HOUSING CRISIS

Long-term leaseholders in B.C. are facing a crisis for which they are urgently seeking help from their elected government officials.

This is just one example that is similar to many others currently happening in BC.



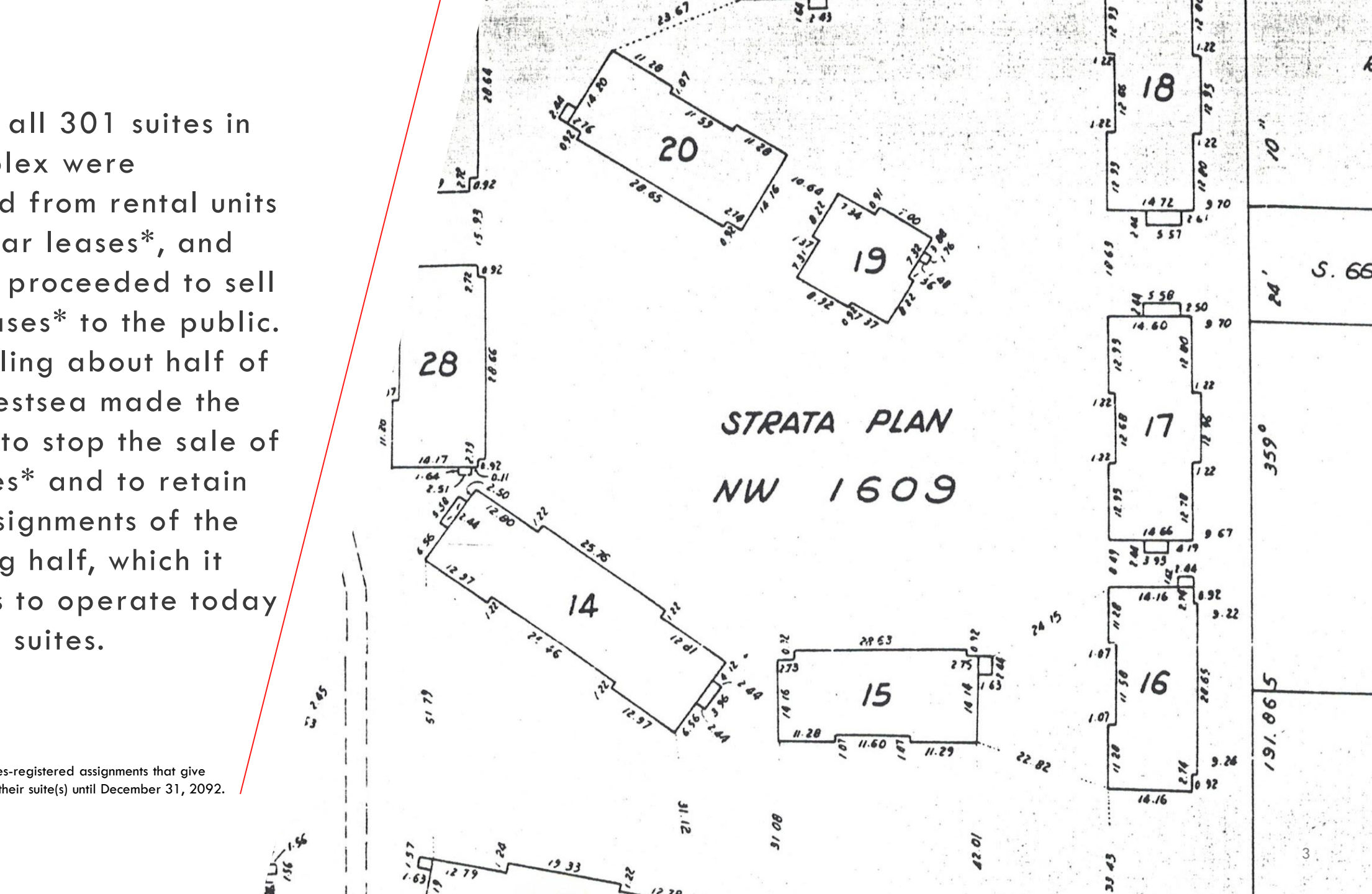
HISTORY

Sun Creek Estates is a housing complex in Newton, Surrey consisting of 301 suites spread out over 29* residential buildings of various sizes built in 1983 by Westsea Construction Ltd.



* A 30th building also exists that is used as a rental office & club-house.

In 1992, all 301 suites in the complex were converted from rental units to 99-year leases*, and Westsea proceeded to sell these leases* to the public. After selling about half of them, Westsea made the decision to stop the sale of the leases* and to retain lease assignments of the remaining half, which it continues to operate today as rental suites.



