

The new *Strata Property Act* is overwhelming. Each month we attempt to inform and educate you on different provisions and we hope this process is helpful. If you need a copy of previous bulletins please feel free to ask your property manager. If you have joined your strata council in recent months you should obtain a copy of previous bulletins as they are most useful. The content of these bulletins does not purport to offer legal opinions or advice. You should retain and consult with legal professionals.

## Address of Strata Corporation

When a strata corporation is conceived by a developer, invariably the address of the strata corporation is the address of the lawyer representing the developer. This address actually shows up on the registered strata plan for the strata corporation. Not long after the strata corporation is up and running a management company is usually appointed and over the years this arrangement can change.

Under the old *Condominium Act*, it was a requirement at s. 70 for the strata corporation to have "at a place convenient for postal delivery... a receptacle suitable for postal delivery with the name of the corporation clearly marked on it". Very few strata corporations met the requirement of the Act, particularly townhouse type developments. The new *Strata Property Act* is much more specific in its requirement and it reads as follows at s. 62:

- (1) *the strata corporation must ensure that the correct mailing address for the strata corporation is filed in the Land Title Office;*
- (2) *the address may be accompanied by a fax number;*
- (3) *if a strata corporation changes its mailing address, it must file a Strata Corporation Change of Mailing Address in the prescribed form in the Land Title Office.*

Note that there is no provision in the statute for filing the correct, current mailing address prior to any future change; thus, it is uncertain how strata corporations will file their current addresses in the Land Title Office. It is our view that the best way to meet the objective of the statute is for VCS to file one of these documents with the respective Land Title Office so that there can be no question of what the property mailing address is from now on. The address will be that of VCS on behalf of your strata corporation.

Please note that regulation 17(4) states that a strata corporation created under the *Condominium Act* need not comply with this requirement until January 1, 2002. Since your strata corporation was filed under the old *Condominium Act* there is lots of time to do this job. In fact, we will not start filing these documents until February or March so if you have any objections to using VCS as the proper mailing address for your strata corporation please advise your property manager by the end of January.

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# JANUARY 2001 NEWSLETTER

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## GAS PAINS ??

What can we tell you about rising gas costs that you do not already know? Probably not much. We do believe this is not the last of it and it is very possible in the coming months there will be further hikes. A pending provincial election might bring some relief as politicians vie for our votes. The Premier has hinted that something might be done to provide relief. That aside, we are strongly recommending to our clients that consume gas to raise additional revenues by way of a special levy either in June or in September. This will mean a Special General Meeting which is an inconvenience but remember that you do not want to run a huge deficit in your operating budget caused by gas expenses which will probably mean an increase in strata fees for 2002. Owners will not be happy about such an increase but if they have to ante up money by a special assessment just for gas we think you'll get less resistance than trying to recover a general operating fund deficit which is now a statutory requirement. If your fiscal year-end is coming up in the next few months and you have not yet finalized your new budget, we suggest you double the gas expense from the previous year.

## BY-LAWS

The new *Strata Property Act* became law July 1, 2000 and we did not put this topic on your agenda for the last half of 2000. You had enough to do learning the many stringent requirements of the new statute without having to get into bylaws. But the time has come to deal with it. The whole issue of bylaw changes is very complex and we are not getting into details here today. Suffice it to say you are going to have to devote a lot of time and attention to bylaws this year. We will be sending you a huge package in February or March. We suggest the following:

- (a) Do not deal with bylaws at council meetings other than in a general manner regarding process. Detailed discussion will consume a lot of time and you will not get through your regular agenda. We suggest that a committee be formed made of council members and possibly interested owners. (Is there such a thing as interested owners?)
- (b) Do not plan to present a mammoth package of bylaws to your owners at a General Meeting – especially the AGM. It won't work. Remember that the new act requires each amendment to a

proposed bylaw to pass by a  $\frac{3}{4}$  vote. Just imagine the time that is going to take to get through the package. We suggest that informal meetings be held with owners to discuss, debate and mould the new package of bylaws. That way votes do not have to be taken and you will end up with a final package which is close to what the owners want. There is no guarantee, of course, that this process will eliminate further debate at a formal SGM or AGM but it is a good start. More on this topic in a later bulletin.

### THE CANADIAN CONDOMINIUM INSTITUTE (CCI)

Most of you are very familiar with an organization known as the Condominium Home Owners Association of BC. CHOA was formed about twenty years ago (by Gerry Fanaken) to represent the interests of condominium owners. It is a non-profit organization and its purpose is to educate condo owners, strata councils, and others involved in condominium administration. It has also been a very effective lobby group with respect to provincial legislation (The Strata Property Act and The Homeowner Protection Act). Some of our strata councils belong to CHOA while others have chosen not to join. In order to be a member of CHOA, one has to be a condominium owner. Other persons are excluded from membership and this would include property managers, lawyers, engineers, tradespeople, etc.

BC is the only province (that we know of) where such a provincial organization as CHOA exists. In all other provinces, similar representation is done through an organization known as the Canadian Condominium Institute (CCI). Because of the success of CHOA in BC, CCI has never had a chapter anywhere in British Columbia. That is about to change. In the spring, CCI will be coming to BC with the hopes to start chapters in Kelowna, Victoria, Nanaimo and, of course, Vancouver. CCI has exactly the same objectives as CHOA; however, the membership is not limited just to condo owners. The membership is made up of condo owners, property managers, professionals, and so on. In fact, there is no limitation to the participation as long as one has some interest and involvement in the condominium community. This has proven to be extremely successful in other provinces as a very wide variety of experience, knowledge and energy is brought to the table.

