

Province of British Columbia
Guide 11: How to Apportion Expenses

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1. The Responsibility to **UNDERTAKE** Repair and Maintenance versus the Responsibility to **PAY** for Repairs and Maintenance

Under the Act, Regulations and bylaws, there is a distinction made between:

- **who undertakes** the actual repair and maintenance of various parts of the strata development; and
- **who pays** for the maintenance and repair costs.

This distinction may result in:

- the strata corporation maintaining and repairing areas that are part of the strata lot or designated as limited common property, but
- the cost of the maintenance and repair being assigned, in the operating budget, to those strata lots which have been maintained and repaired or have been allocated the limited common property.

The Act and the bylaws of the strata corporation (if the strata corporation has bylaws relating to repair and maintenance) determine whether the strata corporation or the individual strata lot owners have the responsibility to undertake the actual repair and maintenance of various parts of the strata development.

If the strata corporation is responsible to undertake the maintenance and repair, the Act and Regulations determine how the costs for the maintenance and repair will be assigned to strata lot owners; how these costs are assigned cannot be changed with a bylaw amendment.

If an owner is responsible to undertake maintenance and repair of his or her strata lot or limited common property, he or she is solely responsible for those costs, and they cannot be assigned to other strata lot owners. ***As of December 14, 2011 depreciation reports for strata corporations must identify common property and limited common property that the strata lot owner, and not the strata corporation, is responsible to repair and maintain.***¹

Disclaimer: the guides are periodically reviewed and updated by the Office of Housing and Construction Standards as per the date in the footer below.

*Content that has been updated has been highlighted in **bold italic font** and will remain that way for approximately one year.*

The guides are provided for the reader's convenience; they are not a substitute for professional advice including legal advice. Please note: the Standard Bylaws can be amended.

¹ Strata Property Regulation 6.2 (2) c

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2. Who is Responsible to Pay for the Cost of Repair and Maintenance

Whether **some strata owners or all strata owners are responsible to pay** for the cost of repair and maintenance will depend **on both**:

- **how often the cost occurs** for the strata corporation **and**
- **how the expenses are paid**: from the operating fund, from the contingency reserve fund or by special levy

Costs either occur regularly (once a year or more often) or infrequently (less than once a year):

- **Regular costs** will usually be **paid from the operating fund** as an operating expense; although the strata corporation may also pay some regular expenses with funds raised by a special levy.
- **Infrequent expenses** will be **paid from the contingency reserve fund** or by raising funds **through a special levy**.

3. Costs paid from the strata corporation's operating fund

Costs occurring regularly (once a year or more often) will usually be paid from the strata corporation's operating fund as an operating expense.

These costs must be allocated and assigned to strata lots in the operating budget as follows:

- costs that relate to the use of **limited common property** are assigned by unit entitlement (or some other method approved by unanimous resolution) **to those strata lots²** which are entitled to use the limited common property;
- costs that relate to a **type** of strata lot identified in the bylaws as a type, are assigned by unit entitlement (or some other method approved by unanimous resolution) **to those strata lots of that type**;
- costs that relate to the **maintenance of specified portions of some strata lots** where the strata corporation has taken responsibility, by bylaw, to maintain those portions of the strata lot, are assigned by unit entitlement (or some other method approved by unanimous resolution) **to those strata lots** to which the maintenance relates; and
- **other regular maintenance costs are shared by all strata lots** by unit entitlement (or some other method approved by unanimous resolution).

² See Strata Property Regulation 6.5

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4. Costs paid from special levies

Repairs and maintenance that occur either regularly or infrequently may be paid for by a special levy.

- **If those costs relates to parts of the strata lot** where the strata corporation has taken responsibility, **by bylaw**, to maintain a specified portion of the strata lot; then those costs are apportioned by unit entitlement (or some other method approved by unanimous resolution), **to those strata lots** to which the repair relates.
- All other costs (excluding the ones referenced above) paid for by the special levy are apportioned to all strata lots by unit entitlement (or some other method approved by unanimous resolution).

5. Costs paid from the strata corporation's Contingency Reserve Fund (CRF)

Infrequent repairs and maintenance (less than once a year) may be paid from the Contingency Reserve Fund (CRF). Contributions to the CRF must be assigned **to all strata lots** by unit entitlement (or an alternative method for apportioning costs approved by unanimous resolution).

Please refer to the following chart on page 4 at the end of this chapter, "How to Apportion Strata Corporation Expenses by Source of Funds", for a summary of how expenses paid from different sources of funds must be allocated to owners.

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How to Apportion Strata Corporation Expenses by Source of Funds

Expenses which occur once a year or more frequently than once a year – paid from the operating fund	Costs that relate to the use of limited common property are apportioned by unit entitlement or some other method approved by unanimous resolution to those strata lots which are entitled to use the limited common property.
	Costs that relate to a type of strata lot are apportioned by unit entitlement or some other method approved by unanimous resolution to those strata lots of that type
	Costs that relate to the maintenance and repair of a strata lot, where the strata corporation has taken responsibility by bylaw for that maintenance and repair, are apportioned by unit entitlement or some other method approved by unanimous resolution amongst the strata lots to which the contribution relates.
	The balance of all expenses (not apportioned by any of the above) are apportioned to all strata lots by unit entitlement or some other method approved by unanimous resolution.
Expenses which occur less often than once per year – paid from the contingency reserve fund	Costs are apportioned to all strata lots by unit entitlement or some other method approved by unanimous resolution.
Expenses which occur with any frequency – paid from funds raised by special levy	Costs, paid by special levies for maintenance and repair of a strata lot, where the strata corporation has taken responsibility by bylaw for that maintenance and repair, are apportioned by unit entitlement or some other method approved by unanimous resolution amongst the strata lots to which the contribution relates.
	All other costs (excluding the one directly above) paid for by the special levy are apportioned to all strata lots by unit entitlement or some other method approved by unanimous resolution.