



## Opinion by Kerry Morris - (December 7, 2014)

**Caveat-Emptor, 'Buyer Beware....'** Words my father used to say to me each time I came home with a fresh lemon in trade for my hard earned cash. These are the words which I use to describe the recently discovered rage in the North Shore's condo development business.

The issues described below which affect One Park Lane, the combination Town-home condominium tower located at the North East corner of 1st Street and Chesterfield in the City of North Vancouver, are not unique to One Park Lane. In fact, the issues described below are common place throughout the Lower Mainland condominium marketplace but are only now becoming known to unwitting condo owners.

One Park Lane was developed at a time when the City allowed for a mix of between 1 and 2 parking stalls per residential unit, depending on each units square footage and number of bedrooms. The developer, the now defunct Millennium, built more parking stalls than were compelled by the City. These additional parking stalls were offered to condo buyers for a premium. Likewise, Millennium also built a series of additional storage units, surplus to the minimum space allotted for each standard unit. Both the extra parking stalls and the extra storage spaces were located in what is legally referred to as the 'Common Areas'. Common Areas are those jointly owned by all the Strata Plan owners.

The BC Assessment Authority values each strata unit on a combination of factors, which include recent sale prices, coupled with unique attributes applicable to each strata unit. The evaluation process considers a premium or deduction for each amenity unique to the building and the unit, compared with those present for recently sold strata units. The unique amenities which affect assessment valuations include lobby size, the presence of a swimming pool, sauna, hot-tub, fireplace and a superior view. These value adjustments also consider the number of parking stalls and storage locker spaces present. So if your strata has an excessive number of parking stalls or storage locker spaces located in the common areas of the building, then these additional spaces are assigned to each tax-roll property valuation based on each units individual proportional share or percentage of the total privately owned square footage. So if you have a big unit, you bear a larger proportionate share of the common area tax burden, and if you have a smaller unit, then you pay a lessor share. Ditto for the allocation of maintenance fees.

In this way each strata unit carries the tax and common expense burden for its proportionate share of the common areas. Millennium, on the day prior to registration of the Strata Plan, leased itself all the spare parking and storage locker units located in the common area spaces at One Park Lane. The Millennium lease between the Strata Plan and Millennium's wholly owned subsidiary; 'West First Parking Ltd.' was for an indefinite term. Millennium was not required to pay any compensation for either taxes or maintenance fees. For the past 8 years, Millennium has held for sale then sold the spare parking stalls and storage lockers located in the building. The residents of One Park Lane have borne all the costs for these units.

I recently became aware that this condition also prevails at two East Esplanade properties developed by Pinnacle. It's possible this formula will also apply to the 13th and Lonsdale Centre Point Onni development. Rumours abound that Pinnacle is now in negotiations to make restitution of the expense premium suffered by the East Esplanade strata owners. Are you paying for your developer to maintain ownership of parking stalls and storage lockers in your condominium strata plan ? Caveat-Emptor, as my father would say!

