space. We read the new information bulleting regarding parking space allocations as of January 1, 2014, and it would indicate that we certainly do have a right to the parking space. Could you possibly explain how parking is allocated by developers and how buyers are protected?

Allistair

Dear Allistair: To facilitate the allocation and assignment of parking, an owner developer may have created a specific type of parking contract, such as a lease or license that is identified in the disclosure statement. The disclosure statement is a required document that must be provided to buyers in new developments of more than 5 units in British Columbia. This is essentially a document that tells a buyer what the owner developer is going to sell them, what types of amenities and services are going to be provided, a description of the property, the intended legal definitions and boundaries of the strata lots and common areas, the intended schedule of unit entitlement that is used to calculate all common expenses, and any types of agreements, services, budgets, or conditions that may be associated with the property.

Unless the parking space that you are purchasing is part of your strata lot, which is rare, or a separate strata lot within the corporation or in another strata corporation, what you are essentially purchasing is the right to have the exclusive use of "a" parking space(s) or "specified" parking space(s) located in your building, described in the lease or license agreement that was created by the owner developer. It is also possible that several strata

corporations share the same parking garage, which could be a separate strata corporation unto itself or part of another strata corporation, in which case the same type of lease or license may be applied. The important information for the buyer is to establish whether they have some security around the additional parking spaces that they negotiated. A copy of that original lease or license by the owner developer is an essential part of your purchase agreement. Many of the leases and licenses also have transfer provisions to ensure that subsequent buyers also are entitled to the use and value of the additional parking spaces.

Another method of assigning parking, is where The Strata Property Act permits owner developers to allocate additional parking spaces at any time before the first AGM (annual general meeting) of the corporation, and to amend the strata plan to designate a maximum of 2 extra parking spaces as limited common property. By creating these allocations and designations of limited common property, the only way a strata corporation could alter those allocations is by unanimous vote. As of January 1, 2014, strata corporations and their managers, on the new Form B Information Certificate, will be required to identify the designation the allocation of parking to strata lots. This is a valuable time for strata corporations and property managers to collect parking information that will enable them to complete the forms.

Not all assignments of parking are the same. If you are buying a new home or current home with parking allocations, get some legal advice on the terms and conditions of the assignment to ensure your investment is protected.

**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.