

Condo Smarts August 1, 2020 Operations Plans

Dear Tony: Our strata council is trying to cut corners on cost this year as we have experienced the same dramatic increases in our insurance costs. As an owner and council member I am concerned that we are not meeting our basic operations requirements and exposing ourselves to even higher claims that may result in damages to strata lots and common property that in the end will simply cost us more. A recent decision to eliminate the landscape contractor resulted in a ground floor flood last week, as the irrigation system was not being maintained through July, which was a routine part of the schedule maintenance and servicing. The flood resulting from chronic leaking sprinkler head that was reported to council in early July and not addressed until an owner reported their patio filling with water. The damage to the strata lot was nothing more than a wet carpet, but as a strata council member, at what point do we the council and the corporation start to take on liability for bad business decisions. Council have basically taken the position that they will address problems as they arise. Kyle J.

Dear Kyle: As a property owner and council member you have the legislated obligation under the Strata Property Act to maintain and repair common property and common assets. Your owners also approved a budget including landscaping services, which is also a lawful instruction to implement the contracts wherever possible. Regardless of the size or type of a strata corporation, annual operations plans are the best method to ensure the obligations of inspection, maintenance and repairs are implemented. An operations plan will summarize the components and assets of your strata corporation, which can easily be converted from your depreciation report, and identify what level of service or inspection and maintenance are required as part of your annual operations, and what components or systems are managed on a long term basis. If your strata corporation fails to maintain common property and common assets, and an owner suffers a loss, the owner is likely in a position to seek damages against the strata corporation either through the courts or the civil resolution tribunal. If you have failures relating to building systems or assets that result in insurance claims, your insurance provider is likely going to advise you of this risk, put you on notice of increased costs for claims or advise you of their inability to renew your insurance. A common area of neglect for strata corporations are drainage and sanitary systems, roofing systems and electrical systems. Most items that are out of sight are often not a priority, but these key components often result in avoidable claims and damages, and a significant disruption to owners. Sanitary lines and drains for example, should be flushed professionally at least every 3 years if not more frequently. Likely due to the increased occupancy periods this year with the pandemic restrictions, there has also been an increase in sewer back ups, but the most common attributable factor is simply aging building systems that are neglected. Sewer back up is one of the most severe problems, and accessing buildings during the lock down is a greater problem as the plumbing contractor will require access to strata lots as well, but general inspection and maintenance of operational building components is the best method to prevent losses, claims, unnecessary damages and in many cases often extend the life of building components. Roofing systems cover 100% of our investments yet most property owners undertake inspection or maintenance on an annual basis. A qualified inspector or roofer can identify deficiencies and damages that can be easily and quickly addressed to ensure good performance of the roofing system and extend the life of the roofing system if routine service is conducted. Routine maintenance of hot water boilers will extend the life of the boilers and ensure they are performing at their best efficiency levels reducing energy consumption and cost. If your roof fails, this is now an emergency repair. Damages have been caused, the cost for after hours response is significant and the repair is short term rather than a coordinated approach to maintenance and renewals. The attitude of waiting till a component fails before we have to fix it is a false economy. Create a schedule of all your building components and determine what services you require and the

frequency of servicing. For more information on operations plans and samples, go to the www.choa.bc.ca and view the Webinar on operations plans.

Tony Gioventu, Executive Director CHOA

Covid-19 Notice: As a precautionary measure to prevent the spread of COVID-19 CHOA staff are working remotely and our offices are temporarily closed. We understand these are challenging times for strata corporations and we are here to help. Even though CHOA advisors are working remotely we are only a phone call or email away and able to assist you with hosting meetings and notice preparation.

Tuesday Lunch & Learn Live with CHOA: CHOA is hosting a series of webinars once a week, for the next few months. Join us each Tuesday as we bring together industry experts to discuss the many issues affecting BC's strata community. For more information visit our website at: <https://www.choa.bc.ca/seminars/>