



President's Message

President's Message – December 2012

We recently held our fall seminar which, among other things, focused on the mechanics and administration of holding general meetings and to a lesser extent, council meetings. The seminar looked at the pragmatics of sending out general meeting notices, the use of proxies at general meetings, the timing of such notices, how to deliver the notices and the contents of the notices. At a time when a significant number of strata corporations are coming into AGM season this seminar focused on what can be called, for a lack of a better term, a checklist for making the process relatively easy and problem free from start to finish.

As most council members and strata managers will tell you the strata bullies often cause trouble during AGM season. Phil Dougan of Access Law Group helped to identify what is likely to make a strata bully tick and identified a number of ways to try to resolve issues that seem to trigger bully- like behavior before it gets out of control. All in all we had a great exchange of information between our speakers and the audience and it is safe to say that everyone in the room, even the managers and lawyers, learned something new. Many thanks to our facilitator, Jim Allison, who was also a speaker, and to Alexine Law of The Wynford Group and Phil Dougan and Jamie Bleay of Access Law Group for their contributions toward another successful seminar. Many thanks also go out to our five sponsors: Apex Building

Science Inc., Cleveland & Doan, Dong Russell & Company Inc., Maxium Financial Services, and Power Strata Systems Inc.

Our 2012 annual general meeting was held in conjunction with our fall seminar. We are pleased to report that we elected a record number of board members this year. Your CCI Vancouver chapter board for 2012/2013 is:

Jamie Bleay	President
Paul Murcutt	Vice President
Stephen Page	Treasurer
Iris McEwen	Secretary
Jim Allison	National Council Representative
Phil Dougan	Member at Large
Alexine Law	Member at Large
Christina Thomas	Member at Large
Azadeh Nobakht	Member at Large
Paul McFadyen	Member at Large
Burt Carver	Ex Officio

INSIDE THIS ISSUE

<i>President's Message</i>	1
<i>Case Law Update</i>	2
<i>Knowledge is Power: The Role of Education in Achieving a Peaceful Strata Community</i>	4
<i>IMAGINE</i>	5
<i>R-E-S-P-E-C-T</i>	6
<i>The Role of Administrator</i>	7
<i>Strata Bullies</i>	8

The marketing committee has been quick off the mark and has managed to snag a space at the BC Home Garden Show scheduled for February 20 - 24, 2013. It is expected that several thousand homeowners, including condominium home owners, many of whom are apt to be council members, will attend the home show. We are excited to have the opportunity to market CCI Vancouver at this annual event and promote both membership and education!

Speaking of education, our next seminar will be held on February 16, 2013 at the UBC Robson Square campus. We are in the process of finalizing topics but at this time we anticipate having speakers speak on topics such as depreciation reports, hoarders in condominiums and taking care of the elderly in condominiums.

Last but certainly not least CCI Vancouver won newsletter of the year for Tier 1 chapters. We are so excited that after many years of hard work the newsletter committee was rewarded with this honour. We will do all that we can to repeat next year.

From all of us at CCI Vancouver to all of you we hope you have a wonderful holiday season, a Merry Christmas and a Happy New Year.

Jamie Bleay – President of CCI Vancouver

LEGAL CORNER

Case law update – December, 2012

In each edition of our newsletter we try to identify and review 2 or 3 recent legal decisions that can be used as helpful tools to educate and guide strata council members, strata managers and owners alike.

The first case is a recent decision involving insurance deductibles. We all know that insurance deductibles, mainly as they relate to water damage claims, are quite often one of the main topics of discussion around the council table. The truth of the matter is that we are not alone in dealing with increasing insurance deductibles and recovery of insurance deductibles. In a recent newspaper article published by the Montreal Gazette (link to www.montrealgazette.com/business) the author identifies similar problems in Ontario and Quebec.

In *Strata Corporation LMS 2723 v. Ann Sharon Morrison*, 2012 (BCPC 300), the court was asked to determine whether Ms. Morrison was responsible to pay the \$2,500.00 insurance deductible the strata corporation paid as a result of a fire caused by Ms. Morrison's tenant that caused damage to her unit and to the strata corporation's common property.

The issue before the court was whether section 158(2) of the *Strata Property Act* (the "Act") entitled the strata corporation to sue Ms. Morrison to recover the insurance deductible caused by the actions of her tenant.

Section 158(2) of the Act states:

Subsection (1) does not limit the capacity of the strata corporation to sue an owner in order to recover the deductible portion of an insurance claim if the owner is responsible for the loss or damage that gave rise to the claim.

The court had to consider whether Ms. Morrison was "responsible" as that word is used in section 158(2) of the Act when the tenant caused the damage that resulted in the insurance claim and insurance deductible.

The Judge considered the decisions of Mr. Justice Burnyeat in *Mari v. Strata Plan LMS 2835*, and *Wawanese Mutual Insurance Company v. Keiran*, both of which were 2007 B.C. Supreme Court decisions. In particular, Judge Merrick agreed with Mr. Burnyeat's statement in the *Mari* case that:

It would be unfair to impose liability on all owners for what would ordinarily be insured by an owner of a particular unit if that owner owned the unit as a single family dwelling. The forced sharing of deductible deprives all owners as a group of imposing discipline on a particular owner and also allows the Strata Corporation to sue an owner to recover the deductible portion in order that all of the owners do not have to bear that cost.

He continued:

I am satisfied that the legislation is clear and that no finding of negligence is required. The Legislature used the term "responsible for" in s. 158(2) rather than terms such as "legally liable, liable, negligent". The choice of the term "responsible" provides the owners with the opportunity to allocate to a particular owner the cost of an insurance deductible in cases where an owner was thought to be responsible for a loss. The presence of washing machines, dishwashers, air conditioners, and water dispensing refrigerators are examples of items that pose a risk for water escape. Unless there is a mechanism

CCI - Vancouver Board of Directors - 2012/2013

Jamie Bleay - President
Paul Murcutt - Vice President
Stephen Page - Treasurer
Iris McEwan - Secretary
Jim Allison - National Council Representative
Phil Dougan - Member at Large
Alexine Law - Member at Large
Christina Thomas - Member at Large
Azadeh Nobakht - Member at Large
Paul McFadyen - Member at Large
Burt Carver - Ex Officio

Welcome New Members

Alexine Law
Campbell Strata Management Ltd.
Glenn Duxbury & Associates
Power Strata Systems Inc.
Teamwork Property Management

to direct the payment of the deductible by an owner who keeps or installs an appliance that has the potential for water escape, owners are free to act without the consequence that affects homeowners in single family homes where the homeowner's insurance will repair the damage but the homeowner will be responsible for the amount of the deductible. The owner will be responsible for the deductible notwithstanding that the owner was not negligent. Section 158(2) simply allows the Strata Corporation to set the same standard for the payment of a deductible as would exist in a single family residence.

Judge Merrick went on to review the *Wawanesa* case and stated at paragraph 9 of his decision that:

In my view, Justice Burnyeat determined that "responsible for" should be interpreted broadly because, one, owners of a strata unit are responsible for what occurs within their unit, and, two, unless there is a mechanism to direct the payment of the deductible by an owner, an owner is free to act without consequence that affects homeowners in a single family home, where the homeowner's insurance will repair the damage but the homeowner will be responsible for the amount of the deductible.

Relying on this approach Judge Merrick took the position that tenants, like washing machines, dishwashers, etc., pose risks that go along with their occupation of a unit. In the context of who was responsible for the insurance deductible the Judge acknowledged that the Ms. Morrison was not in a position to have control over the candle that caused the fire but it was her strata lot and it would be "unfair to impose liability on all owners for what would ordinarily be insured by an owner of a particular unit if that owner owned the unit as a single family dwelling." Ms. Morrison was therefore required to reimburse the strata corporation for the insurance deductible it had paid on account of the fire in her unit.

