# BRITISH COLUMBIA



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# RESPONSE BOOKLET

Consultation Paper on Complex
Stratas

Prepared by the Strata Property Law (Phase Two) Project Committee

August 2016

Supported By:



















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# Strata Property Law (Phase Two) Project Committee

The Strata Property Law (Phase Two) Project Committee was formed in fall 2013. This volunteer project committee is made up of leading experts in strata-property law and practice in British Columbia. The committee's mandate is to assist BCLI in developing recommendations to reform strata-property law in the seven areas selected for study in this phase-two project. These recommendations will be set out in final reports for each area. The project as a whole will complete in December 2017.

The members of the committee are:

Patrick Williams—chair (Partner, Clark Wilson LLP)

Larry Buttress (Oct. 2013–Jun. 2016) (Deputy Executive Officer, Real Estate Council of British Columbia)

Tony Gioventu
(Executive Director, Condominium Home
Owners Association)

Alex Longson (Jul. 2016–present)
(Senior Compliance Officer, Real Estate
Council of British Columbia)

Elaine McCormack (Partner, Wilson McCormack Law Group)

David Parkin
(Assistant City Surveyor, City of Vancouver)

Stanley Rule (Lawyer, Sabey Rule LLP)

Ed Wilson (Partner, Lawson Lundell LLP)

Veronica Barlee (Jul. 2014–present) (Senior Policy Advisor, Housing Policy Branch, Ministry of Natural Gas Development and Responsible for Housing)

Garth Cambrey
(Real Estate Institute of British Columbia)

Tim Jowett
(Senior Manager, E-Business and Deputy
Registrar, Land Title and Survey Authority)

Judith Matheson
(Realtor, Coldwell Banker Premier Realty)

Doug Page (Oct. 2013–Jul. 2014) (Director of Legislation, Housing Policy Branch, Ministry of Natural Gas Development and Responsible for Housing)

Allen Regan
(Vice-President, Bayside Property Services
Ltd.)

Sandy Wagner (President of the Board of Directors, Vancouver Island Strata Owners Association)

Kevin Zakreski (staff lawyer, British Columbia Law Institute) is the project manager.

For more information, visit us on the World Wide Web at: http://www.bcli.org/project/strata-property-law-phase-two

### **Call for Responses**

We are interested in your response to this consultation paper. It would be helpful if your response directly addressed the tentative recommendations set out in this consultation paper, but it is not necessary. We will also accept general comments on reform on complex stratas—specifically, legal issues relating to sections, types, and phases.

The best way to submit a response is to use a response booklet. You may obtain a response booklet by contacting the British Columbia Law Institute or by downloading one at <a href="http://www.bcli.org/project/strata-property-law-phase-two">http://www.bcli.org/project/strata-property-law-phase-two</a>. You do not have to use a response booklet to provide us with your response.

Responses may be sent to us in one of four ways—

by mail: British Columbia Law Institute

1822 East Mall

University of British Columbia

Vancouver, BC V6T 1Z1

Attention: Kevin Zakreski

by fax: (604) 822-0144

by email: strata@bcli.org

by online survey: link from www.bcli.org/project/strata-property-law-phase-two

If you want your response to be considered by us as we prepare our report on complex stratas, then we must receive it by **15 January 2017**.

RESPONSE		
Name:		
Organization:		
Position:		
You may provide us with your name, the name of any organization you represent, and the title of your position within that organization, if you wish. You do not have to give us any of this information. You may still submit your response even if you leave some or all of the above spaces blank. You may respond to all or some of the tentative recommendations in this response booklet. If you wish to provide a more extensive comment than space permits, then please use the additional pages at the end of this response booklet.		
Your response will be used in connection with the Strata Property Law (Phase Two) Project. It may also be used as part of future law-reform work by the British Columbia Law Institute or its internal divisions. All responses will be treated as public documents, unless you expressly state in the body of your response that it is confidential. Respondents may be identified by name in the final report for the project, unless they expressly advise us to keep their name confidential. Any personal information that you send to us as part of your response will be dealt with in accordance with our privacy policy. Copies of our privacy policy may be downloaded from our website at: <a href="http://www.bcli.org/privacy">http://www.bcli.org/privacy</a> .		
The numbers in parentheses refer to pages in the consultation paper where the tentative recommendation is discussed.		
Sections—general		
1. The Strata Property Act and the Strata Property Regulation should continue to contain provisions enabling the creation and operation of sections. (53–57)		
☐ Agree ☐ Disagree		
Comments:		

