



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 2011
Long Overdue - Public Review of Strata Legislation &
Access to the Provincial Court**

A growing proportion of BC 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. While there were over 460,000 strata units in BC at the end of 2007, we are told by the Land Titles Authority that, as of June 1010, there were over 520,000 strata units. This number represents over 25% of all taxable properties in the province and over 50% of all properties in the lower mainland and Victoria. We estimate that well over 700,000 BC voters live in strata units.

Since 2007 our Association has taken the lead in making the case that there is a very serious need for a *public review* of BC legislation affecting strata property owners. Although existing legislation may be working well for those who develop and service strata developments it is clearly not working well for the people who must live in those developments. Specifically, we are referring to the Strata Property Act, the Real Estate Development Marketing Act and the Real Estate Services Act.

In early 2008 the VISOA conducted a series of public meetings, identified 30 important tissues faced by strata owners and prepared a report proposing that the government engage in public consultation with strata owners regarding the legislation that is affecting their property rights. This report was provided to the government, distributed widely and is available on the VISOA website.

Many of the concerns identified in that report focus on lack of transparency and accountability, including

- Lack of a publicly available authoritative source of legislation interpretation to enable strata owners to operate their strata corporations according to law,
- Low standards for licensing and discipline of strata property agents,
- Inaccessible dispute resolution mechanisms,
- Lack of defined offences and penalties for those willfully acting contrary to law, and
- Lack of an effective requirement for accurate disclosure of the financial position of the strata corporation and the condition of its common property.

In response to our Association's submission during the 2009 budget consultations, your committee included the following recommendation in its report for consideration by the government:

Committing to an immediate review of the strata property legislation.

Unfortunately, the review recommended by your committee never took place. Instead, the Minister of Finance introduced Bill 12 (The Strata Property Amendment Act, 2009) on March 23, 2009. This Bill contained a few amendments to the Strata Property Act and did not address any issues with respect to the Real Estate Services Act and the Real Estate Development Marketing Act. In introducing the Bill the Minister indicated that there should be public consultation before passing the Bill into law when he said:

“We should go out and invite feedback from organizations rather than pushing this bill through to a conclusion in a rushed manner.

I certainly invite that feedback in the weeks and months to come. This is a bill that obviously will not complete all of its stages before this House rises. But it is certainly a piece of legislation that if we are re-elected as government, we are committed to bringing back into this House. We're committed to assessing the constructive feedback that comes from condo owners and strata property associations, property managers, the general public and anybody with regard to what's in the bill.

If there are changes that are desirable, then we would certainly consider incorporating those changes before this bill would be reintroduced.” (Hon. C. Hansen in Hansard, March 31, 2009)

However, the government did not “go out and invite feedback” from the public. In the fall of 2009 Bill 12 was re-introduced as Bill 8, virtually unchanged. Furthermore, the government voted down an opposition motion that proposed 6 months of consultations before passage of Bill 8. On October 6, 2009 Bill 8 was *forced through* without amendment.

Perhaps the most significant provision of Bill 8 was to enable the Provincial Court to hear strata disputes. However, it is now one year since passage of Bill 8 and this provision has not been brought into force. It is noted that the current shortage of Provincial Court judges may be one reason for the delay.

Bill 8 contains some provisions that could benefit strata owners when and if enabling regulations are passed. However Bill 8 is not the Bill it should have been. We maintain that BC is long overdue for a major and public review of strata legislation focused on protecting 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 2011 include the resources needed for:

- (a) a major and public review of the SPA, the RESA and the REDMA that is focused on the rights of strata property owners, and
- (b) enabling the Provincial Court to hear strata disputes.

Respectfully submitted,



Tony Davis
President

cc. Rita Enns, President, Pacific Condominium Association
All MLAs