



FIRSTSERVICE RESIDENTIAL

BULLETIN- MARCH / APRIL 2014

GASTOWN

THIS CLOCK IS LOCATED AT THE WESTERN BOUNDARY OF THE OLD GRANVILLE TOWNSITE, KNOWN AS GASTOWN IN 1890. THE SHORE OF BURKARD INLET WAS ONLY A FEW YARDS NORTH OF THIS POINT THROUGH THE EARLY 1900S. GASTOWN WAS THE COMMERCIAL CENTRE OF VANCOUVER BY THE 1980S. IT HAD BECOME THE CENTRE OF VANCOUVER'S SLID ROAD. IN THE EARLY 1970S IT WAS RENOVATED TO ITS FORMER VAPOR. THE SUCCESS OF ITS RENOVATION WAS DUE TO PROPERTY OWNERS, RETAILERS AND ALL THE PEOPLE OF GASTOWN WORKING TOGETHER WITH CITY COUNCIL AND CIVIC DEPARTMENTS. THE TOWNSHIP COMMITTEE, COMPOSED OF THE PROPERTY OWNERS OF GASTOWN, WERE RESPONSIBLE FOR THE REHABILITATION OF THE STREET. JOHN W. PARKER SERVED AS CHAIRMAN OF THE COMMITTEE BETWEEN JAN. 1967 TO SEPT. 1977.



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WE ARE LISTENING TO YOUR FEEDBACK

Since launching our redesigned newsletter last year, we have received an overwhelming amount of positive feedback. Many Owners and Council Members have contacted us asking us to explore a host of interesting new topics. In light of your feedback, we are updating our newsletter to create a more in-depth publication that will be sent out quarterly. This will provide us with the opportunity to explore all the new topics you want to learn about with detailed articles, infographics, interviews, and features from Strata experts and industry professionals. As we prepare for the upcoming newsletter to be distributed in early summer, we have created the following condensed bulletin for you. Thank you for your continued support.

Sincerely,

Your FirstService Residential Team

Have an idea for our next newsletter? Have a question for the experts?

We want to hear from you. Email us at newsletter.bc@fsresidential.com with your suggestions and questions or call our office at **604.683.8900**.





INSURANCE FACT

It is estimated that only 40% of Strata Owners in British Columbia have personal insurance!

While the risks of foregoing personal insurance may not seem that great, a single incident, such as a leak or fire that results in damage to neighbouring units or common property, can have significant financial implications for an Owner who is uninsured.

Some important coverages for a Homeowner living in a Strata Corporation are:

- **Personal Property** - Property such as furnishings, electronics, and clothing may be damaged and need to be replaced.
- **Additional Living Expenses** - The extra expense associated with relocating if your unit is damaged and unfit for occupancy due to an insured event.
- **Betterments and Improvements** - Have you made improvements to your unit (such as new flooring)? The cost of replacing these improvements need to be insured on your personal policy as the Strata policy may not provide coverage.
- **Liability Insurance** - This protects you against personal legal claims that may require you to pay damages for something such as an injury.
- **Strata Deductible Assessment** - This protects you in an instance where the Strata's deductible is charged back to you as the responsible unit Owner (see below).

An accident with your sink or toilet that causes water damage in another unit or the common areas has the potential to cost you thousands of dollars. If you are uninsured and your Strata files a claim for these damages, it could also cause an increase in your Strata's insurance deductible.

Be safe and stay insured. Personal insurance policies can be obtained at reasonable monthly rates. Having protection will provide you with the peace of mind that you and your investment are protected in the case of an accident.

Where should you start when looking for coverage? Try the Insurance Brokers Association of BC (www.ibabc.org)

DID YOU KNOW?

According to BC Housing, there are approximately 29,000 residential Strata Corporations across BC representing around 500,000 Strata units.





WHAT IS A STRATA?

As Owners, you may hear and use the word “Strata” day-in and day-out. But, some of us may still be wondering what exactly a “Strata” is. Let us take you back to the basics.

The word “Strata” is derived from the Latin word “stratum”, which refers to “layers”. The word developed into a legal term in Commonwealth countries around the mid-twentieth century. The term helped to describe a new form of home ownership that had developed, where a single building would be divided into different portions or “layers” with each portion or unit being owned by a different person.



Today, a Strata Corporation is a legal entity that is created to be responsible for maintaining its property for the betterment of all Owners. Strata Corporations come in all shapes and sizes and can include townhomes, high rise buildings, commercial complexes, industrial parks, hotels, offices, bare land developments, and more.

