

Gambling with Deferred Maintenance - Food for Thought

By David Albrice



“Sooner or later everyone sits down to a banquet of consequences”
- Robert Louis Stevenson

We may think we can outsmart consequences, we may try creative tricks to avoid consequences, but we can only do this for so long. Sometimes we get “lucky” and we can defer things for a few years, even decades. Eventually, though, we will lose.

So what are these different types of consequences of failure that so many of us are willing to gamble?

1. Physical Consequences

The first group of consequences relate directly to the tangible, ‘hard’ things that we can touch, smell, hear and feel with our senses. Here are a few:

- Increased **DOWN TIME** and disruptions with essential services, such as elevators, space heating and space cooling equipment, etcetera.
- Greater **NUISANCE** from noise, vibrations, smells, etc. that affect the quiet use and peaceful enjoyment of the property.
- Increased **OUTAGES** associated with power supply, water supply, gas, and other utilities.
- Reduced **RELIABILITY** of systems and assets, particularly critical assets.
- Collateral **DAMAGE** to finishes and substrates from water ingress and water escape conditions.
- **UNSIGHTLINESS** that detracts from the exterior and interior aesthetic appearance of the building.
- Accelerated **DETERIORATION** of some assets requiring earlier renewal.
- Potential for waste and ground **CONTAMINATION**.

These consequences make our

banquet feel like a table filled with plates of rotting food. Think of eating from a table with wobbly legs and the wine glasses are toppling over.



2. Financial Consequences

The second group of consequences hit our pocket book hard, they drain our wallets and they mess with our balance sheet. Here are some examples:

- Increased **COSTS** due to lack of planning, reactive/crisis management, accumulation of deferred maintenance, unnecessary repairs, greater project scopes, etc.
- Greater financial **HARDSHIP** through special assessments, demand loans, etc.
- Diminished **MARKETABILITY** of the suites due to stigmatization, etc.
- Greater risk of **BUSINESS INTERRUPTIONS** due to unreliable assets.
- Lower **RESALE VALUE** of the property.
- **INEFFICIENCIES** in the use of energy, coordination of people and other resources
- Missed opportunities for leveraging **ECONOMIES OF EFFICIENCY**, such as economies of scale and economies of agglomeration.
- Increased **CONTINGENCY ALLOWANCES** for substrate repairs.
- Accelerated **DEPRECIATION** of asset value.

These consequences make our banquet feel like a table filled with plates of scraps and leftovers. Think of being overcharged for a lousy meal.

3. Legal Consequences

The third group of consequences tie us up, they remove our freedoms. Here are some examples:

- Potential for **FINES** and penalties due to non-compliant conditions.
- Potential **ACCIDENTS** and injuries to owners, guests and invitees due to unsafe slip, trip and fall conditions.
- Potential **HEALTH** issues due to exposures to mould and other toxins.
- Increased insurance **DEDUCTIBLES** due to failure to mitigate.
- Increased **RISK** exposure to individual owners and the organization from failure to do the necessary due diligence.
- Jeopardizing of **WARRANTIES** due to failure to meet duty of care.
- **LITIGATION** resulting from actions taken against the owners.

These consequences make our banquet feel like a table filled with food that must be eaten with handcuffs behind our back. Think of a meal on a plane with blunt, plastic utensils and no elbow room.

4. Political Consequences

Our final group of consequences relate to the people and their emotions. Here are some examples:

- Increased **STRESS** and frustration of individual owners / guests / customers due to unresolved business and limited peace of mind.
- Potential for **CONFLICT** between owners due to unresolved issues, greater time at general meetings, etc.
- Residents/businesses may have to **VACATE** the premises during

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YOUR PAGE

Letters to VISOA



Dear VISOA,

Once again, to the entire team at VISOA—to the people who staff the office, all the Helpline volunteers, and to the board of directors—thank you for all the work you do. You’ve helped our strata a great deal in the five years since we’ve been members, and your regular seminars have kept us up-to-date on many important and timely issues.

Over the years I’ve had the opportunity to sit in a LOT of meetings and workshops, and bar none, VISOA meetings are some of the best run and most informative. I’d like to acknowledge the excellence of your technical staff and volunteers too—I appreciate the sound system, roving mikes and projector/slides.

Thank you again for working so assiduously on our behalf—as the president of a strata, I can only imagine the hours you dedicate.

Warm regards,
Janis La Couvée
President, VIS Strata 48-Market Court

President’s reply

Dear Janis,

Thank you for the very kind letter you sent after VISOA’s March Seminar. I shared it with the entire board and I’m publicly thanking our volunteers, here in the Bulletin. We all enjoy what we do - in fact “passionate” is a word that sometimes comes to mind - and so we all appreciate it when a member takes the time to write.

Thanks again,
Sandy Wagner

Email us at editor@visoa.bc.ca

Write us at: 306 - 620 View Street, Victoria BC V8W 1J6. Please include your name, strata number and telephone number. Letters and emails may be published on-line.

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VISOA 2015 Planned Seminar Dates

MAY 24 – COURTENAY
CROWN ISLE RESORT
Topic: Strata Bylaws
Speaker: Lawyer Justin Hanson

JUNE 28 – VICTORIA
COMFORT INN
Topic: Strata Bylaws
Speaker: Lawyer Justin Hanson

SEPT 20 – NANAIMO
BOWEN CENTRE
Planned Topic: Strata Insurance

NOV 15 – VICTORIA
COMFORT INN
Planned Topic:
Maintenance Contractors

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- Diminished REPUTATION of the owners, the facility and the staff.
- UNMOTIVATED staff due to frustration and burnout from inefficient work environment.

These types of consequences make our banquet feel like a table surrounded by angry people who get indigestion from the meal. Think of a dysfunctional family get together.

Consequences of failure come in different degrees:

- 1 "Catastrophic" consequences (such as loss of life and injury to persons)
- 2 "Critical" consequences (such as significant damage to the building and components)
- 3 "Marginal" consequences (such as a temporary outage)
- 4 "Negligible" consequences (such as unsightliness that can be corrected later)

David is a certified professional reserve analyst, and a specialist in building maintenance and planning.

Find David on Twitter @DavidAlbrice

Land Title Filings for Self-Managed Strata Corporations

By Doug Leathem, Real Property Advisor, Dye & Durham Corporation

Since the enactment of B.C.'s *Condominium Act* over 30 years ago (now the *Strata Property Act*), strata corporations have found it necessary to file a variety of documents at the Land Title Office. Such documents include: Form I Amendment to Bylaws, Form G Certificate of Lien (default in payment), Form H Acknowledgement of Payment, as well as the required documentation for dealing with amendments to Common Property and Limited Common Property.

Prior to 2004, Land Title Offices in B.C. only allowed the filing of paper documents at the office having the specific jurisdiction for that area. All applications were filed either by attending in person, by mail, or through the use of a land title agent. Documents were received by a cashier, stamped with a unique filing number, fees were paid, and a copy was returned to the

applicant.

In 2004 B.C.'s Land Title and Survey Authority ("LTSA") implemented an Electronic Filing System ("EFS"). EFS was optional at the time it was introduced, and initially was introduced to include standard conveyancing documents such as Transfers and Mortgages. Acceptance of EFS by all user groups was by no means immediate, and in 2010 the *Land Title Act* was amended to empower the Director of Land Titles to require that documents be filed electronically rather than in hardcopy format. On July 1, 2011 a multi-phase program began, which by 2014 has completely changed the way different user groups, including strata corporations, file documents with the LTSA.

One of the most substantive changes to filing requirements, is the necessity for all documents

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