

Condo Smarts September 15, 2021

Partial Repairs to Roofing

Dear Tony: Our owners approved just enough funds to replace one roof in our complex. We have 3 buildings each with 28 units, all the same age, and the roofing is in the same poor condition. We were surprised the owners approved the first phase without all the repairs being approved at the same time as there is no guarantee the owners will approve another levy in 6 months or a year to replace the remaining 2 roofs. Council members said we would approve the remaining at a special meeting in April. We had no other options at our annual meeting as this was the only resolution being approved. What happens in spring if the owners won't approve the balance of repairs? Do we have to go to court? One other point of note, all the council members are from the building for the new scheduled roofing. Dorothy M.

Dear Dorothy: There are often times when strata corporations are required to phase repairs due to financial constraints, different aging replacements, geographic conditions or design differences between buildings. Strata corporations must maintain and repair common property. This is a principal condition of the *Strata Property Act*. If the ownership approves phased repairs and continue to schedule the remaining renewals to meet this obligation, that is within the authority of the corporation, but phasing repairs will have negative effects and will cost more as time progresses. A key benefit of being a collective organization is the buying power of 84 units and 3 roofing systems. The scale of purchasing is your asset. The best cost per unit will be the simultaneous renewal of all 3 roofing systems. You are in a stronger negotiating position; contractors are eager to bid on larger projects and the pricing will benefit your community. There are rarely any benefits in deferring maintenance and renewals. Another perspective for a strata corporation to consider is the impact of property values and disclosure of information. The roofing systems are common property of the corporation. A seller may be required to disclose this information as there are still 2 roofing systems to complete, and while a seller in building 1 with new roofs may disclose the roofing is upgraded, the corporation through their minutes and resolutions will also identify the roofing on the subsequent buildings has not been replaced and the corporation will be facing more levies for the balance of the work. As the work is being completed in the building with only council members, there is likely motivation of one or more of those council members to sell their units. Another objective that may not have been disclosed to the owners when they were considering the resolution. If the owners are collectively interested in completing all the roofing systems at the same time, 20% of the owners may sign a petition demanding a special general meeting to include a resolution for all roofing. At least owners would have the opportunity to vote on a complete project. Your depreciation report of 2017, which has not yet been updated, has recommended all roofing systems be replaced in 2021, and there was a supplemental roofing report in 2018 advising there was "a maximum of 3 years of useful life remaining before there was a risk of failure". If there is a roofing failure causing damages to strata lots and common property, your insurer may also raise serious questions about coverage as you have failed to meet the recommendations of the consultants and renew the assets within the recommended period. In the event the strata corporation does not approve the balance of the roofing before damages or failures occur, the owners likely have little choice in the future but seek an order through the Civil Resolution Tribunal or the Supreme Court of BC to order the balance of the repairs. More delays, unnecessary cost and increased liability for everyone.

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 not currently scheduling on site or office meetings. 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 & Fall Seminars: For more information visit our website at: <https://www.choa.bc.ca/seminars/>