* Leases are Land Titles-registered assignments that give holders use/access to their suite(s) until December 31, 2092.

Current Ownership of Leases* at Sun Creek Estates

160 Private-Held Suite Assignments



141 Westsea-Held Rental Suites



* Leases are Land Titles-registered assignments that give holders use/access to their suite(s) until December 31, 2092.

The buildings are of wood frame construction on a concrete perimeter with tar and gravel and/or shingle roofing. In 2016, they began to exhibit signs of their age (now, more than 40 years old), and a **Building Remediation Project** was announced by Westsea.

The latest information provided by Westsea describes **9 phases to complete 253 suites (84%) sometime in 2030.** The remaining 48 suites (Phase "U") are not yet scheduled, but it is estimated that they will be included in 2 or3 additional phases to be completed by 2032.



Building #1 – Before Renovation

THE PROJECT

The Scope of Work currently* includes:

- Exterior wall remediation including exterior wood siding, stone cladding and stucco cladding replacement;
- Window, patio and balcony sliding door replacement;
- Second and third level balcony vinyl waterproofing membrane and guardrail replacement;
- Roof deck door replacement;
- Balcony and roof soffit replacement;
- Humidity-controlled bathroom fan replacement;
- 2-ply SBS (flat) roof replacement.

* Above description is for Phase VI



Building #6 – During Renovation

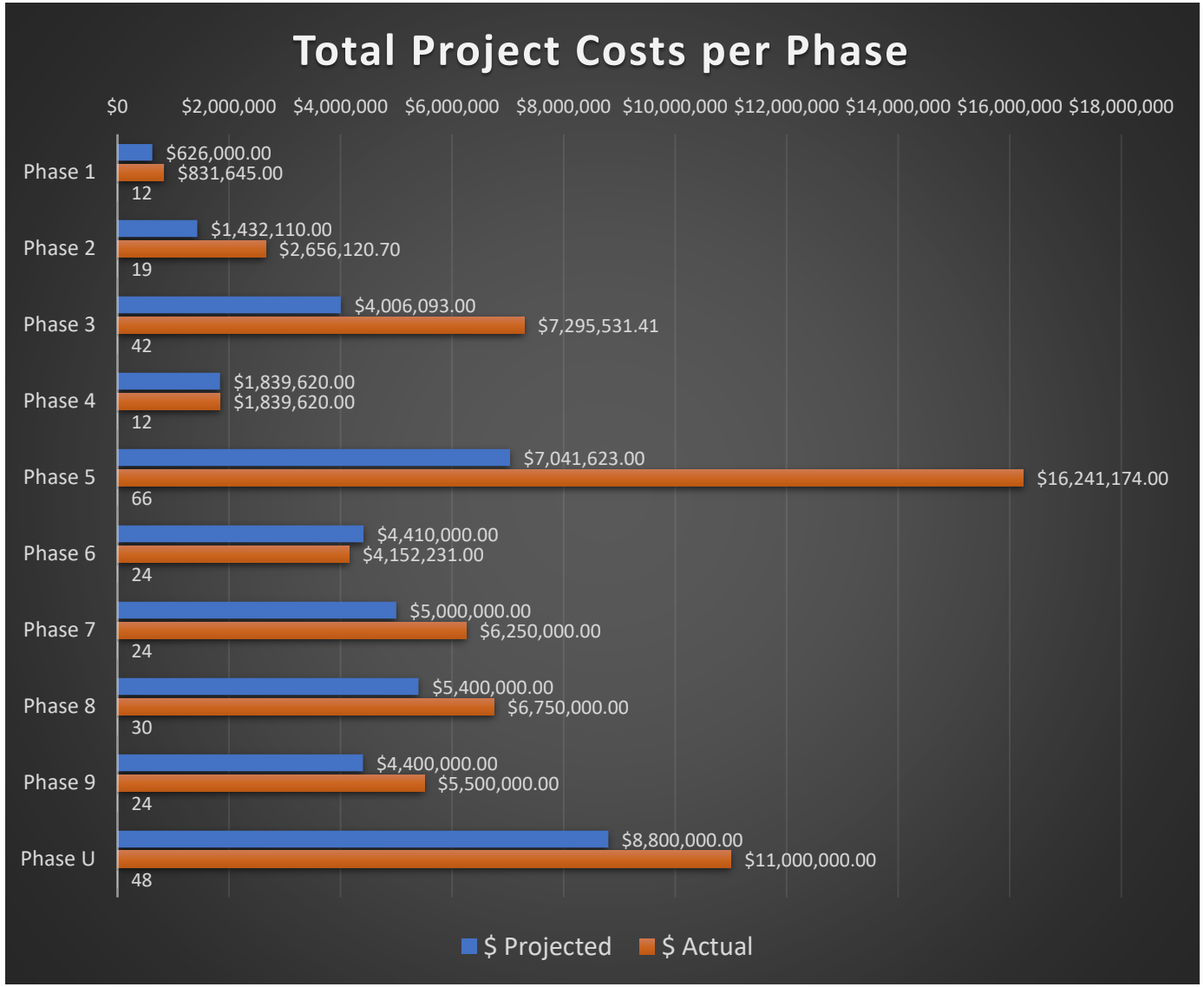
CURRENT PROGRESS:

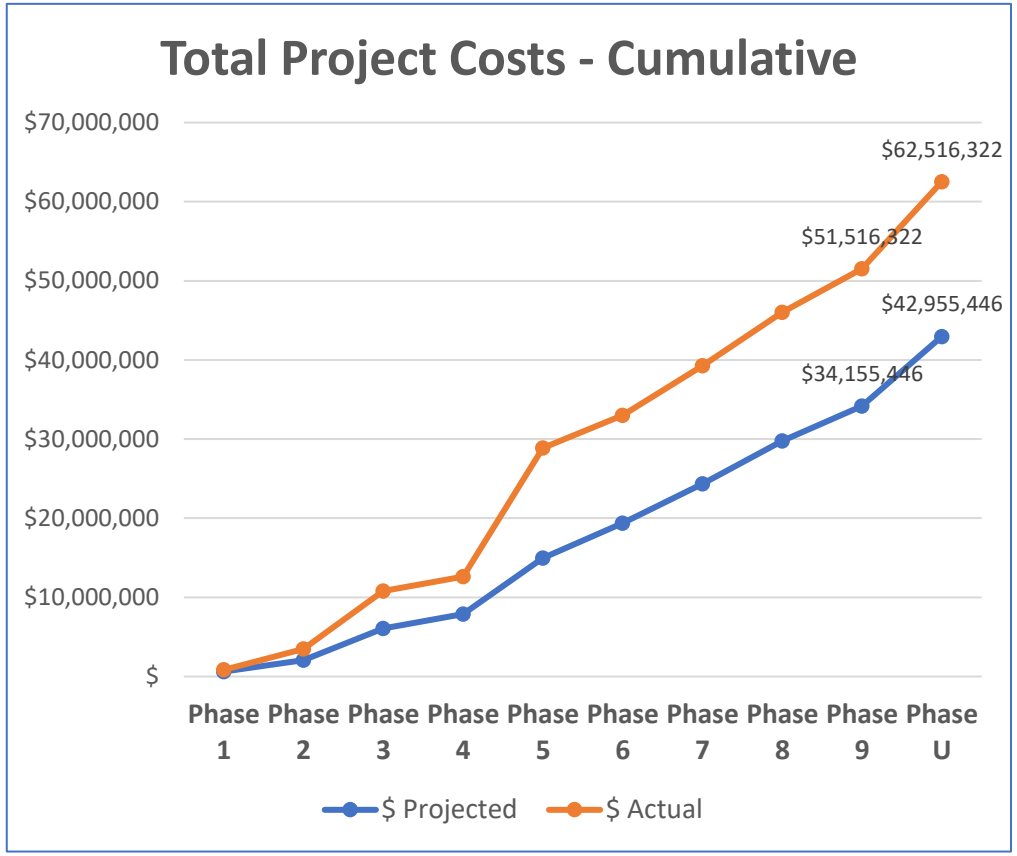
About 58% of the project has now been completed (175 out of 301 suites), and work on Phase VII is scheduled to start in November 2026. This phase will focus on completing another 24 suites plus roofing replacement on an additional 12 suites. When this phase is complete, 199 suites will have been completed, and the project will be about 66 percent finished.



