



Vancouver Island Strata Owners Association

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The Select Standing Committee on Finance and Government Services
Legislative Assembly of British Columbia
Victoria, BC

Dear Committee Members:

Re: Budget 2009: Public Review of Strata Legislation Needed

As the BC economy continues to grow and more housing is added, an increasing proportion of that housing is strata housing. This form of housing contributes an enormous amount of tax revenue to the provincial government through the Property Transfer Tax and other taxes. You may be aware that already there are over 460,000 strata units in BC and they represent over 25% of all taxable properties in the province. In several parts of the province such as Victoria, Vancouver, North Vancouver, Richmond and Langley, closer to 50% of all properties are strata units. We estimate that over 600,000 voters live in strata units.

Since May of 2007 our Association has been making the case that there is a very serious need for review of BC legislation affecting owners of strata property. Although current legislation may be working well for the real estate industry it is clearly not working well for the people who must live in strata developments. Specifically, we are referring to the Strata Property Act, the Real Estate Development Marketing Act and the Real Estate Services Act

As recorded in Hansard on November 5, 2003 the government committed itself to a review of at least the Strata Property Act. On that date the Honourable G. Collins, Minister of Finance stated:

" One of the pieces of legislation that is on the workplan to be reviewed is the Strata Property Act. We will be reviewing that in the not too distant future. "

It is almost 5 years since this commitment was made and 10 years since the Strata Property Act was updated. Other provinces have moved forward with legislation to address emerging issues of their strata (or condo) ownership while BC has done virtually nothing. In our province, where strata legislation now impacts up to 50% of properties in many urban areas, there is a growing accumulation of serious issues to be addressed.

As described in the attached report, many of the concerns of strata owners focus on lack of transparency and accountability, including:

- Lack of any requirement to ensure that the financial position of the strata corporation and the condition of its common property are accurately disclosed,
- Lack of a publicly available authoritative source of legislation interpretation to enable strata owners to operate their strata corporations according to law,
- Inaccessible dispute resolution mechanisms,
- Lack of prosecution of developers operating contrary to law, and
- Pitifully low RECBC standards for licensing and discipline of strata property agents.

The current Minister of Finance has implied that a review of the issue of "dispute resolution" may be imminent. Unfortunately, a review restricted to "dispute resolution" would treat only the symptom rather than the disease. In our consultations with strata owners and other strata owner associations it was very clear that many disputes arise because of serious legislation deficiencies. Better legislation could provide *dispute prevention* so there would be much less need for "dispute resolution". For example, better legislation could provide for a higher licensing standard for strata property agents whose incompetence or unethical conduct is a direct cause of many disputes among strata owners. A review that is narrowly focused on "dispute resolution" would come nowhere close to meeting the needs of strata owners.

We believe that there should be a major and public review focused on producing legislation and regulations that protect the interests of strata owners. By "public" we mean that there should be a meaningful opportunity for strata owners to provide input before any bill is drafted and to react to a bill before it is passed by the legislature. By "major" we mean a review that has adequate time, advisors and other resources to hear from strata owners across the province and to develop detailed recommendations to improve the Strata Property Act, the Real Estate Services Act, the Real Estate Development Marketing Act and the regulations under these statutes.

We propose that Budget 2009 include the resources needed for such a major and public review.

Respectfully submitted,



Felicia Oliver
President

Attachment: *Beyond the Sales Pitch: Ensuring Transparency and Accountability in BC Strata Developments*

cc. David Kristmanson, President, Pacific Condominium Association
Jamie Bleay, President, Canadian Condominium Institute – Vancouver Chapter