Sections—qualifying condition	ns	
2. The Strata Property Act should continue to allow sections only for the purpose of representing the different interests of (a) owners of residential strata lots and owners of nonresidential strata lots, (b) owners of nonresidential strata lots, if they use their strata lots for significantly different purposes, or (c) owners of different types of residential strata lots. (58-60)		
Agree	☐ Disagree	
Comments:		
Sections—creation		
3. The Strata Property Act should continuous. <b>(60–62)</b>	nue to permit an owner-developer to create sec-	
Agree	☐ Disagree	
Comments:		

4. If an owner-developer creates sections at the time a strata plan is filed in the land title office, then the Strata Property Act should provide that, on or before the date of the strata corporation's second annual general meeting, the sections comprising the strata corporation may, by resolutions passed by a majority vote of each of the sections, cancel the sections. (63–64)		
Agree	Disagree	
Comments:		
5. The Strata Property Act should provide that poration's first annual general meeting, then first annual general meeting of the section.	the bylaws must set out the date of the	
☐ Agree	Disagree	
Comments:		

cancellation of a section requires a resolution provisions of section 128 (1) (b) and approved by a resolution passed by a vo	t should be amended to clarify that creation or lution passed by a 3/4 vote in all cases, despite (c), which allow amendments to a bylaw to be ting threshold other than a 3/4 vote in the case nresidential strata lots or in the case of a strad nonresidential strata lots. (66–67)
☐ Agree	☐ Disagree
Comments:	
7. Special forms should be prescribed un amendment, and cancellation of a section	der the Strata Property Act for the creation, on. <b>(67–68)</b>
☐ Agree	☐ Disagree
Comments:	
	Act should be repealed and section 250 (2) of ded to provide for the categorization of filings ad cancellation of sections. (68–70)
☐ Agree	☐ Disagree
Comments:	

Sections—powers and duties		
9. The Strata Property Act should provide that bylaws respecting sections cannot provide for the control, management, maintenance, use, and enjoyment of common property. <b>(70–73)</b>		
☐ Agree	☐ Disagree	
Comments:		
10. The Strata Property Act should provide for the control, management, maintenance the section or a strata lot of the section. (		
☐ Agree	☐ Disagree	
Comments:		
11. Section 194 (2) (f) of the Strata Proper worded. <b>(74–75)</b>	rty Act should be retained as it is currently	
☐ Agree	☐ Disagree	
Comments:		

	rty Act should be amended by striking out "only" the words "for any other purpose in the discre-
☐ Agree	☐ Disagree
Comments:	
	vide that a mortgagee may give a Mortgagee's s well as to the strata corporation. <b>(76–77)</b>
Agree	☐ Disagree
Comments:	
14. The Strata Property Act should req and any changes to that address, in the	uire a section to file its correct mailing address, e land title office. <b>(77–78)</b>
☐ Agree	☐ Disagree
Comments:	

Sections—governance
15. The Strata Property Act should contain an express declaration that the act applies to sections. (78–79)
☐ Agree ☐ Disagree
Comments:
16. The Strata Property Act should require a section to provide an information certificate under section 59 for matters concerning the section on request by an owner, a purchaser, or a person authorized by an owner or a purchaser. (80–82)
☐ Agree ☐ Disagree
Comments:
17. The Form B (information certificate) for strata corporations should be modified to ask (a) does the strata corporation have sections, (b) if so, is this strata lot part of a section, and (c) if yes, which section does this strata lot belong to. <b>(82–83)</b>
☐ Agree ☐ Disagree
Comments:

or the section to pro-
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ee
der section 116 of
ee