Editor's comment: While this was a case involving an insurance deductible paid as a consequence of a fire in a strata lot occupied by a tenant and not the owner it could just have easily been an overflowing bathtub in a strata lot occupied by a tenant that resulted in the insurance claim. Either way there are two clear messages sent by this decision. Firstly, it is becoming more and more important for owners to have an insurance rider in place to cover off the possible need to have to pay an insurance deductible because of an incident or accident in a unit occupied by a tenant. Secondly, perhaps it is time to make it mandatory for owners and tenants to carry insurance coverage so that they are not personally digging into their own pockets (remember we are now seeing \$25,000.00 and even \$550,000.00 insurance deductibles for water damage) to pay for insurance deductibles.

The next case involves a scenario that so many of us have seen time and time again and that is, dealing with bylaw violations associated with noise and the use of limited common property. In *The Owners, Strata Plan LMS 4255 v. Newell*, 2012 BCSC, 1542, the strata corporation, which is located in Yaletown, commenced legal proceedings as a consequence of ongoing complaints from neighbours about loud music and parties emanating from Mr. Newell's strata lot, which was a penthouse unit. The unit came with limited common property that consisted of a large exterior roof deck and patio. Mr. Newell decided to place a hot tub and barbecue on the deck as well as a large-screen television and wall mounted speakers. Over a period of two years (starting in June, 2010, Mr. Newell and his friends enjoyed using the exterior deck and balcony to the point where his neighbours complained often about loud music and noisy parties.

The strata council proceeded to court to put an end to the conduct and in particular, applied for an order restricting the time during which Mr. Newell could make noise that was audible in other strata lots, to have the hot tub and other items, including air conditioning units and stereo system, removed from the deck and balcony and an order that he restore the deck and balcony to the condition it was in prior to the installation of the hot tub and air conditioning units.

Mr. Newell, in defence of his position that the strata corporation's petition should be dismissed, argued that "that social gatherings have rarely been enjoined and that the social gatherings about which the Strata Corporation complains are only occasional events."

The Judge considered the evidence and considered whether Mr. Newell:

1. Was in breach of the strata corporation's bylaws regarding noise; and
2. Had altered limited common property without prior written approval by installing the hot tub and air conditioning units contrary to the bylaws of the strata corporation.

Depending on the conclusions reached by the Judge her next task was to determine what remedies were appropriate in the circumstances.

The Judge canvassed the bylaws of the strata corporation and the evidence submitted in support of the strata corporation's position and on behalf of Mr. Newell and concluded the following:

1. At certain times and dates Mr. Newell and his companions breached the noise bylaws;
2. The hot tub and air conditioning units were not an alteration to common (limited) property as they were not permanently installed and as such the alteration bylaw had not been breached (but it might have to be removed due a problem relating to the location of the hot tub and possible interference with the use of the roof anchors; and
3. That the use or operation of the hot tub and any entertainment system, television, speakers or musical instruments would be prohibited during the "quiet hours" set out in the bylaws of the strata corporation, being between the hours of 11:00 p.m. and 8:00 a.m.

Editor's note: Perhaps this decision will put to rest the ongoing debate about the placement of non-permanent items on common property, such as hot tubs, outdoor kitchen/entertainment systems, sheds, etc. While the consequences of their use can certainly lead to bylaw violations, such as those committed by Mr. Newell, strata councils may want to look at putting in place bylaws that address the non-permanent placement of items on common property or at least control their use by imposing "curfews" so to speak on the hours of use and enjoyment of these items on common or limited common property.

KNOWLEDGE IS POWER: THE ROLE OF EDUCATION IN ACHIEVING A PEACEFUL STRATA COMMUNITY

For most people, buying a home is one of the biggest investments they will make in their lifetime. Investing in a strata property has become especially popular on the West Coast with first time buyers looking for a more affordable way to get into the Vancouver real estate market. Baby boomers looking to downsize from a single family home also find condo ownership to be a more convenient and hassle-free way of owning a home.

But while most investors wouldn't even think of spending 6 figures or more before conducting a thorough investment analysis, buyers of strata property often make their purchase decision before carefully examining and fully understanding the specific conditions, expectations and restrictions of their new investment. This can lead to some rather unpleasant and even costly surprises down the road.

Once the dust from moving into that "perfect condo" has settled, new owners are often surprised to learn that their rights as an owner to use and enjoy their property is limited by various rules, bylaws and decisions of the strata corporation. From the Strata Property Act (SPA) to the specific bylaws of each individual strata corporation, strata lot owners can have significantly greater obligations and limitations placed on them than owners of non-strata titled homes.

Take, for instance, a new owner moving into a condo with plans to remove the carpeting and install hardwood floors. These plans would come to an abrupt halt if the strata corporation enforces a bylaw that prohibits the installation of hardwood flooring (for the purpose of controlling noise between strata lots).

Although the initial investment for buying a condo can be significantly lower than when purchasing a single family home, owners that fail to understand their role and responsibilities within the strata corporation can incur extra expenses down the road. This can range from penalty charges for breaking a bylaw, or special assessments for the renovation or repair of common property.

For example, a strata building might have a roof in need of repair. All strata lot owners must pay their share, regardless of whether they would rather delay the repairs or whether or not they can even afford it, since getting the roof fixed is in the interest of the strata community.

Many strata home owners also fail to understand the role and responsibilities of their strata council, or how important it is for them as owners to stay informed about what's happening in their strata corporation. An owner may volunteer to become a council member, only to find out that they have more responsibility than they first anticipated. Or uninformed strata lot owners may skip out on attending AGMs, which can mean missing out on opportunities to vote on important strata matters, such as amendments to bylaws or building repairs.

With all of the complexities of "strata living," it can get rather confusing and difficult for new owners to understand and fully protect their investment.

So what's the solution?

Luckily, there are various non-profit associations and institutes that have been created to help strata owners better understand their responsibilities and what they can do to prevent disasters from happening in their strata community. These organizations are run by knowledgeable strata experts who care about B.C.'s strata community. They are dedicated to helping strata owners better understand their responsibilities and encourage everyone to work together to create a successful strata community.

Some helpful organizations include:

- Canadian Condominium Institute (CCI Vancouver)
- The Condominium Home Owner's Association (CHOA)
- Vancouver Island Strata Owner Association (VISOA)

Although navigating the complex world of strata living can be a time-consuming and frustrating experience, educating strata owners and council members can go a long way towards eliminating most of the problems associated with strata living and ensuring a peaceful strata community.

By Azadeh Nobakht, Power Strata Systems Inc.

Azadeh Nobakht is the Co-Founder and CEO of Power Strata Systems Inc., which provides strata management software solutions for strata managers, council members and strata owners across B.C. With over 30 years of combined technical experience in software design and development, Azadeh and Co-Founder Shervin Shapourian have developed a unique, powerful and easy-to-use software solution for addressing the needs of B.C.'s fast growing strata industry. Power Strata Systems Inc. is also a member of CCI Vancouver and looks forward to supporting their efforts to achieve a successful and viable strata community.



**STRATA
MANAGEMENT
SOFTWARE**

For Strata Councils & Strata Managers

We Deliver Peace of Mind.

 **Power Strata**
Systems Inc.

**T: 604.971.5435
F: 604.971.5436**

POWERSTRATA.COM

IMAGINE

By Bill Thompson

Imagine someone walking into a strange new world. They know no one. They do not speak the language. They do not understand the culture. They know nothing of the history. They do not know the laws. They don't know what is expected of them in that society. How would they survive?

It is not hard to imagine all of the fear and trepidation they would feel as they entered that environment. It is not hard to imagine the mistakes and the laws that they would break while they struggled to learn the new language and understand the culture. It is not hard to imagine how they would feel excluded from that society and how that society would look down upon them due to their ignorance.