The President of VCS, Gerry Fanaken, has attended several CCI conferences in Toronto and has committed to assisting the organization with forming the Vancouver chapter. It is expected that this will be done in early May and further details will be announced in due course. All of this is brought to your attention at this time in order to alert you to the possibility of becoming a member of the new

organization. If you would like further information about CCI please contact Gerry Fanaken at VCS.

### LICENSING OF PROPERTY MANAGERS

The issue of licensing of strata property managers continues to float about. This matter has been discussed by the provincial government for several years and the two Barrett Inquiries into leaky condos gave further momentum to the topic. As you may recall, Mr. Barrett had recommended that all strata property managers be licensed, the theory being that licensing would mean better training, which in turn would have been of greater assistance to the leaky condo situation. Of course, there are many other very good reasons for the licensing of strata property managers and, for the record, VCS is totally supportive of the concept. There is some debate within the government whether such licensing should be done through the Financial Institutions Commission (ie. real estate) or through the Homeowner Protection Office (ie. leaky condo). The vast majority of strata property agents in Vancouver have given their support to the FICOM approach. VCS respectfully disagrees with other industry players and has given support to the Homeowner Protection Office for the licensing program. At this time, it is uncertain where the matter stands, although we keep hearing rumours that a decision is about to be released any day now. Again, with the pending provincial election, it is possible that this matter might be put on the back burner until after the election.

### SEMINAR (Saturday, March 3rd)

You are invited to participate in a seminar being sponsored by VCS on Saturday, March 3<sup>rd</sup>. The seminar is an all day event starting from 8:30 a.m. and lasting until 3:00 or 4:00 p.m. Specific details of the seminar will be sent to you in the next month; however, here is what it is all about. As mentioned earlier in this newsletter, the issue of developing bylaws is critical. A major portion of the seminar will be devoted to the topic of bylaws; however, other issues arising from the new *Strata Property Act* will also be on the agenda. For the most part, the guest speakers and panellists will be lawyers. We expect to have representatives from a number of law firms that we presently utilize for our clients and we expect that the level of information and education will be at a very high level. There will be two or three morning sessions, a lunchtime panel of lawyers with some great court decisions to relate (including horror stories), and a major session on bylaw development in the afternoon.

In order to cover the costs for hosting this event, which will be held at the Pacific Palisades Hotel on Robson Street in Vancouver, the following fee structure will apply:

(A) THE HALF PACKAGE:

MORNING AND LUNCH SESSION ONLY (8:30 a.m. to 1 p.m.)

- \$70 single council member
- \$60 each for two council members
- \$50 each for three or more council members

*(All fees are subject to GST)*

(B) THE FULL PACKAGE:

MORNING AND AFTERNOON SESSIONS (Includes Lunch)

The afternoon session from 1:15 to 3:15 or later will be specifically on new bylaw development. The full day cost is:

- \$95 single council member
- \$85 each for two council members
- \$75 each for three or more council members

*(All fees are subject to GST)*

Space for this event will be limited due to the size of the facility so we ask you to register as soon as possible. Please call your property manager who has the necessary registration forms and can complete them over the phone for you. Copies will then be sent to you for your files. In previous events that we have held, the expense for attending these seminars has been paid for by the strata corporation. It is up to your strata council to decide this matter; however, we certainly encourage the strata corporation to pick up the tab. The amount of information that will be learned from the seminar will be substantial. Apart from the learning process, you will have a good opportunity to meet other strata council members and share experiences. The various lawyers that will be involved in the seminar will also be available to meet with you. All in all, we think it will be a very enjoyable day and the lunchtime panel discussion will surely be lots of fun.

Lunch is included in the above-noted fees.

### INSURANCE RENEWAL

Not all our clients have their insurance policies renew on December 31<sup>st</sup>; however, the majority are tied to the calendar year-end irrespective of the strata corporation's fiscal year-end. Just to let you know that your policy was renewed. Details will be presented to you by your property manager.

### AND FINALLY THE BAD NEWS (Depending on your point of view)

While nothing is cast in concrete just yet, it would appear that as of January, 2002, the strata property management industry will be implementing a new policy with respect to the times for council meetings. That policy, essentially stated, is that a council meeting must be completed not later than 6:00 p.m. Council meetings will not be held in the evening, as is presently the case with the vast majority of strata councils. (Most councils meet between 7:00 p.m. and 9:00 p.m. Monday to Thursday) What this means is that meetings will have to be held during the day, and in all likelihood this would probably mean that meetings will start at 4:00 p.m. and finish by 6:00 p.m. There may be some situations where meetings will have to be conducted in the traditional hours, as noted above; however, the industry will be implementing fees for evening meetings. While the fee structure may vary from one company to another, it is likely that such a fee will be in the order of \$200 to \$300 for evening meetings. Needless to say, all of this is going to come as quite a shock to strata councils and the obvious question will be "How can I be on the strata council if the meetings are at 4:00 o'clock in the afternoon and I don't get home until 6:00 o'clock?" Good question. Let's leave it for today, but it is something for you to start thinking about through the balance of this year. The issue will have to be dealt with before next January as the vast majority of the major companies providing strata management services will be implementing this policy. No doubt there will be, as there always is in the free marketplace, some companies which will provide evening meetings at no extra cost to its clients. Whether or not that service will be sustained remains to be seen. What the industry is cognizant of at this time is that it is very difficult to find and retain qualified and competent property managers. It is the industry's belief that such individuals will probably be employed by the major players in the industry and that the companies that continue to provide evening meetings will have some difficulty in obtaining and retaining good quality personnel. At this time, we are simply alerting you to the proposed industry change and, as the year goes by, we will have more information for you. Naturally, your comments and opinions would be welcomed.

Happy New Year!!