21. If a strata corporation and a section both file liens under section 116 of the Strata Property Act with respect to the same strata lot, then the strata corporation's lien should rank in priority ahead of the lien of the section. (87–89)		
☐ Agree	☐ Disagree	
Comments:		
22. A section's lien should rank in priority to cept (a) to the extent that the strata corporation, (b) the Crown and is not a mortgage of land, or der the Builders Lien Act. (89–90)	ation's lien is for a strata lot's share of a ) if the other lien or charge is in favour of	
Agree	☐ Disagree	
Comments:		

23. Section 112 of the Strata Property Act should be amended to provide that before a strata corporation or a section registers a lien under section 116 of the act against a strata lot, then that strata corporation or section must give notice, as the case may be, to the section or strata corporation. <b>(90–91)</b>		
Agree	☐ Disagree	
Comments:		
24. Consequential amendments should be Property Act to include sections. <b>(91–9</b> )	pe made to sections 112 to 118 of the Strata	
☐ Agree	☐ Disagree	
Comments:		
25. The Strata Property Act should expr tion to have a separate budget. <b>(92–9</b> 4	essly require a section within a strata corpora-	
Agree	☐ Disagree	
Comments:		

fund funds, and special-levy funds must be	that operating funds, contingency-reserve- accounted for separately and maintained in for the strata corporation and for each sec-
☐ Agree	☐ Disagree
Comments:	
,	
27. Section 192 (a) of the Strata Property A "bylaws that provide for the creation and a "provided that the administration of expen	
☐ Agree	Disagree
Comments:	
,	

Sections—cancellation	
28. The Strata Property Act should requ	uire that a resolution to cancel a section must be a other existing section of the strata corpora-
☐ Agree	☐ Disagree
Comments:	
laws to provide for the cancellation of a (a) any funds in the operating fund and of the section have been transferred or tration involving the section has been so name of the section have been assigned held in the name of or on behalf of the s the act; (e) any lien filed under section	uld require that the resolution to amend the by- a section must set out all of the following: contingency reserve fund for common expenses disposed of; (b) any court proceeding or arbi- ettled or discontinued; (c) any contracts in the or terminated; (d) any land or other property section has been disposed of in accordance with 116 of the act has been transferred or dis- s, liabilities, or assets of the section have been
Agree	Disagree
Comments:	

Types—legislative enabling p	rovision or definition
30. The Strata Property Act should cont tion of types of strata lots. (118–19)	tain a provision that expressly enables the crea-
☐ Agree	Disagree
Comments:	
Types—creation	
strata lot: (a) the strata corporation mu to consider the creation of the type; (b) to amend the bylaws to provide for the ferred to in (b) must be passed (i) by a 3	nire, for a strata corporation to create a type of ust hold an annual or special general meeting the notice of meeting must include a resolution creation of each type; and (c) the resolution re-3/4 vote by the eligible voters of the strata lots law, and (ii) by a 3/4 vote by all the eligible -20)
☐ Agree	Disagree
Comments:	

quire a resolution passed by a 3/4 vo 128 (1) (b) and (c), which allow ame passed by a voting threshold other to	n, amendment, or cancellation of a type should re- ote in all cases, despite the provisions of section endments to a bylaw to be approved by a resolution han a 3/4 vote in the case of a strata plan com- ita lots or in the case of a strata plan composed of strata lots. (119-21)
☐ Agree	☐ Disagree
Comments:	
corporation's bylaws concerning the proved at an annual general meeting	expenses by types, then amendments to the strata e allocation of an expense to a type must be apgora special general meeting by both a resolution exporation and a resolution passed by a 3/4 vote of
☐ Agree	☐ Disagree
Comments:	

34. The Strata Property Act should allow an lots at the time the strata plan is deposited provide for the creation of each type. (121)	by filing in the land title office bylaws that
Agree	Disagree
Comments:	
Types—sharing operating expens	ses
35. The Strata Property Regulation should a penses that usually occur either once a year shared by types of strata lots. (122–23)	
Agree	☐ Disagree
Comments:	

_
ould be amended to provide that, if a strating types of strata lots, the strata corpoon and if, based on that reconciliation, o a contribution to the operating fund of that type, then the surplus or shortfall of a surplus, the surplus must be used to all year's operating fund by owners of stratil, the shortfall must be eliminated during f that type. (124–25)
☐ Disagree

