

NEW RULES WILL “HELP STRATA” BUYERS, OWNERS

Changes to B.C.'s Strata Property Act, introduced this year and which kick in 13 months from now, will provide an additional layer of protection for condominium buyers and Strata Corporations.

Under the changes, the provincial government has introduced new regulations making depreciation reports mandatory for strata Corporations.

A depreciation report is a comprehensive study of the common physical components within a strata building, including an inventory and summary of all necessary renewals and maintenance for the next 30 years, plus a financial plan for the future.

The reports 'will provide a strata corporation with the tools it needs to properly and accurately plan for the future,' according to the Condominium Owners Association of B.C. (CHOA)

Strata corporations with less than five units will be exempt from the requirements, plus a strata corporation may consider exempting itself by passing a 75 per cent resolution every 18 months.

Every non-exempted strata corporation will be required to commission a depreciation report by December 13, 2013.

"These regulations will have a dynamic impact on B.C.'s strata community" said Tony Gioventu, execu-

tive director of CHOA. "The requirement for a depreciation report will considerably affect the way a strata corporation in B.C. plans for its future. Strata corporations will now need to be proactive with their financial forecasting and future repair and maintenance planning".

In addition, the regulations set requirements for what information must be included in a depreciation report.

Affecting more than just the strata community, these reports will also impact B.C.'s real estate industry, Gioventu suggests.

"These reports will change how people buy and sell a strata lot, and how people qualify for a mortgage," he added, "Buyers will now be able to ask for copies of the depreciation report so they know up front what they are buying into. Mortgage providers will also want to assess risk when determining eligibility for financing".

Another change for the real estate industry is the amendments to the Form B, Information Certificate. These amendments will require specific disclosure regarding parking space and storage locker designations and allocations.

For an extended information bulletin on understanding depreciation reports, go to the Association web site at: www.choa.bc.ca



“Condo buyers will have more protection following changes to B.C.’s Strata Act that make maintenance, financial plans more transparent.”