

What's involved in selling a strata property

If you're listing your strata property, there are some things you should know, agent Caitlin Radzanowski tells Jo Boxwell of Team Powerhouse Realty



“A dysfunctional strata corporation or one in financial difficulty could discourage potential buyers

By Jo Boxwell

The process of selling a strata property is not the same as selling a house, and it tends to be much more involved when it comes to drawing up the paperwork. Here, real estate agent Caitlin Radzanowski explains some of the unique issues involved.

What are you actually selling?

One of the major differences between selling a house and a strata property boils down to what exactly

you are selling, Caitlin says. “When you sell a house, you are selling the home and the land it is on. With a strata property, you could be selling a unit with or without land depending on the development type. Typically, a strata property sale will also include areas that are under shared ownership by all unit owners in that complex.”

It is important to understand exactly what type of strata property you are selling when you start this process. That isn't quite as simple as establishing whether your property is a condo, duplex, townhouse, fractional vacation property or strata

subdivision.

Some residential properties are part of mixed-use strata developments that feature commercial spaces such as restaurants and retail outlets, for example, and these developments can have their own set of legal implications.

“You should also be aware of whether your property is freehold or leasehold because this may affect the fair market value of your property,” Caitlin adds. “You can expect a leasehold strata lot to have a lower market value than a similar freehold strata lot.”

These additional considerations

will become part of a buyer's decision-making process and they also come into play when the sale documents are drawn up.

Strata-specific paperwork

Along with the standard title and property disclosure statements that house sellers will be familiar with, strata property owners are typically required to provide significantly more information prior to the completion of a sale. This shouldn't deter sellers, but it is especially important to hire an experienced

and qualified REALTOR® who can help make this process as smooth as possible.

Caitlin gives some examples of the additional documents that strata property owners in British Columbia are expected to provide: "The strata plan, a current Form B Information Certificate with the strata corporation's rules and current budget, monthly and AGM meeting minutes for the past two years, current bylaws and financial statements of the strata corporation, the strata's insurance coverage, a depreciation report and information on any special levies." Your agent will be able to provide you with a more detailed list of required documents and will be able to walk you through the process of obtaining these documents.

The strata corporation

Some strata corporations may have specific rules that apply to unit sales – for instance, around the placement of "For Sale" signs on the premises – but typically they won't want to impinge on your ability to sell your property and therefore are unlikely to have any rules that your agent can't work around. That being said, a strata corporation can still have an impact on how quickly your property sells, and for how much.

If the strata corporation managing your complex is financially responsible and seems to be effective in dealing with issues as they occur, prospective buyers are likely to feel more confident and it may help you sell your property more quickly. On the other hand, Caitlin warns that strata corporations facing serious challenges can have the opposite effect on prospective buyers. "A dysfunctional strata corporation or one in financial difficulty could

discourage potential buyers. It may also have an impact on price, depending on the severity of the issues involved."

In addition, you can expect strata fees and rules to play a part in shaping buyers' perspectives of your unit, for instance, if the fees seem disproportionate compared with similar properties in the same area. Strata rules that may influence prospective buyers' interest in the property include the availability of parking spaces, and if rentals are allowed or prohibited. Caitlin adds that rules regarding pets tend to be among the most contentious for buyers. "A lot of people consider their pets to be members of the family and a 'no pets' or 'pets allowed with restrictions' bylaw can definitely be a dealbreaker in some cases."

When to sell

Before you list your property, find a REALTOR® with experience selling properties in your local area and ask them about current market conditions. Caitlin says it isn't necessary to hold off on listing a property just because of the season as different times of year have their Vancouver winter advantages. "Summer may be nice to show off any gardens or well-kept outdoor common areas, but the winter months often attract more serious buyers."

One of the great things about selling a strata property is the wide range of potential buyers who are looking for those types of homes. As Caitlin points out, "Strata properties are an excellent option for anyone wanting to live a maintenance-free lifestyle. Busy young professionals, snowbirds and the elderly are all potential strata property buyers."

There is a lot to feel confident about when it is time to sell your strata home.



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