Types—sharing capital exper	nses
occur less frequently than once a year,	ould not allow capital expenses (expenses that ) to be shared by types of strata lots, even if the t benefits only the type of strata lot. (126–28)
Agree	☐ Disagree
Comments:	
	t allow a type of strata lot to have a contingency
reserve fund. (128–30)	
Agree	Disagree
Comments:	
usually occur less frequently than once	ould not allow capital expenses (expenses that e a year) to be shared by types of strata lots, if eat does not exclusively benefit the type. (130-
Agree	☐ Disagree
Comments:	

Types—powers, duties, and	governance
41. The Strata Property Act should not the control, management, maintenance	t authorize bylaws respecting types to provide force, use, and enjoyment of the strata lots, common upe or adjacent to the type. (131–32)
☐ Agree	☐ Disagree
Comments:	
42. The Strata Property Act should not the creation of a type executive. <b>(132</b>	t require that bylaws respecting types provide for <b>2–33)</b>
☐ Agree	☐ Disagree
Comments:	

Types cancellation	
strata lot: (a) the strata corporation me to consider cancellation of the type; (b) to amend the bylaws to provide for the referred to in (b) must be passed (i) by	uire, for a strata corporation to cancel a type of ust hold an annual or special general meeting the notice of meeting must include a resolution cancellation of the types; and (c) the resolution a 3/4 vote by the eligible voters of the strata e bylaw, and (ii) by a 3/4 vote by all the eligible
Agree	☐ Disagree
Comments:	
Phases—general	
44. The Strata Property Act should conterties in phases. (Error! Bookmark no	tinue to enable the development of strata propt defined.– <b>73)</b>
Agree	☐ Disagree
Comments:	

### Phases—applying to deposit a phased strata plan 45. The Strata Property Act should continue to require an owner-developer to file a Phased Strata Plan Declaration as a condition to depositing a phased strata plan. (173-74) \_\_\_ Agree **Disagree** Comments: 46. The Strata Property Act should continue to require an owner-developer to obtain the approval of an approving officer to a phased strata plan. (174–75) Agree Disagree Comments: 47. The Strata Property Act should provide that an approving officer's approval of a Phased Strata Plan Declaration expires after two years unless the first phase is deposited before that time. (176-78) ■ Disagree ☐ Agree Comments:\_\_\_\_\_

section 510 of the Local Government Ac	Act should be amended to provide that despite ct the deposit of a phase of a phased strata plan or payment for parks purposes. (178–79)
Agree	Disagree
Comments:	
Phases—changing circumstan	ices
spective strata-lot owner, a strata corp supreme court for a mandatory injunct	be amended to allow a strata-lot owner or pro- oration, or an approving officer to apply to the ion requiring the owner-developer under a sed strata in accordance with the Phased Strata
Agree	Disagree
Comments:	

the affected strata corporation to an e	uire an owner-developer to obtain the consent of lection to extend the time to proceed, an election to a Phased Strata Plan Declaration. (182–83)
☐ Agree	☐ Disagree
Comments:	
	uire that a strata corporation's consent to an eclaration should not be unreasonably with-
☐ Agree	☐ Disagree
Comments:	
amendment to a Phased Strata Plan D (a) a resolution of the strata corporati	uire that a strata corporation's consent to an eclaration should be required to be expressed by on passed by a 3/4 vote and (b) the filing in the a Corporation in the prescribed form stating graph (a) has been passed. (182–84)
☐ Agree	☐ Disagree
Comments:	

ration to apply to the supreme court fo	Act should be amended to allow a strata corpora declaration that the owner-developer be even if no order that the owner-developer compade. (184–86)
☐ Agree	Disagree
Comments:	
owner-developer may amend a Phased making an election to proceed with the officer for approval of the amendment Phased Strata Plan Declaration to exte	Act should be amended to provide that (a) an Strata Plan Declaration to extend the time for enext phase without applying to an approving and (b) an owner-developer must not amend a and the time for making an election to proceed a one year from the date stated in the declarator of the supreme court. (186-88)
• •	is of the supreme court. (100 00)
Agree	Disagree
	_
Agree	_