It is difficult to imagine why anyone would willingly put themselves into that difficult environment unless they had no other choice. Yet every day, some people put themselves into exactly that environment when they buy a condominium. They enter into a world that they have no knowledge of. They do not understand their responsibilities within that world. They do not understand the laws or the bylaws. They seldom speak the Condominium Act lingo. They enter into a society that has expectations that are written in the bylaws and declaration and the rules, yet they seldom take the time to become familiar with those expectations.

They walk their beloved dog off the leash because they have always done it that way. They have a housewarming pool party and invite a hundred of their noisiest, closest friends to enjoy their new amenities with them. They immediately start improving the property by ripping out that cumbersome load-bearing wall. They paint the outside of their new home so it doesn't look like all the others, by choosing colours from their ancestors' national flag. They park in the visitor's parking area because it is much closer to their unit. They become the "trouble" neighbour because they don't understand how they fit into this new world. They meet their board of directors for the first time via a letter from the corporation's lawyer.

Imagine the same scenario but change the level of understanding and education. By simply taking an introductory course in condominiums, it would be easy to imagine a more harmonious entry into this strange new world. It is easy to imagine a new neighbour that seamlessly fits into the community, and has a perceived respect for their neighbours that would not be possible without the understanding gained from education. Managers, directors and owners would all be happier and condominiums would have fewer problems.

The exact same thought process rings true for members of the board of directors. New directors who take the time to understand their role and take the time to educate themselves on the roles, rights and responsibilities of condominiums and their owners, will create a more harmonious environment. They will be less likely to become overbearing on the manager or on the owners because they will understand their role in that new world. They will be more likely to protect the interests of the corporation, because they will understand how to do that. They will be more likely to make good decisions because they have a basic understanding of everything relating to condominium governance. They may not have enough education to make every decision, but they will have enough education to know when to go for help from someone who does know, such as a lawyer, engineer, manager or other professional.

The good news is that condominium education is available. There are many non-profit organizations that have courses teaching proper condominium governance to help make that transition easier for everyone. There are publications which are readily available to help people understand their roles within the condominium community. Local real estate boards will usually offer seminars to educate purchasers on the condominium lifestyle. Try an internet search for resources available near you.

Imagine someone making perhaps the biggest investment decision in their lifetime and not looking for these resources, especially in this age of information.

Bill Thompson has worked in the Condominium Property Management industry since 1985 and is the President of Malvern Condominium Property Management. Bill expresses his passion for the industry by also volunteering with the Canadian Condominium Institute, where he currently serves as the CCI Toronto Chapter President and as a member on the Chapter's Education Committee. In addition, Bill is a board member on the CCI National Executive Board. CCI offers a variety of learning opportunities for Directors and Owners. For more information visit: www.cci-toronto.org. This article reprinted from "Condobusiness" August 2012 Volume 27 #5.



**IT ISN'T
WHAT WE DO.
IT'S HOW WE DO IT.**

EPS Westcoast offers its services to help repair and restore your building to ensure its longevity and value.

We handle small or large projects, high or low rise, commercial or residential buildings throughout the province of BC. To work with us today, call **604.538.8249** or visit www.epswestcoast.com.

EPSWESTCOAST
CONSTRUCTION LTD.

R-E-S-P-E-C-T

By Debbie Dale

We professional property managers do create the very vibe of each community that we have the pleasure of managing. It is crucial for us, therefore, to foster a respectful attitude of community building amongst the residents, staff and board in order to be successful with human resources; and, avoid the spiralling force that creates continuous staff changes at many condominium properties. Rotating staff from site to site in a dizzying attempt to immediately satisfy client demands is not effective and we must resist the temptation.

Residents need to know that they actually do need to know the names of the cleaners and security guards that work in their condo. In addition, competent staff will not slack off and become lazy if you encourage each one to be their personal best through your own demonstrative actions. For many successful, mature and well-established condominium neighbourhoods this is oft a natural environment. New, younger condominium neighbourhoods are leaping into being rapidly and often lack the understanding needed to secure, maintain and reap the rewards of motivated long term staff.

Ego is an intriguing and challenging element within us all. Appreciation for one's efforts is sure to satisfy the ego. It costs no more to be appreciative and give praise where praise is due. Appreciation can set into motion an upward swirl with minimal effort. The old song about R-E-S-P-E-C-T still has a place in our world today. Here is a story that I hope provides insight into what really matters (be it 2012 or beyond) and what actually works based on my veteran level experience.

Upon assuming the role of managing an existing staff of eighteen in one condominium, I happened upon a circumstance in day one that led to improved staff performance within days. I must admit that I had not had the time during my first day with some water leaks ongoing to even consider the site staff and how well they performed, or did not perform. I had met with the board prior to being selected as the new property manager and was aware of a few items they wanted resolved. Many property managers had passed in and out in quick succession and I recall wondering of the challenge I was undertaking. Some of the board's to-be-resolved items included site staff, cleaners and security guards that residents were apparently complaining of.

I turned around the corner in a service hall on that first day to come upon a wet and freshly mopped floor. The caution sign was in place to warn of the wet surface and Barbara (as her name tag stated) was just finishing her assigned task. She froze, as did I. I could have just tiptoed through the wet area and let her tidy up after me but that response opposes my management style. I signalled 'thumbs up' and smiled at her for the sign being in place. I introduced myself, commented that the clean floor looked perfect, spoke her name and I took another nearby hall to reach my destination. This all transpired quickly and led to changes I had not considered.

As I later learned, Barbara had been scrubbing away for months at the same property and not once had anyone complimented her work or spoken her name. In addition, no property managers during her condominium cleaning career of ten years had acknowledged her or her work as valuable. Few residents knew her name. The management office staff and the board was some powerful group that she feared as site staff were shuffled in and out continuously.

The rapid transformation was remarkable. As it turns out, cleaners talk to cleaners and cleaners talk to security guards and they share much in common. Sure we all likely know this but do we make use of this knowledge?

Within days, the cleaners really performed well as did the previously less-than-ideal security guards. The site staff left their jobs in what they perceived as a negative, unrewarding, doomed work setting to blossom under appreciation and positive encouragement in the very same workplace.

The board was ecstatic and quickly agreed to increase the remuneration to both the cleaners and the security guards in the next fiscal year to reflect market value. The residents praised the board for finally getting the building looking its best after years of rotating staff changes. Local realtors commented on the mysterious increasing market value of the units one year later despite no major common element upgrades. I was suspected of having a magical wand up my shirt sleeve.

My administrator and superintendent, who had both been job hunting at the time, quickly became close team players and now both have their R.C.M. courses completed. The site staff of eighteen literally rocked on through many floods, a fire, a power outage and much more with relative ease.

Sure, we worked hard. Yes, we sometimes felt we worked too hard. Admittedly we each gave much to the community that ultimately embraced our presence and even invited us to their social functions.

The concept of team is understood in the workplace. The application of the team concept needs to be fostered within the condominium workplace. The board, property management staff, cleaners, guards, other site staff and residents have a war to win. The opponent is indifference and disrespect. Victory lies ahead through appreciation and mutual respect.

Arm yourself with a free smile, positive praise and your acknowledgement of everyone's need for appreciation. Nurture and appreciate good staff. It is plain, simple, economical, environmentally-friendly and effective. Home is where the heart is; and, this heart-centred management style in condominium communities is surely worth consideration and implementation. Try it. You may like it!

PS: Thank you, Barbara, for the invaluable life lesson you shared!

Debbie Dale is the Founder of Muskoka Condo Services. For more information go to www.muskokacondoservices.com or call 1-866-280-8309. This article reprinted from "Condobusiness" August 2012 Volume 27 #5.

