

## Condo Smarts January 19, 2022

### Majority Votes for Major Expenses

**Dear Tony:** Our building has a major roofing and deck reno coming up in spring, but we can't get a 3/4 vote passed to approve a special levy. Our roofing system is 27 years old, but one owner continually collects proxies from the seniors in our building and convinces them we don't need the work done, even though we have several top floor units with ongoing leaks. Is there any alternative or action we can take to pursue this work? Without the replacement of the roofing, we will be facing substantial costs for damages. Caroline V.

**Dear Caroline:** In most situations where owners vote against repairs, the owners usually cannot afford the special levies. Owning property, especially in a strata corporation where we have joint obligations for maintenance and repairs, comes with significant financial responsibilities. In my experience, for every year a major project is delayed, add at least 10% to the final cost as building components will fail causing damages and losses.

The most ideal situation is to plan for the cost of major repairs and significantly fund your contingency reserves each year. The benefits are significant. The costs are spread over a longer period of time reducing the financial impact on owners, and your strata can invest those funds, and the interest is not taxable. The other major benefit of funding your contingency is the connection to your depreciation report. When a component is recommended for renewal in your report, and there are sufficient funds in the contingency, the voting threshold is only a majority vote approve those funds and that project. Additional special levies or significant changes will still require a 3/4 vote.

Another option is court applications. If more than half the votes at your meeting were in favour, but not sufficient to pass a 3/4 vote, the strata corporation may apply to the courts for an order for the repairs. If the project is imminent, it is recommended in the depreciation report, and there is evidence of damages and losses, this is a viable solution. The courts may order the repairs and the special levies. In extreme cases where the corporation is failing to meet their obligations under the Act, an administrator may be appointed to control and execute the ordered repairs and levies. Both options require legal consultation before you proceed.

The Civil Resolution Tribunal is also an option for owners to obtain a decision ordering the strata corporation to conduct the repairs. While the tribunal may not order a special levy, they can order the repairs. In any of these situations, an owner information meeting with your lawyer is a good start to identify the options for the owners and a strategy to move forward.

Tony Gioventu, Executive Director CHOA

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/>

Effective December 20, 2021 the Province extended strata corporations' ability to hold electronic meetings, without a strata bylaw, beyond December 31, 2021. This new extension will be in effect until December 31, 2022 unless the *COVID-19 Related Measures Act* is repealed before then. Thus, strata corporations are encouraged to adopt strata bylaws allowing electronic meetings if they wish to continue having that option.

Updated strata housing information related to the Province's Restart Plan and COVID-19 is also available at: <https://www2.gov.bc.ca/gov/content/housing-tenancy/strata-housing/covid-19-and-strata-housing/covid-19-information-for-strata-housing>.

**Tuesday Lunch & Learn Live with CHOA:** CHOA is hosting a series of webinars. Join us on the following Tuesdays as we bring together industry experts to discuss the many issues affecting BC's strata community. January 25<sup>th</sup>: Communications and Fibre Optic Installations, February 15<sup>th</sup>: Pets, Pet Bylaws and The BC Human Rights Code, February 22<sup>th</sup>: Winding up a strata corporation. **Registration will open January 15<sup>th</sup> 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.