Phases—governance and ph	ased strata plans		
55. A new, freestanding regulation should be adopted that expressly sets out the owner-developer's obligations from part 3 of the Strata Property Act upon deposit of a phase other than the first phase of a phased strata plan, which are currently incorporated by reference in section 13.4 of the Strata Property Regulation. (188–89)			
Agree	☐ Disagree		
Comments:			
an annual general meeting during the date on which 50% plus one of the str purchasers and the date that is six mo	Act, which requires a strata corporation to hold e six-week period that begins on the earlier of the rata lots in the new phase have been conveyed to onths after the deposit of the new phase, should be should be made to sections 13.2 to 13.6 of the 5)		
Agree	Disagree		
Comments:			

additional council members from the own	egulation, which requires the election of two ners of a new phase at the phase annual gen- deposit of a subsequent phase in the land title
☐ Agree	Disagree
Comments:	
the strata corporation the records listed	ld require an owner-developer to turn over to in section 20 (2) (a) of the Strata Property Act a phased strata plan by no later than 90 days land title office. <b>(198–99)</b>
☐ Agree	Disagree
Comments:	

59. Section 13.3 (2) of the Strata Property Regulation should restrict the ability of a phased strata property to amend bylaws dealing with the keeping or securing of pets, the restriction of rentals, the age of occupants, or the marketing activities of the owner-developer which relate to the sale of strata lots in the strata plan until the earliest of the following: (a) the annual general meeting held following the deposit of the final phase; (b) an election not to proceed is made under section 235 or 236 (2) of the act; (c) the strata corporation obtains the written consent of the owner-developer; (d) the owner-developer is not in compliance with the dates for the beginning of construction of each phase as set out in the Phased Strata Plan Declaration or amended Phased Strata Plan Declaration; (e) the date that is six months after the date of completion of construction disclosed in section 2 (c) of the original Phased Strata Plan Declaration. (199-202) Agree Disagree Comments: 60. The Phased Strata Plan Disclosure form should be amended to require an ownerdeveloper to identify how it intends to designate parking and storage lockers. (203-04) Agree Disagree Comments:

## Phases—protecting the financial interests of owners in a phased strata plan

61. If a strata corporation for a phased strata plan has adopted its own budget, then the Strata Property Regulation should require an owner-developer, after the deposit of a phase subsequent to the first phase, to prepare an interim budget that is only applicable to the strata lots in that subsequent phase. (205–10)

Agree Disagree

Comments:

62. The Strata Property Regulation should be amended to require a strata corporation to account separately for the revenue and expenses during the interim-budget period after deposit of a phase subsequent to the first phase in the land title office. (210–11)

Disagree

Agree

Comments:			

63. Section 223 of the Strata Property Act should continue to require an approving officer's approval of security for common facilities. (211–12)		
☐ Agree	☐ Disagree	
Comments:		
proving officer may (a) charge a reasona the Phased Strata Plan Declaration and ( estimate of the cost of common facilities of than the first phase, or constructed on a s	t should be amended to provide that an apble fee to the owner-developer for approving b) require the owner-developer to provide an that are to be constructed in a phase other separate parcel, which estimate must be veri-	
Agree	☐ Disagree	
Comments:		

65. Despite the Strata Property Regulation, ensure that the term of any insurance policy subsequent to the first phase in a phased strafter the subsequent phase is deposited in the	entered into by or on behalf of a phase ata plan continues for at least four weeks
Agree	☐ Disagree
Comments:	
66. The Strata Property Act should provide to ered to have an insurable interest in any prothat continues in effect for at least four week in the land title office. (217)	pperty insured under an insurance policy
Agree	Disagree
Comments:	
	·

cy that continues in effect for at least ed in the land title office, in making a liability of the strata corporation, und insurer must make the payment (a) to the bylaws, or (b) if an insurance trus	rovide that, despite the terms of an insurance polifour weeks after the subsequent phase is deposit-payment, other than a payment arising from the der the strata corporation's insurance policy, and the order of the insurance trustee designated by stee is not designated, to the order of the strata aid out under section 157 of the Strata Property
Agree	☐ Disagree
Comments:	
ration for a phased strata plan an ins	quire an owner-developer to give a strata corpo- urance appraisal for the full replacement value of fore the deposit of the new phase in the land title
Comments:	

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