HighClouds Seminars & Dispute Resolution Services	Deborah M. Howes, President L.L.B., C.Arb., C.Med. Arbitrator, Mediator, Trainer Dolores Herman CHRP, PCM, Personality Dimensions® Facilitator, Q. Med Candidate Mediator, Investigator, Trainer
We provide... <ul style="list-style-type: none">• complete range of seminars• strategic & business planning facilitators• mediators• arbitrators• independent meeting chairs <p>Ph: 1-877-206-1999 Fx: 1-877-207-1999 info@highclouds.ca www.highclouds.ca</p>	

THE ROLE OF AN ADMINISTRATOR

By Pat Williams, Barrister & Solicitor reprinted with permission.

I am often asked by my friends who are not in the strata property industry how I will keep myself busy once condominiums stop “leaking”. My simple answer to that question is that I will be quite busy doing what I did before the leaks started – namely dealing with the three “p’s”. My friends are aghast to learn that the three “p’s” are *people*, *pets* and *parking*. I am also often asked what I do and how long have I been doing it. My answer is that 27 years ago I was a trial lawyer, I became a dispute resolver 10 years ago and I am now a therapist. I describe myself as a therapist due to my attendances at strata corporation meetings.


For whatever reason, reasonable, experienced and knowledgeable persons seem to lose all reason, knowledge and perspective when dealing with the emotions of disputes that occur within strata corporations. We all know that strata corporation governance operates on the doctrine of democracy. However, democracy can and does break down and the effect of such meltdown can be far reaching. Strata fees are not paid but the required significant majority to commence action to collect strata fees cannot be obtained. Property managers in frustration give termination of contract notice and walk away – who can possibly blame them as we already know that good strata managers get paid far less than what they are worth.

Pets and parking. I have discussed those concepts in past articles and I am sure that I will be discussing them again in future articles. However, for the purpose of this article I am going to discuss *people*. We all know that the government, at times, can be quite unwise. There are parts of the *Strata Property Act* that create problems. However, in its wisdom, the Legislature of the day, when it passed the Act included section 174. Section 174 allows a strata corporation, an owner, a tenant or any person with an interest in a strata lot to apply to the Supreme Court of British Columbia for the appointment of an administrator to exercise the powers and perform the duties of the strata corporation. The Court may appoint an administrator if, in the court’s opinion, such appointment is in the best interests of the strata corporation. When democracy melts down, owners lose all perspective and the council becomes dysfunctional, it is obvious that something must be done. The appointment of an administrator is in the best interests of the strata corporation.

Under the *Condominium Act*, an owner could allege oppression or unfair prejudice and the court could regulate the affairs of the strata corporation. Now section 164 of the *Strata Property Act* provides for such regulation if the Court considers it necessary to prevent or remedy a significantly unfair action or threatened action of the strata corporation or the strata council. The test for the appointment of an administrator is a much easier one – namely if it is in the best interests of the strata corporation. Once the Court determines that it is in the best interests of the strata corporation the court may, pursuant to section 174(3):

- a. appoint the administrator for an indefinite or set period;
- b. set the administrator’s remuneration;
- c. order the administrator exercise or perform some or all of the powers and duties of the strata corporation, and
- d. relieve the strata corporation of some or all of its powers and duties.

As can be seen from a review of subsection 174(3), the administrator can be granted sweeping powers by the Court. It has been my experience that the Courts are not reluctant to appoint administrators when the ability of a strata corporation to govern itself is impaired. To date administrators who have been appointed are property managers. They must be property managers with patience and people skills as invariably they are assuming the duties of a strata council that has become deadlocked for one reason or another. Often, the administrator must immediately deal with emotional disputes and jerks. The leading case on the test whether it is in the best interests of a strata corporation that an administrator be appointed is the case *Lum et al v. Strata Plan VR 519*. In that case Justice Harvey ruled that an administrator was not in the best interests of the strata corporation. In reaching that conclusion on April 2, 2001 his Lordship noted the factors to be considered included:



EPG's Services and Programs

Servicing Homeowners Throughout BC

Building Asset Management Programs:

EPG Maintenance Programs are a solid and financially sustainable method for homeowners to follow for the current and future maintenance of their property.

- 5 and 10 Year Maintenance Programs
- Reserve Fund Studies
- Annual Depreciation Reports
- Warranty Reviews
- Engineering Building Assessment Reviews
- Common Property Assessments
- Mechanical Systems Reviews
- Scheduled Maintenance Services
- Project Management Services
- Contractor Repair Services

Financing Available

Making The Pieces Fit

Suite 203 • 15585 24th Avenue, Surrey, BC, V4A 2J4
T: 604.542.9697 • F: 604.538.1371 • info@epg-bc.com • www.epg-bc.com
Toll Free: 1.877.417.3221

LEADERS IN CONDOMINIUM
AND CONSTRUCTION INSURANCE



BFL CANADA INSURANCE SERVICES INC.
RISK MANAGEMENT AND INSURANCE SERVICES

Tel: 604-669-9600 REALESTATE@BFLCANADA.CA Fax: 604-683-9316
Vancouver - Kelowna - Calgary - Winnipeg - Toronto - Ottawa - Montreal - Quebec City - Halifax

- a. whether there has been established a demonstrated inability to manage the strata corporation,
- b. whether there has been demonstrated substantial misconduct or mismanagement or both in relation to affairs of the strata corporation,
- c. whether the appointment of an administrator is necessary to bring order to the affairs of the strata corporation,
- d. where there is a struggle within the strata corporation among competing groups such as to impede or prevent proper governance of the strata corporation, and
- e. where only the appointment of an administrator has any reasonable prospect of bringing to order the affairs of the strata corporation.

Mr. Justice Harvey also commented that a consideration must include the problems presented by the costs of involvement of an administrator. The Judge rejected the application for the appointment of an administrator in VR 519 because the concerns noted did not in a substantive sense relate to mismanagement, substantial misconduct or an inability to manage the affairs of the strata corporation.

It has been this author's experience that in most cases all parties will agree to an administrator due to dysfunction and inability to govern. What then becomes a contest is who the administrator shall be and what are the terms of reference of the appointment. As noted earlier the administrator should be a seasoned veteran in strata corporation governance and management. The terms of reference can include dealing with leaks and building envelope engineers, alleged misuse of funds, budget problems and the like. The key is that the administrator basically operates as the council and the council exists in name only until the administrator's term is completed. Of course the objective is for the administrator to "right the rudderless ship" so that in the not too distant future the strata corporation is once more able to function as it was intended.

The administrator is paid by the strata corporation. The administrator can retain professionals such as lawyers and forensic accountants if necessary. For all intents and purposes, the operation of the strata corporation is conducted by the administrator. In conclusion, it is my belief that the frequency of appointments of administrators will increase and that strata lot owners will see the rewards that can be obtained by such appointments. At the same time, it must be acknowledged that there is a financial price to pay and that once a strata corporation is once more running smoothly, the term of the appointment should cease.

Property managers managing strata corporations and dealing with councils that become dysfunctional should be aware of the possibility of the appointment of an administrator and in the proper circumstances make the council or owners aware of this option. Also, it should be noted that if a strata corporation is managed by a property manager, the appointment of an administrator does not end such management. Typically the property manager in those circumstances will be subject to performing duties at the direction of the administrator and will remain the property manager upon completion of the term of the administrator.

You will recall I wrote earlier that this article was intended to discuss people. When people cannot function with each other, the administrator administers. I guess it is a little like herding cats.

Regardless of how one describes the situation an independent party governing for a period of time appears to be the tonic necessary for people to once more become reasonable.

STRATA BULLIES

Many of us were bullied in school. Psychological or physical harm was meted out to those in the bully's range. It is no fun to be bullied. Unfortunately, strata corporation structures and experience, can allow for a bully to exist, even among otherwise reasonable and mature adults.

