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Gmail - Leaseholders face large new bills; 'time for an action announcement



Gerald Roterling <geraldrotering@gmail.com>

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1 message

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12 September 2024 at 10:51

To: "Lore.MLA, Grace" <grace.lore.MLA@leg.bc.ca>, s.chandraherbert.mla@leg.bc.ca, Lucas.Assenza@gov.bc.ca

To MLAs Grace Lore and Spencer Chandra Herbert
and Housing Policy Branch staffer Lucas Assenza

Dear Grace, Spencer, and Mr. Assenza:

You'll not be surprised to learn that long-term residential lessees at Victoria's Orchard House tower have been billed \$1M as the first phase of well over \$3M in capital projects to replace mechanical equipment in the building. The entire amount is to be billed over the coming three years with, apparently, two months notice of each phase, then only six months to pay each year. The projects mean that within three years lessees will each have to pay between \$11,000 and well over \$20,000, depending on suite sizes, and of course must also pay their on-going monthly suite fees and an annual past-year deficit billing, which for 2023 is \$352,000 (90 days to pay). See a summary at <https://orchardhouseleaseholder.ca/pending-projects-cost-per-suite/>

Some Orchard House suite lease assignees will not be able to pay these bills so will have to sell... if that's even possible. There are 12 assignments on the MLS today and very few sales. When a sale price (after the commission expense) is less than what the lessee paid plus the already-billed assessment, the seller will have to subsidize the sale or declare personal bankruptcy to deal with the shortfall. It is not clear that the B.C. Bankruptcy Act covers leasehold suites, while it allows strata suite owners to retain their home when in bankruptcy.

You're aware that similar events are unfolding in Vancouver West End leaseholds, and that even larger bills are imposed on lessees at Surrey's Sun Creek Estates leasehold, where multi-year bills will total over \$200,000 for each low-income family. It may be that some lessors are rushing projects and perhaps gold plating them in anticipation of modest limits that the Province might impose. A solution to this, not mentioned in the excellent public consultation report Spencer has just issued, is that all leaseholds should be required to be operated by a property-management company with a mandate to consult with lessees and to only undertake capital projects and to require payments on schedules that lessees can afford to pay (<https://orchardhouseleaseholder.ca/prov-law-needed/>) .

In light of your lobbying efforts, the public-consultation report, and the onerous expenses being newly imposed on B.C.'s residential lessees with little time to pay, perhaps you'll convince Minister Kahlon and Premier Eby to declare their intention to regulate leaseholds, should they form government again. The Minister told me in April of 2023 that he would act, but 1.5 years later no public pledge has been made and your consultation report recommends action that we have yet to hear is actually coming. 'Time for the government to speak up.

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