

## **STRATA TITLES (AKA "Condominiums")**

Twenty-five years ago strata titles, or "condos" as they are now commonly known, were as rare as hen's teeth. Nowadays, however, they are as common as taxes. Historically, however, strata titles are not a new concept. The Israelites had the basics figured out in the time before Jesus Christ. In fact, the word condominium is Latin and describes co-ownership.

When you think about it, though, strata titles are pretty unusual. If someone came up to you and offered to sell you a piece of land in the sky your first reaction might be to report him to the Better Business Bureau, the Mental Health authorities or the RCMP. If the same person offered to pre-sell you a condominium on the third floor of an approved project yet to be built or registered at Land Titles Office, you probably wouldn't give it a second thought. The unusual part, however, is that in both cases we are talking about much the same thing.

Normally, a land title refers to land. Whatever is attached to the land, such as a house or a garage, is generally considered part of the land. With a strata or condominium title, however, there may be no actual land (in the usual sense of the word) involved at all. If you're not on the ground floor the only "land" you buy may be the right to use the common areas (some of which may be real land with dirt and buildings and weeds and everything) along with the other strata owners.

Often, the lack of actual land to mow, shovel, paint, etc., is what makes condo living so appealing in the first place, especially to seniors who have grown tired of yard maintenance or young professionals who don't have the time or inclination.

While most people think of strata titles as a sort of glorified apartment ownership, you can also own a strata title that includes a regular house and a yard in addition to the right of ownership in the common areas, such as grounds or clubhouses. In most cases the strata title gives you total (though not unfettered) ownership of your living space along with the right to the full use and partial ownership of the common property.

Perhaps the best way to envision the strata title is to consider it as being an interest in land and a share in a corporation. The interest in land is what you inhabit on a daily basis while a share in the strata corporation entitles you to the use of the corporate (or common) property.

The other shareholders in the strata corporation will be the other strata title owners. The corporation owns the common property, facilitates and assets of the corporation as well as being

responsible for their control, management and administration.

Strata corporations can control the use of the properties. This means that the strata corporation can set the monthly fees for maintenance, restrict clubhouse uses, set maximum or minimum ages of residents (e.g., adult communities), decide whether or not you can have pets or children living there and similar matters.

For this reason, it is a very good idea to check out the by-laws (and amendments) before you buy. It doesn't do much good to find out (after you've already signed the offer) you can't use your condominium to house your Great Dane or your children.

Similarly, strata corporations can always change their own rules, usually with a simple majority or a two-thirds or three-quarters majority (depending how the corporation was set up in the first place). If you're looking at a strata title it may be as important, if not more so, to make just as careful an inspection of the by-laws as you would of the floor plan, the foundation or the financing.

The concept of caveat emptor is alive and well in real estate. Just as you wouldn't want any nasty surprises like dry rot, termites, leaks (as in "leaky condo") and other maladies, you should be equally concerned about the by-laws and the documentation.

If you don't want to find out the day before you move that you are going to have to find another place to house your six kids, your St. Bernard and your 18 foot boa, you may want to get a lawyer to take a close look at some of the fine print that you are agreeing to.