One definition of bullying I have read says that a bully has "a willful conscious desire to hurt another and put him/her under stress". The structure of our strata corporations, the courts have observed are analogous to small communities in earlier times. Everyone knows everyone, and everyone's business; and the bully, knows everyone's weaknesses.

Let's not pretend that dealing with bullies is easy ['Strata Nazis' is what we call them] but there are things that a community can do to diminish the power of the bully:

Be good neighbours. The *Strata Property Act* contemplates community living in which the best interests of all the owners considered collectively; and the courts have set an expectation that decisions should be made to provide the greatest good for the greatest number of residents.

This means decisions of the community must be for most peoples' benefit, not for a select few. The council should always act prudently and carefully, putting the community concerns ahead of their own personal agenda. There is no substitute to making sure this actually happens than having an active and engaged resident group. Nothing empowers a bully more than apathy.

Apathy allows a bully to manipulate the truth, because, no one was at the last meeting; or to put forward a ridiculous, self-interested request because no one showed up to oppose him or her, and he or she lied to some owners about the intentions of the meeting to get proxies to insure the bully's intentions got passed.... None of that can happen if everyone attends meetings, reads the minutes, considers proposals, talks to the fellow neighbours, compares, and contrast competing proposals. Believe it or not, a strata corporation can become one of the best arguments around for how democracy is the best form of government!

Bullies can also bully through behaviour, described by the law as matters of 'nuisance'. This is things such as loud music, at all hours, car repairs with a sledge hammer in the living room of a condo at 4 a.m.; running an air compressor on the deck; jumping up and down on the floor of a third storey condo – in a wooden building; chain smoking all sorts of alternative cigarettes.... The options for being annoying to your neighbours by way of nuisance are endless. The law says anything that significantly impacts the quiet enjoyment of property is a potential nuisance. Bullies often exhibit forms of nuisance behaviour because they simply do not care what their activities do to disturb their neighbours.

Bullies are often narcissists. One explanation of narcissism says "Narcissism, in lay terms, basically means that a person is *totally absorbed in self*. The extreme narcissist is the center of his own universe. To an extreme narcissist, *people are things to be used*." <http://psychcentral.com/blog/archives/2008/08/04/how-to-spot-a-narcissist/>

Narcissists need a great deal of admiration; they have a very strong sense of their own self-entitlement; they have a complete lack of empathy and often are extremely arrogant. Sound like someone you know?

The point is, narcissists cannot be allowed to run the strata: the Strata has rules.

The primary feature of those rules is that no one person possesses or can possess exclusive control of the building and that, generally speaking, the majority rules. No owner has complete freedom of action within their own unit or with the common property. *Shaw Cablesystems Ltd. V. Concord Pacific Group Inc.*, 2008 BCCA 234 (CanLII), 2008 BCCA 234.

Therefore, owners have to engage in their own governance to keep the strong personality types and in the extreme cases, the narcissists, from running the community for their own private purposes. To quote the alleged words of Edmund Burke: "All that is necessary for the triumph of evil is that good men do nothing."

You may have a very serious problem in your building with a narcissist bully, who may, in fact, need significant mental health assistance; but sitting in your condo stewing about a problem and refusing to get involved with your neighbours to find collective solutions makes you a victim two times over.

Phil Dougan, Barrister & Solicitor, Access Law Group

THE IMPORTANCE OF ACCURATE RECORDS – DEPRECIATION REPORTS

We are asked to provide services relating to Depreciation Reports on a regular basis. As this is a relatively new process for Stratas and their management, there have been 'teething pains' as the industry adjusts to the new reality of depreciation reports. One of the by-products of a depreciation report is the request for historical documentation for review, and the associate challenges with that documentation.

As part of the preparation of a Depreciation Report the historical documentation provides key information such as the nature of the maintenance being performed on various components, replacement of various components and observations about building elements. The preparer of the report has to review and identify the important information and this information has a significant bearing on the report. What happens when the information is incomplete, or worse, incorrect?

We have had several clients who through the years have misplaced important documentation. In some cases the information is replaceable, in others it is not. We recently had a client with no building drawings. We went to access the drawings at the Municipality and the Municipality has no records of the building. This can happen in older buildings and can create a significant expense if the Owners have to get the drawings regenerated.

Perhaps a more challenging scenario is when the information is incorrect. Recently we had a building where a component of the mechanical system was included for replacement in the immediate future. This recommendation was based on reports from the company servicing the mechanical infrastructure of the building. Upon review of the report a sharp-eyed Owner noticed that the unit in question had been recently replaced. This created a flurry of emails and an eventual correction. Fortunately the issue was identified and caught prior to any action. In this case the dollar value was not significant in the overall budget, but there is the potential for large dollar items when information is not current or correct. This is especially important for items that are not directly observable as is the case in below grade services.

Firms can and should perform on site reviews to reconcile the historical documentation with the building. In many cases the historical documentation will have 'memory gaps' where years are missing due to a change in management, inadvertent disposal of documents and various other reasons.

As more and more buildings have depreciation reports completed a side benefit will be increased attention to documentation, and hopefully the days of filing cabinets full of random paper will pass. This should reduce the risk of 'Garbage In, Garbage Out' in the future but particular attention should be paid to organizing and preparing documents for these reports.

by Kevin Grasty of Halsall Associates Limited

WINTER SLIPS!!

Scenario:

The tile floor in the lobby is wet. The caretaker has been working hard trying to keep it clean but with the inclement weather it is hard to keep up. Before he leaves for the day he takes the mop and cleans up some foot prints in the lobby.

About an hour later an owner walks in and slips and falls. When she gets to her apartment she fires off an email to the property manager complaining about the slippery floor and wondering why the caretaker did not put up any signs.

The next morning the property manager contacts the caretaker and reminds him to make sure to put up signs when the floor is slippery.

Case closed? I wish.

Five years later. The property manager no longer looks after the strata. The phone rings. It is the same owner. She has chronic pain in her back. She is sure it is from the time she slipped and fell in the lobby. She has a lawyer and is planning litigation against the strata corporation, the strata council, the property manager, the management company, the caretaker and the strata insurance company.

The lessons?

- 1) Even if the person does not say they hurt themselves when they told you they slipped and fell, advise the insurance company immediately.

- 2) Make sure your caretaker or whomever does the cleanup posts the appropriate signage.
- 3) Consider what can be done to reduce slips and falls. Slip proof coatings on entry tile floors? Bigger mats?

Jim Allison of Assertive Property Management & Real Estate Services Inc.

CCI ANNUAL MEETING AND CONFERENCE

In October I represented the Vancouver Chapter of CCI in Toronto at the CCI National AGM and conference. The conference is a joint presentation organized by ACMO (Association of Condominium Managers of Ontario) and CCI Toronto. Jamie Bleay and Phil Dougan of Access Law Group and very active Board members of the CCI Vancouver Branch also attended.

The first day was spent interacting with my CCI colleagues from across Canada. We worked collaboratively sharing marketing and recruitment strategies. We discussed how education, (the focus of CCI) is presented to condominium owners in the various regions of our country. During the discussions there is acknowledgement that while the provincial legislation may vary across Canada, the challenges of people, pets and parking are not unique to any one area.

The following one and ½ days were spent in ACMO – CCI Toronto workshops. The equivalent to this conference would be Buildex in Vancouver. But unlike Buildex, the seminars typically attract over 200 delegates (1200 delegates registered for the conference). The delegates are an equal mix of property managers and clients. Numerous topics were presented and while they focused on the Toronto and Ontario markets, there were several seminars that were of interest to all. Hookers and Hoarders was a packed seminar with a lively discussion. Every year there is a Legal Update Seminar which focuses on the weird and wacky legal cases of the last year. Interestingly BC seems to have had a disproportionate amount of cases highlighted.

