

Condo Smarts December 2, 2021

Form F & B Rush Fees

Dear Tony: Our strata council is debating over the issue of rush fees for the real estate forms that are commonly requested when a unit is sold. We are often faced with an urgent call from the agent or notary office requesting the forms with less than 48 hrs notice. Our management company processes these as quickly as possible, but they cannot always gather the materials on such notice, and we have been threatened by the representatives of the sellers on several occasions if we cannot produce the forms or for the costs of a rush fee. Is there a limit or method of how to set rush fees? What happens if our strata corporation or property manager cannot prepare the forms on such short notice? Can we be sued? Carolyn V.

Dear Carolyn: Whether it is a Form B Information Certificate or a Form F Payment Certificate the strata corporation is obliged to provide it within 7 days notice/request of the form. A rush order and fee are really a courtesy to the buyer and seller whose agents did not give reasonable notice for the forms. There is no excuse or reason to wait until the last minutes for records and the payment form. As a seller, I would be requesting the Form F at least 30 days in advance of the sale. The Form F payment certificate has a maximum fee of only \$15, is valid for 60 days, and discloses to the seller if any charges or fees for the strata lot are outstanding. These would be collected and reconciled when the transaction is complete. A common complaint from sellers is the incorrect application of alleged fees owing and the seller has no choice to pay them, this is always as a result of a last-minute request for the form. If you are selling your strata lot, obtain the form early and review any outstanding costs or claims. If you disagree, you can pay the amount into trust and file a claim with the Civil Resolution Tribunal to dispute the charges. Insurance deductibles or damages that claim an owner was responsible for the cost cannot be included on a Form F, unless the strata corporation has obtained a judgement for them.

A Form B Information Certificate is most valuable to a potential buyer. This document discloses general information about the strata corporation and specifically discloses the monthly strata fees payable, any amounts outstanding from the seller, agreements for alterations, projected deficits, the amount in the contingency reserve fund, bylaw amendments and 3/4 votes passed that are not yet filed in the Land Title Registry, a winding up resolution that has been passed, courts proceedings to which the strata corporation is a party, work orders, the number of rentals, the allocation of parking spaces and storage lockers, and a copy of the strata rules, current budget, if a rental disclosure was ever filed, and the most recent depreciation report. All of these documents may significantly impact whether a buyer would proceed with a purchase. It is in the buyer's best interest to request a Form B as a condition of the purchase, not wait until the final day to include it in the transaction documents. The fee for a Form B is set at \$35 plus 15 cents per page per copy. Considering the work involved, the cost of forms is significantly undervalued.

These fees are the limits only if the party requesting the documents has allowed 7 days notice. Whether you're the party has requested the forms 14 days or 2 days in advance, the strata corporation or their agent still has 7 days to provide the documents. If the period is less than 7 days notice and demands the forms earlier, the fee is subject to the amount set by the strata council or permitted in the service agreement with the property manager. Even though the property manager is providing the service for the Forms, it is still technically the corporation who is providing the forms and the information. While everyone is willing to meet the rush request, there is a significant amount of work and liability involved with preparing forms on short notice. Rush fees in the market range from \$200-500, but there is no limit, and it is subject to the approval of the strata council.

Tony Gioventu, Executive Director CHOA

Always include your strata plan number if you are requesting assistance.

Kindly note CHOA is a member-based, non-profit association. If your strata is not currently a CHOA member please consider joining – membership details are posted on our website at:
<https://www.choa.bc.ca/about-choa/join-choa/>

Join us this Fall in the ‘Condo Classroom’: Both weekday and weekend registration options for the convenience of attendees! For more information visit our website at:
<https://www.choa.bc.ca/seminars/>

COVID-19: To prevent the spread of COVID-19 CHOA staff may be working remotely. During this time we are online and available by phone and email to assist with your strata questions. Please stay safe and healthy.