

## CONSIDER FEES

All strata/condominium complexes have monthly fees. These fees are called strata fees or condo fees. The terms are interchangeable. These fees are set annually. The property manager or strata council produces a yearly budget proposal which is brought to the Annual General Meeting for ratification by the members. The budget is based on the real costs of running the complex. Nobody profits by the strata fees. There are costs to maintain the exterior of the home, the lawns and gardens, pools or hot tubs and the complex roadways. The annual budget reflects all of that.

I should mention that in the case of a bare land strata, where the homes are fully detached, the exterior maintenance of the house is the owners' individual responsibility.

All owners must pay their share of the fees every month. But, what happens if they fail or refuse to do so? Typically, the delinquent owner will receive a letter from the property manager or strata council outlining the amount owing, plus interest. Often the by-laws contain a clause that there is an automatic fine for non-payment. The maximum permissible fine for breaching a standard by-law is \$50, but the fine can be imposed every seven days. This means the bill could escalate quite quickly.

Most strata councils issue two or three letters before proceeding with legal action. If the letters don't result in payment of the bill then the strata corporation can lien the property. This would mean the arrears would have to be paid if the property was sold. These arrears take precedent over any existing mortgage.

When you purchase a strata unit through a Realtor or a lawyer they automatically order a Form B from the property manager or strata council. This clearly outlines if there are delinquent strata fees. Amongst other things it also outlines any monies owing for special levies, such as roofing replacement. If there were arrears, and there had not yet been a lien registered on the title of the property, reading the information on this form is how a buyer is made aware. Otherwise, a buyer could unwittingly acquire those bills. Private buyers need to be aware of their need for the Form B. The lawyers and notaries who are conveying title to the new buyer routinely request this form as a standard business practice.

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