There is a very interesting trade show component that focuses on condominiums. There is a focus on clients at the trade show as well as property managers. It was interesting to see booths with lawyers offering their services. With mandatory funding of their reserve funds in Ontario the financial institutions are active in the trade show. Management companies showcased their services. Numerous companies were offering software packages to assist condominium managers and clients.

The event wrapped up with a gala awards night and the celebration of the 30 year anniversary of CCI. I was pleased to accept an award on behalf of the CCI-Vancouver chapter for the best newsletter for chapters of a similar size.

This was a great learning experience and I am glad I had the opportunity to attend.

by Jim Allison of Assertive Property Management & Real Estate Services Inc.

BILL 44 CIVIL RESOLUTION TRIBUNAL ACT

Having been introduced into the B.C. Legislature on May 7, 2012 Bill 44, also known as the Civil Resolution Tribunal Act of British Columbia (the “Act”), received Royal Assent on May 31, 2012. In a short period of time the Honourable Shirley Bond, the Minister of Justice and the Attorney General for British Columbia was able to put in place legislation which has, as one of its mandates, to “provide dispute resolution services in relation to matters within its authority in a manner that (a) is accessible, speedy, economical, informal and flexible”.

This mandate mirrors some of the statements made by Ms. Bond in the Legislature while the Act moved from the first to its final reading. On May 7, 2012 during debate on first reading Ms. Bond said:

This bill will allow strata cases and, on a voluntary basis, civil matters to be moved out of traditional adversarial litigation and into the hands of experts who are trained to resolve cases early and collaboratively. This is particularly important for strata disputes, where early resolution is critical to preserving and possibly rebuilding the relationships of people who live in strata communities.

This bill will assist in moving forward our justice reform initiative by taking more cases out of the courts and freeing up judge and court time. This builds capacity into our court system and will allow our system to work more efficiently.

On May 8, 2012 while moving second reading of Bill 44 Ms. Bond went on to say:

The bill before us today does set out the authority to establish a new civil resolution tribunal. The tribunal’s job will be to resolve strata property disputes and small claims, but more than that, the tribunal represents a new way for British Columbians to gain access to justice.

On Wednesday May 30, 2012 when questioned about the use of online technology to facilitate the resolution of disputes she had this to say:

Yes, it does involve on line potentially. It means that you could engage in this process from your home, using technology. It is a mix of in person and on line. Again, people who are not comfortable with looking at this model still have the option to use the court process if that is more appropriate for their particular perspective.

In these three statements Ms. Bond nicely encapsulated what she expected the dispute resolution services available under the Act would look like. Section 2(2)(a) of the Act states:

(2) The mandate of the tribunal is to provide dispute resolution services in relation to matters that are within its authority, in a manner that

(a) is accessible, speedy, economical, informal and flexible,

The use of online services, such as online forms, educational tools, dispute resolution resources and online dispute resolution or ODR, is also one of the mandates of the Act. Section 2(2)(c) of the Act states the dispute resolution services will be provided in a manner that:

(c) uses electronic communication tools to facilitate resolution of disputes brought to the tribunal.

It is the aim of the B.C. Government, once the Tribunal Chair is appointed and the rules are put in place to formalize the administrative processes needed to make the Act work efficiently and effectively, to offer online dispute resolution services as an alternative to the court system. There will be several stages or phases available to those who have consented to the Tribunal's dispute resolution services, including:

1. A website that will assist a person to identify and manage potential disputes before they reach the critical stage where dispute resolution is required;
2. Use of an online dispute resolution (ODR) service which, for a nominal fee, will be available to guide, with the Tribunal's assistance, the parties through an online negotiated settlement process; and
3. If all else fails, the use of the formal dispute resolution online services which is broken down into two phases, being:
 - a. The case management phase; and
 - b. The tribunal (formal) hearing phase.

It is proposed that all disputes will be adjudicated by a Tribunal member with evidence and arguments presented using the Tribunal's online services. At this stage it might be necessary to conduct a telephone hearing or, in certain circumstances, a face-to-face hearing might be required. The Tribunal member adjudicating the dispute will have the discretion to decide if something that the Tribunal's online services will be required.

The general rule (section 20 of the Act) is that the parties to a dispute are to represent themselves. The Tribunal's rules will likely dictate the extent to which lawyers may represent a party in a tribunal proceeding failing which it will be up to the Tribunal member who can allow a party to be represented by a lawyer in certain circumstances including if it is "in the interests of justice and fairness."

Generally speaking the types of disputes that the Tribunal will be asked to resolve will fall into two categories. The first category will involve "small claims matters" that will likely include:

- a. debt or damages;
- b. recovery of personal property;
- c. specific performance of an agreement relating to personal property or services;
- d. relief from opposing claims to personal property.

include

The second category will include strata property matters with certain exceptions including:

- a. removal of liens and other charges on title;
- b. matters involving court orders to rebuild damaged property;
- c. appointment of an administrator; and
- d. issues with phased developments and winding up of strata corporations.

Approximately 18,000 cases are dealt with each year through the Provincial Small Claims court system. It is difficult to say how many of those matters are "strata property" matters but for those of us who listen and nod when our clients complain about the expense of going to court and the time it takes to have a dispute adjudicated before a Judge, it is likely that we will see a good many cases that would otherwise go to court be 'diverted' into the dispute resolution process provided for by the Act. It is anticipated that the Tribunal will be operational by 2014 so until then we will have to wait and see!

by Jamie Bleay, Barrister & Solicitor, Access Law Group

CCI VANCOUVER TRADE & SPONSOR MEMBERS DIRECTORY

Accounting Services

Dong Russell & Company Inc.

2nd Floor – 2325 Burrard Street
Vancouver, B.C. V6J 3J2
Tel: 604-730-7472
Fax: 604-730-7459

Reid Hurst Nagy Inc.

105-13900 Maycrest Way
Richmond, B.C. V6V 3E2
Tel: 604-273-9338
Fax: 604-273-9390

Builders (Property Restoration Services)

First General Services Vancouver Inc.

2661 Lillooet Street
Vancouver, B.C. V5M 4P7
Tel: 604-291-2880
Fax: 604-291-2872

Engineering

Apex Building Sciences Inc.

233-18525 53 Avenue
Surrey, B.C. V3S 7A4
Tel: 604-575-8220
Fax: 604-575-8223

Aqua-Coast Engineering Ltd.

P.O. Box 1367 Station A
Delta, B.C. V4M 3V8
Tel: 604-948-0958
Fax: 604-948-0959

Best Consultants Building Science Engineering Inc.

1163 Union Street
Vancouver, B.C. V6A 2C7
Tel: 604-356-5022

Glenn Duxbury & Associates

125 DeBeck Street
New Westminster, B.C. V3L 3H7
Tel: 604-524-2502

Halsall Associates Limited

930 West 1st Street, Suite 112
North Vancouver, B.C. V7P 3N4
Tel: 604-924-5575
Fax: 604-924-5573



Apex
Building Sciences Inc.

Be proactive. Moisture and buildings don't mix.

New Construction & Restoration
Complete building envelope & roofing consulting services for townhouse and apartment projects, non-combustible and high rise projects and commercial buildings for numerous owners, architects and developers throughout British Columbia.