To help run the asset, Owners select a Strata Council each year to represent their interests. Since most Strata Council Members are volunteers, they typically seek the assistance of a professional Strata management company. At FirstService Residential, we adhere to the rules set by the Real Estate Council of BC and the Strata Property Act. We take direction from your Strata Council, on behalf of the Owners, to look after your property’s daily operations and maintenance.

FirstService Residential provides the Residents we proudly serve with a professional management solution to assist with all your Strata needs.

SPRING MAINTENANCE PREP

As we head into spring, your Strata Manager will be preparing your property for the new season. Here are some items we will be working on to make sure your property is ready for spring.



Window Washing

We can start working with your preferred vendors to organize the exterior window washing. Look out for notices announcing the window washing dates at your property.

Swimming Pools

With the weather warming up, your pool will be opened. Pool areas will be cleaned, chemicals will be balanced and your pool may be inspected by the Health Department.

Water Features

If your property has a water feature, we will be checking to make sure it is thoroughly cleaned and operating properly to create a welcoming feel.

Irrigation

Irrigation lines can now be installed. We will begin organizing repairs for any damages, such as broken sprinkler heads.



Exterior Projects

Now is the time that we will start making updates such as painting, deck repairs, fixing fencing, and other projects that require dry weather.

Power Washing

Many Stratas will now have their exterior common areas power washed to remove algae and dirt that has accumulated over the winter, helping to improve your Strata's curb appeal.

Light Timers

Now that the days are getting longer, your exterior light timers will be adjusted. A great energy saving idea may be using photocell sensors instead of standard timers.

Landscaping

Your landscapers can now begin adding flower arrangements, laying grass seeds and removing moss to improve the green space around your property.

EARTHQUAKE EXPENSES: ARE YOU PREPARED?

The article was written by Gerry Fanaken. He is the former CEO of Vancouver Condominium Services Ltd., now FirstService Residential, and author of *Understanding The Condominium Concept: An Insightful Guide to the Strata Property Act*.

Whenever we experience a mild shaker in B.C. (or even go through one of those “practice drills”) the conversation is typically about having bottled water, a dozen cans of tuna and a can opener. Fair enough because the immediate impacts of an earthquake require exactly those items. We only have to watch newscasts of earthquakes in foreign lands to get the picture, to understand the essential basics of survival “right after”.

This article is not about survival right after: it is about financial survival. This aspect of earthquake preparedness is generally overlooked but it can have devastating consequences on your personal finances and the security of your asset – your condo, your home. Follow me...

All Strata Corporations must, by law (The Strata Property Act) carry insurance and such policies include earthquake coverage. But just like all insurance policies, there are deductibles for the different aspects of the insurance – i.e. fire damage, water loss and earthquake. The earthquake deductibles for most Strata Corporations are 10%. In Richmond they are typically 15% or even 20%. So you ask: percent of what? Answer: percent of the value of your Strata Corporation (not including the value of the land). For example, let’s say your Strata Corporation has an insurable value of \$50,000,000. A deductible of 10% means that \$5,000,000 is not included in the policy coverage. And, of course, that is the first \$5 million of the costs to repair or restore your building.

It makes no difference on the size (i.e. magnitude) of the earthquake. It can be small, medium or large. The deductible always comes into play

whenever the ground starts to shake.

Many Owners, when told about the earthquake deductible respond, “Oh no problem, our Strata Corporation has a Contingency Reserve Fund.” Yes, that’s true, but it’s very rare to find a Strata Corporation with such a large CRF that the earthquake deductible can be handled. The inevitable result is that, if we have an earthquake and there are damages to your Strata Corporation, the CRF may be able to absorb some of the cost but, typically, it will not be a lot. That means your Strata Corporation will have to raise the money by a special levy and, under the Act, there is no requirement for an owner meeting to discuss the matter and vote on a resolution. The Strata Council simply determines how much is required and each Strata lot is automatically assessed their unit entitlement share.

It is realistic to say that most Owners are not going to sock away \$25,000 in a financial institution “in case there is an earthquake” but you do need to understand and be prepared for the financial consequences.

This is an important topic we will continue to explore in coming months. FirstService Residential will be hosting an upcoming seminar for Council Members on Strata Insurance and we encourage Council Members to attend. Visit our website at www.fsresidential.com under “News and Events” for more information.





HOMEOWNER TIP: CAULKING



Here is a handy tip from Jayne Touzel, FirstService Residential's Warranty Services Coordinator. Jayne understands the ins-and-outs of building design and construction, and assists Stratas with warranty and deficiency issues. Caulking is an extremely beneficial building material used primarily to bridge a gap or crevice where dissimilar surfaces meet. When applied correctly, it forms a continuous seal which is air-tight, water-tight or steam-tight. For Homeowners, maintaining the caulking in areas such as the bathroom and kitchen is very important as these areas repeatedly come into contact with water. However, for the majority of Homeowners, applying caulking can turn out to be a very messy job with unprofessional-looking results. Here's an easy process for applying caulking that will have the finished product looking clean and smooth with minimal mess.

