

Condo Smarts January 26, 2022 Management Fees & Increases

Dear Tony: We have 3 issues with our management company. They are imposing a charge of \$100 an hour on owners wishing to inspect documents. They have just notified us their fee increased 50% January 1st, and they have already drawn the increase without our approval. We hired them 2 years ago with reasonable results and a competitive cost. What do we do? Andy K.

Dear Andy: The fees you pay for service, and the charges permitted on behalf of the strata corporation are set out in your service agreement. The management company may only charge what you have agreed. Before you take any steps, review the service agreement in detail. Hopefully, your council did not sign the agreement before closely reading and understanding the schedule of fees. If your strata corporation is not in agreement with the increases, notify the company they are not authorized to draw the fees. Your other option is to terminate the agreement. You may be required as part of the contract, to convene a special general meeting of the owners to pass a 3/4 vote to terminate, or the company may simply terminate without the approval of the fees. A common misunderstanding of management fees and increases, is the automatic approval when the annual budget is approved. When the annual budget is approved, it authorizes the council to negotiate and approve the increase. Some companies have built in inflation clauses or set increases over a 3-5 year period to adjust for inflation.

The only fees that a management company imposes are those of the strata corporation as permitted by the Strata Property Act, the Bylaws of the Strata Corporation and set out in the Regulations of the Act. Any of the fees the management company charges to an owner, tenant, buyer, must be itemized in the service agreement. The Act does not permit a strata corporation or a strata manager to charge any fee per hour to inspect records. The company may have an appropriate administration fee they charge the corporation to manage inspections, but that cannot be charged to an owner or tenant. Rush fees are often charged for short notice requests of Form B Information Certificates and Form F Payment Certificates as part of real estate transactions. If less than 7 days notice is given, a rush fee may be permitted; however, that is a fee of the corporation being charged and must also be detailed authorized in the service agreement. Beware of the low bidder for management fees. Itemize the total list of services and hours they are providing before you make a decision. It's either too good to be true, or the company will simply not deliver what they promised.

Want a say in BC Strata Legislation and future changes? Go to www.choa.bc.ca and take a short survey on upcoming policy issues. Every opinion matters.

Tony Gioventu, Executive Director CHOA

Your input matters: please take a few moments to participate in the CHOA policy survey <https://www.surveymonkey.com/r/FB7KSYQ>

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 25th: Communications and Fibre Optic Installations, February 15th: Pets, Pet Bylaws and The BC Human Rights Code, February 22th: Winding up a strata corporation. **Registration will open January 15th 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.