Apex Building Sciences provides the following typical services:

- Design Concept Review
- Document Reviews
- Drawings, Details and Specifications
- Condensation Analysis
- Field Reviews
- Window Testing
- Roofing Reviews

APEX BUILDING SCIENCES - Building Envelope Consultants

Vancouver Office #233 - 18525 - 53 rd Avenue Surrey, BC, V3S 7A4 T: 604.575.8220 TF: 1.866.542.5532 F: 604.575.8223	Vancouver Island Office #16 - 1400 Cowichan Bay Road Cobble Hill, BC, V0R 1L3 T: 250.686.2804
--	---

www.apexbuildingsciences.com • info@apexbuildingsciences.com

Financial Services

Maxium Financial Services

5725 Owl Court

North Vancouver, B.C. V7R 4V1

Tel: 604-985-1077

Fax: 888-735-2851

Pacific & Western Bank of Canada

P.O. Box 2000, 40733 Perth Drive

Garibaldi Highlands, B.C. V0N 1T0

Tel: 604-984-7564

Fax: 604-898-3442

Strata Capital Corporation

170-422 Richards Street

Vancouver, B.C. V6B 2Z4

Tel: 866-237-9474

Fax: 866-826-2728

Insurance

BFL Canada Insurance Services Inc.

200 - 1177 West Hastings Street

Vancouver, B.C. V6E 2K3

Tel: 604-696-5541

Fax: 604-683-9316

Hub International Coastal Insurance

401-130 Brew Street

Port Coquitlam, B.C. V3H 0E3

Tel: 604-917-0022

Fax: 604-937-1734

Legal Services

Access Law Group

1700 – 1185 West Georgia Street

Vancouver, B.C. V6E 4E6

Tel: 604-689-8000

Fax: 604-689-8835

The Halsall team supports CCI.

**Providing consulting services
to property managers
and facility owners**



- Condition Evaluations for Walls, Roofs and Parking Garages
- Repair Specifications
- Construction Review
- Contingency Reserve Fund Studies

Visit www.halsall.com to find out more.

Halsall
ENGINEERS • CONSULTANTS

Contact Kevin Grasty
tel. 604.924.5575
kgrasty@halsall.com



ACCESS
LAW GROUP

Jamie Bleay

Tel: 604.801.6029

Fax: 604.689.8835

jbleay@accesslaw.ca

Phil Dougan

Tel: 604.628.6441

Fax: 604.689.8835

pdougan@accesslaw.ca

C.D. Wilson & Associates

630 Terminal Avenue N.,
Nanaimo, B.C. V8S 4K2
Tel: 250-741-1400
Fax: 250-741-1441

Clark Wilson LLP

800-885 West Georgia Street
Vancouver, B.C. V6C 3H1
Tel: 604-643-3359
Fax: 604-687-6314

Cleveland & Doan

1321 Johnston Road
White Rock, B.C. V4B 3Z3
Tel: 604-536-5002
Fax: 604-536-7002

Miller Thomson LLP

1000-840 Howe Street
Vancouver, B.C. V6Z 2M1
Tel: 604-687-2242
Fax: 604-643-1200

Strata Management & Real Estate**Assertive Property Mgmt. & Real Estate Services Inc.**

3847B Hastings Street
Burnaby, B.C. V5C 2H7
Tel: 604-253-5566
Fax: 604-253-5536

Blueprint Strata Management Inc.

1548 Johnston Road, Suite #206
White Rock, B.C. V4B 3Z8
Tel: 604-200-1030
Fax: 604-200-1031

Campbell Strata Management Ltd.


Suite 306 – 2777 Gladwin Road
Abbotsford, B.C. V2T 4V1
Tel: 604-864-0380
Fax: 604-864-0480

Dodwell Strata Management Ltd.

1701 – 1166 Alberni Street
Vancouver, B.C. V6E 3Z3
Tel: 604-699-5255
Fax: 604-688-3245

Gateway Property Management Corporation

#400-11950-80th Avenue
Delta, B.C. V4C 1Y2
Tel: 604-635-5000
Fax: 604-635-5001



Aqua-Coast Engineering Ltd.
Building Envelope Consultants

PROGRESSIVE & SUSTAINABLE BUILDING ENVELOPE ENGINEERING SOLUTIONS

NEW CONSTRUCTION . RESTORATION . ROOFING
HIGH-RISE . CONDOMINIUM
TOWNHOUSE . COMMERCIAL
SINGLE FAMILY

604.948.0958 | www.aqua-coast.ca | main@aqua-coast.ca

Homelife Glenayre Realty Chiliwack Co. Ltd.

45269 Keith Wilson Road
Chilliwack, B.C. V2R 5S1
Tel: 604-858-7368
Fax: 604-858-7380

Teamwork Property Management

105-34143 Marshall Road
Abbotsford, B.C. V2S 1L8
Tel: 604-854-1734
Fax: 604-854-1754

Strata Management Software

Power Strata Systems Inc.

Unit 9 - 1565 Pemberton Avenue
North Vancouver, B.C. V7P 2S3
Tel: 604-971-5435
Fax: 604-971-5436

Other Sponsor Members

Campbell & Pound Commercial Ltd.

1111 - 11871 Horseshoe Way
Richmond, B.C. V7A 5H5
Tel: 604-270-8885
Fax: 604-270-8045

Homeowner Protection Office

Branch of BC Housing

4789 Kingsway, Suite 650
Burnaby B.C. V5H 0A3
Tel: 604-646-7095
Fax: 604-646-7051



MAXIUM FINANCIAL SERVICES

Providing Financing for Strata Repairs, Refits, Refurbishments and Renovations

Maxium is an experienced partner that will work with you to develop and deliver a customized financing solution for your strata's project

There is an alternative to "special assessments" as the strata corporations listed below have discovered!

- Multi tower strata exterior envelope replacement
- 12 unit strata project that included new roof, windows, balconies, painting and lobby refurbishment
- 48 unit townhouse project that included new inside roads, drains and curb repairs
- 148 unit townhouse project that included top up funding for mould remediation as part of overall roofing replacement
- 700 + unit strata thermo energy and green roof installation
- 200 + unit Whistler strata project that included lobby, hallways and exterior refurbishment

The Maxium Advantage Preserves Personal Equity

- No Personal Guarantees
- No Individual Unit Mortgages
- Amortization up to 25 years



CONTACT: Paul McFadyen

Regional Manager, Maxium Financial Services

PHONE: (604) 985-1077
PHONET/F: 1 (888) 985-1077
E-MAIL: pmcfadyen@maxium.net
www.maxium.net





Buying a Home? Check for the 2-5-10 Warranty

www.hpo.bc.ca
Toll-free: 1-800-407-7757
Email: hpo@hpo.bc.ca



The B.C. government provides a free online New Homes Registry through the Homeowner Protection Office's (HPO) website. Check this registry to see whether a home:

- can be legally offered for sale
- has a policy of home warranty insurance, and
- is built by a Licensed Residential Builder or an owner builder.

It's quick and easy to use.

All homes registered with the HPO on or after November 19, 2007, can be found on this registry.



Make Your Home Safe for Independent Living

Are you a low-income senior or a person with a disability who wants to live safely and independently in the comfort of your home?

Do you have difficulty performing day-to-day activities?

Does your home need to be adapted to meet your changing needs?

If so, you may be eligible for financial assistance under the **Home Adaptations for Independence (HAFI)** program.

Find out today if you are eligible and if you meet all of the requirements as a low-income homeowner or as a landlord applying on behalf of an eligible tenant.

HOME
ADAPTATIONS for
INDEPENDENCE

To apply or learn more, visit
www.bchousing.org/HAFI
You can also contact BC Housing:
Phone: 604-646-7055
Toll-free: 1-800-407-7757 (ext. 7055)



HOUSING MATTERS

What is a Depreciation Report?

Back to the Basics

By Kevin Grasty, P.Eng., LEED AP, and Cathy Lee, P.Eng, Halsall Associates (June 28, 2012)

What is a contingency reserve fund, and why do we need a depreciation report? The Strata Property Act, requires all strata corporations in BC maintain a dedicated fund (called a contingency reserve fund) to pay for the major repair and replacement of the common elements and assets of the Corporation. A depreciation report identifies the future major repair and replacement needs of the common elements, and determines how much money should be set aside each year to adequately cover the projected expenditures.