WHAT TO DO

1. Using a stiff brush or X-acto knife, carefully clean out and remove the old de-laminated caulking along the joint or seam.
2. Clean the joint and surrounding surfaces thoroughly with a mild household cleaning solution to remove any dirt and oils. Allow the surfaces to dry thoroughly.
3. Next, use painter's tape to tape off a straight line on both sides of the joint or seam about 1/16" distance away from the seam. Press down the edges of the tape where the caulking is to be applied.
4. Using a caulking gun or squeeze tube, apply a sufficient amount of caulking along the exposed joint or seam. Doing this in short lengths of no more than 3 to 4 feet will allow the caulking to be tooled before it starts to set up.
5. While the caulking is still wet, smooth out the surface along the joint or seam using a caulking tool which has been dipped in water, or by using your finger dipped in water first and running it steadily over the seam. Allow the wet caulking to spread across the edges of the painter tape on both sides of the joint/seam. Applying slight pressure while smoothing out the caulking will also ensure better adhesion of the caulking to the joint or seam.
6. Begin pulling up the tape steadily starting at one end. Do NOT allow the caulking to set-up or dry before removing the tape as it will pull the caulking away from the joint/seam.

Important: Make sure the right product is used for the specific job at hand. Nowadays, caulking specifically made for kitchens and bathrooms is available at most hardware stores. Take the time to properly prepare surfaces by making them as clean and dry as possible. This will ensure maximum adhesion.



MOVE FEES & FURNISHED RENTALS

Most Strata Corporations charge a fee for moving in or moving out, or both. On the face of it, this is a simple arrangement. The fees are charged when occupancy of a suite changes hands, and are usually to cover some or all of the costs associated with the moves. To charge a move in fee, your Strata Corporation will require a bylaw outlining the details of the fee. This is typically done by way of $\frac{3}{4}$ vote of the Owners at a General Meeting.

Some of the costs (but not all) recovered by move fees include: administrative matters such as updating the enterphones, having the elevators pads put up and taken down, hiring security, repairs and maintenance associated with moves and more. Indeed, many Strata Corporations charge significant move fees simply to discourage transiency of tenants which, rightly or wrongly, they associate with increased wear and tear and behavioural complaints.

Strata Corporations have implemented a variety of different bylaws regarding moves. Some are elaborate and lay out every possible scenario, while some are very basic stating only the amount of the fee itself. However, there are some points that every Strata Corporation should consider including and clarifying in their move bylaws. These points include:

- Amount of the move fee;
- Whether the fee applies to move ins, outs or both;
- Days of the week and hours where moves are permissible;
- Notification requirements before arranging a move;
- What types of units are included (apartments, townhomes, etc.)
- Whether the move fee applies to all moves.

This last point has become important over the last few years, as there seem to be an increasing number of furnished suites being made available for rent. Often, Owners will dispute the need to pay a move fee. This leaves Strata Councils looking to define a policy, rather than being proactive and setting expectations in advance. You should have this discussion on your terms, and decide as a group whether it is appropriate to charge a fee for furnished suite moves and then define this in the bylaws or rules as appropriate. Some Strata Corporations have implemented regulations which differentiate between various types of moves, and charge different fees for each (or none at all). This is certainly the best way to avoid any disputes down the road.

WE'RE ON THE RADIO!

FirstService Residential is being featured on the Radio Real Estate Show on AM650. Tune in every Saturday at 10am for weekly tips and educational information. Our President, Scott Douglas, and our General Manager of Investment Properties, Judith Harris, will be on the air to educate listeners on topics related to Strata management and rental property management. Listen to each week's tip on our website at :

www.fsresidential.com/british-columbia/news-and-events/educational-tips





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Stay tuned for our next newsletter, which you will be sent out early in the summer. In the meantime, follow us on social media for new articles, information, and updates.



Making a Difference. Every Day.

www.fsresidential.com

Hornby Office

777 Hornby Street | Suite 600
Vancouver, BC, V6Z 1S4

Tel 604.683.8900
Fax 604.689.4829
info.bc@fsresidential.com

Georgia Office

1281 West Georgia Street | Suite 400
Vancouver, BC, V6E 3J7

Tel 604.684.6291
Fax 604.684.1539
info.bc@fsresidential.com