The Strata Property Act and regulations to the Act outline the frequency and general methodology for depreciation reports, and gives the Corporation some guidelines on who is qualified to prepare them. However, there can be significant variations in the experience level and approach between consultants. As the outcome of the report is influenced, in part, by the approach and judgement of the qualified professional, it is important that you choose an experienced and reputable consultant to prepare your report.

A contingency reserve fund balance is not a good indicator of the fund's health. A depreciation report calculates a schedule of contributions based on project expenditures. A contingency reserve fund balance will, and should, fluctuate from year to year. A corporation that has recently invested in significant component renewal may correctly have

a low contingency reserve fund balance, while a corporation with a hefty balance, but several large projects planned in the upcoming year or two, may actually be underfunded.

A contingency reserve fund is meant to be spent. It is not a rainy day fund that is meant to be guarded. If the report has been prepared correctly, the funding plan will have optimized contribution levels against the forecasted expenses, assuming that the projects in the plan will be carried out generally as planned. Obviously, there will be variations in the timing, scope, and cost of each project and this is normal. However, annual contributions are set based on the expenditures included in the plan, so Councils should not have reservations

about implementing legitimate contingency reserve fund projects that are included in the plan simply for fear of depleting the balance.

Interior refurbishments are discretionary, but necessary to maintain property value. Councils have an obligation not only to repair or replace building components that are worn or broken, but to maintain the property value on behalf of all unit owners. While interior finishes and decorative elements are not critical to building operation, they can significantly affect the marketability of the units. Interior refurbishment projects may have more flexibility in timing and scope, but they are no less legitimate a contingency reserve expenditure than a boiler replacement.



There is a wide range in the scope and cost of interior refurbishments, and higher-end or design-intensive finishes will have a different cost, durability, and impact than modest or less design-intensive schemes. It is the Council's responsibility, on behalf of all unit owners, to make prudent decisions that balance costs with the benefits.

The depreciation report requires routine updates. The depreciation report is based on a number of assumptions, based on the conditions observed at a specific point in time, and the input provided by the council and management of the day. The performance of certain building components, the cost of certain materials, the long-term vision for the property, etc., can all change over time. For this reason, the Strata Property Act requires that the report be updated every three years. Generally speaking, interim updates are not required unless, perhaps, a large unexpected expenditure arises when the fund balance is relatively low.

The Corporation has a difficult decision when deciding on their annual contingency reserve fund contribution. The regulations to the Strata Property Act require that the depreciation report

include at least 3 cash-flow funding models for the contingency reserve fund relating to the maintenance, repair and replacement over the next 30 years. The funding models presented can range from fully funding the contingency reserve fund through annual contributions with the intent of mitigating special levies, to the other extreme of making minimum annual contributions as required by the Act and making up any funding shortfalls by way of special levies. When making the decision of how much to contribute into your contingency reserve fund you should understand the long term financial implications of your decision. Making minimum annual contributions will benefit the existing owners to the detriment of future owners. Conversely, abruptly trying to fully fund the contingency reserve fund through annual contributions may impose financial hardships on present Owners.

The Council should use the funding models presented in the depreciation report as a guide to help them define a "reasonable" contribution today, and a plan for future contributions tomorrow. This will help set the stage for financial stability and a well-maintained and marketable Strata in future years.

Halsall has completed

well in excess of 1,000 capital planning type studies across the country over the past 20-plus years, including Depreciation Reports in the Vancouver Area since 2003.

Halsall's expertise in structural design, building science and building repair creates a solid foundation for capital planning, which allows us to compare actual site observations with known building failure mechanisms. We have developed a reporting style which is easy to read and understand by Councils and Owners, and flexible so that it can be easily updated to accommodate the long term vision of your community.

Halsall Associates

t. 604.924.5575

e. vancouver@halsall.com

Canadian Condominium Institute – Vancouver Chapter Advertising Rates 2012/2013

Size	**Members Black & White	**Members *Full Colour
Business Card – 3.33”w x 1.83”h	\$50.00	\$75.00
¼ Page – 3.5”w x 4.75”h	\$125.00	\$325.00
½ Page 7.0”w x 4.75”h (Landscape) 9.5”w x 3.5”h (Portrait)	\$250.00	\$650.00
Full Page – 7.0”w x 9.5”h	\$400.00	\$950.00
Back Cover		\$1,200.00
Artwork Set Up & Design		

***Full Colour Ads – Payment must be received by CCI Vancouver Chapter prior to printing.**

****Rates are based on a per issue basis.**

Advertising Submissions

Please provide photo quality advertisement in either electronic or camera-ready format suitable for scanning (inkjet print-outs are not acceptable). Scanned images must be in high resolution of at least 300 dpi. Electronic files must be submitted in tiff or pdf format. **Note: PDF** files should not be converted from colour to black & white. If the ad is to be in black & white, the original file must be in black & white. If the ad is to be in colour, the original file must be in colour. The ad copy submitted should be sized to the ad requirements (see above ad sizes).

Please call or e-mail for additional specifications. If you do not have an advertisement already prepared, setup is an additional charge at \$25.00 per hour.

Please send advertising submissions to the attention of Jamie Bleay at:

CCI Vancouver Chapter
Suite 1700 – 1185 West Georgia Street
Vancouver, B.C. V6E 4E6
or to the chapter’s e-mail address at: contact@ccivancouver.com

MEMBERSHIP APPLICATION

MEMBERSHIP TO JUNE 30, 2013

How/from whom did you hear about CCI?: _____

■ CONDOMINIUM CORPORATION MEMBERSHIP: *Please complete all areas*

- ☐ Townhouse
☐ Apartment Style
☐ Other

Condominium No.:	No. of Units:	Registration Date:
Management Company:		Contact Name:
Address:		Suite #:
City:	Province:	Postal Code:
Phone: ()	Fax: ()	Email:
Condo Corporation Address:		Suite #:
City:	Province:	Postal Code:
Phone: ()	Fax: ()	Email:
President:		
<i>Name</i>	<i>Address/Suite</i>	<i>Email</i>
Treasurer:		
<i>Name</i>	<i>Address/Suite</i>	<i>Email</i>
Director:		
<i>Name</i>	<i>Address/Suite</i>	<i>Email</i>

Please forward all correspondence to: ☐ Management Company address ☐ Condo Corporation address

Annual Fee: ☐ 1-50 Units: \$110.00 ☐ 51-100 Units: \$150.00 ☐ 101-200 Units: \$200.00 ☐ 201+ Units: \$250.00

■ PROFESSIONAL MEMBERSHIP

Name:	Occupation:
Company:	
Address:	
Suite #:	
City:	Province: Postal Code:
Phone: ()	Fax: () Email:
Annual Fee: <input type="checkbox"/> \$180.00	

■ SPONSOR/TRADE SERVICE SUPPLIER MEMBERSHIP

Company:	
Name:	Industry:
Address:	
Suite #:	
City:	Province: Postal Code:
Phone: ()	Fax: () Email:
Annual Fee: <input type="checkbox"/> \$300.00	

■ INDIVIDUAL CONDOMINIUM RESIDENT MEMBERSHIP

Name:	
Address:	
Suite #:	
City:	Province: Postal Code:
Phone: ()	Fax: () Email:
Annual Fee: <input type="checkbox"/> \$110.00	

Cheques should be made payable to: **Canadian Condominium Institute - Vancouver Chapter**
 1700 - 1185 West Georgia St., Vancouver, BC V6E 4E6
 Tel: 604-689-8000 • Fax: 604-689-8835 • Email: contact@ccivancouver.com