Building #17 – After Renovation

Project Update – Total Actual vs Projected $ Costs

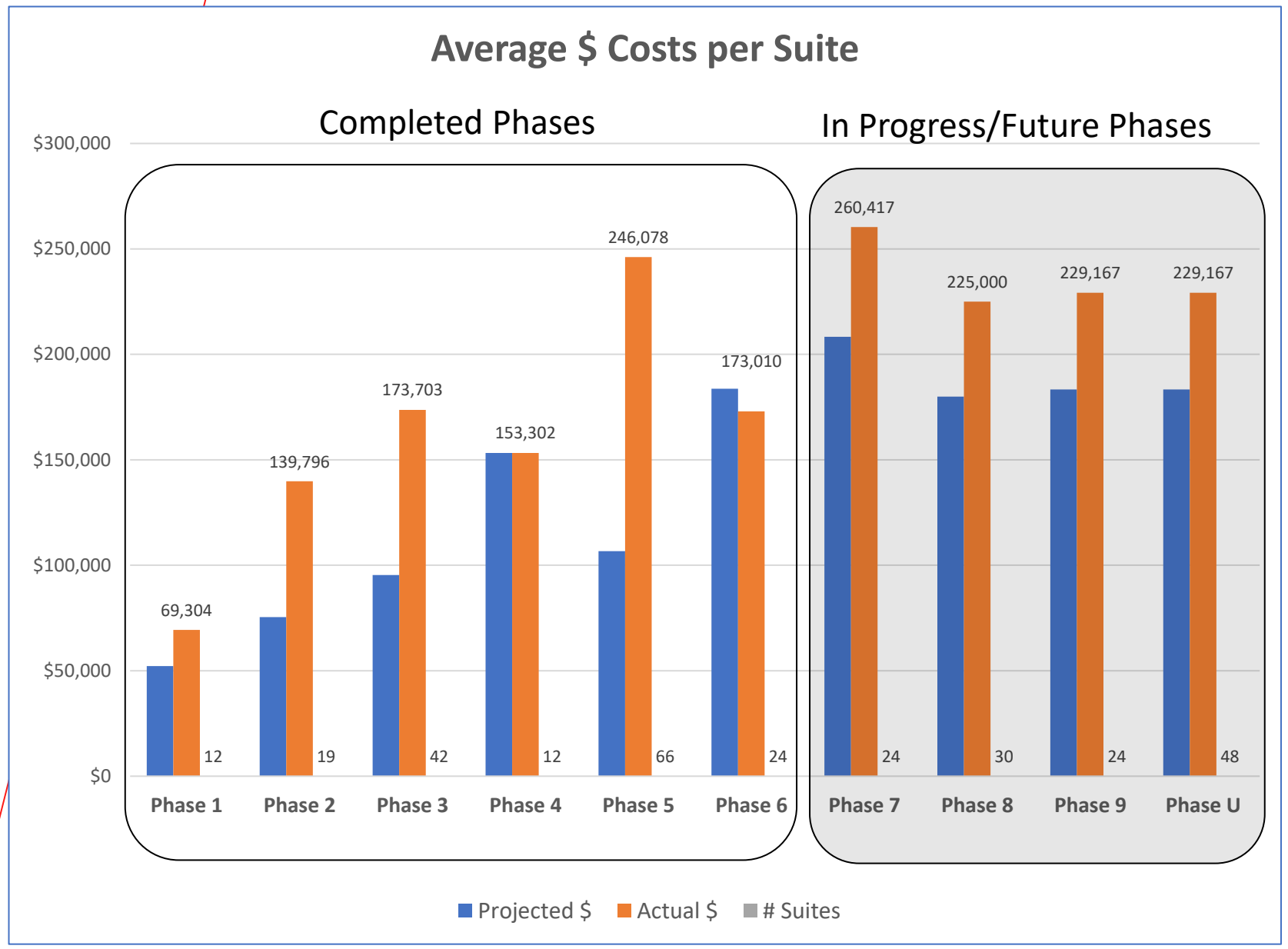




Phases 1 to 6 are mostly complete, so amounts reported are close to actual. The data for these phases shows **that actual costs have averaged 71% over projected costs.** Phases 7 to 9 costs are estimates that include a modest estimate of 25% over the projected costs. (Phase U contains 48 suites in 6 buildings that have not yet been assigned to a phase or schedule by Westsea.)

This chart shows the average renovation **$ Cost per suite** for each phase of the Project. For the first six phases, this can be calculated to be about **$190,000**.

Leaseholders at Sun Creek are questioning whether they are getting fair value for the money they are paying the landlord for this renovation, considering the scope of the work being done.



SUMMARY

Leaseholders do not object to having their residences maintained and are grateful that Westsea is taking the initiative to make sure the buildings remain livable and safe. But they strongly object to the way this process is being carried out.

Most people who invested in suites at Sun Creek did so because they were an affordable option but now many could lose their homes and be left destitute because the owner is imposing unrealistic and unsustainable expectations on leaseholders.

There are currently no laws to protect long-term leaseholders in B.C.



PROBLEM #1

Excessive, Unrealistic, and Unmanageable Fees

The fees that Westsea is demanding from Sun Creek leaseholders are increasing at an alarming rate. In 2025, the total $ amount demanded for the monthly maintenance fee plus two concurrent assessments was about **$31,800*** per leaseholder.

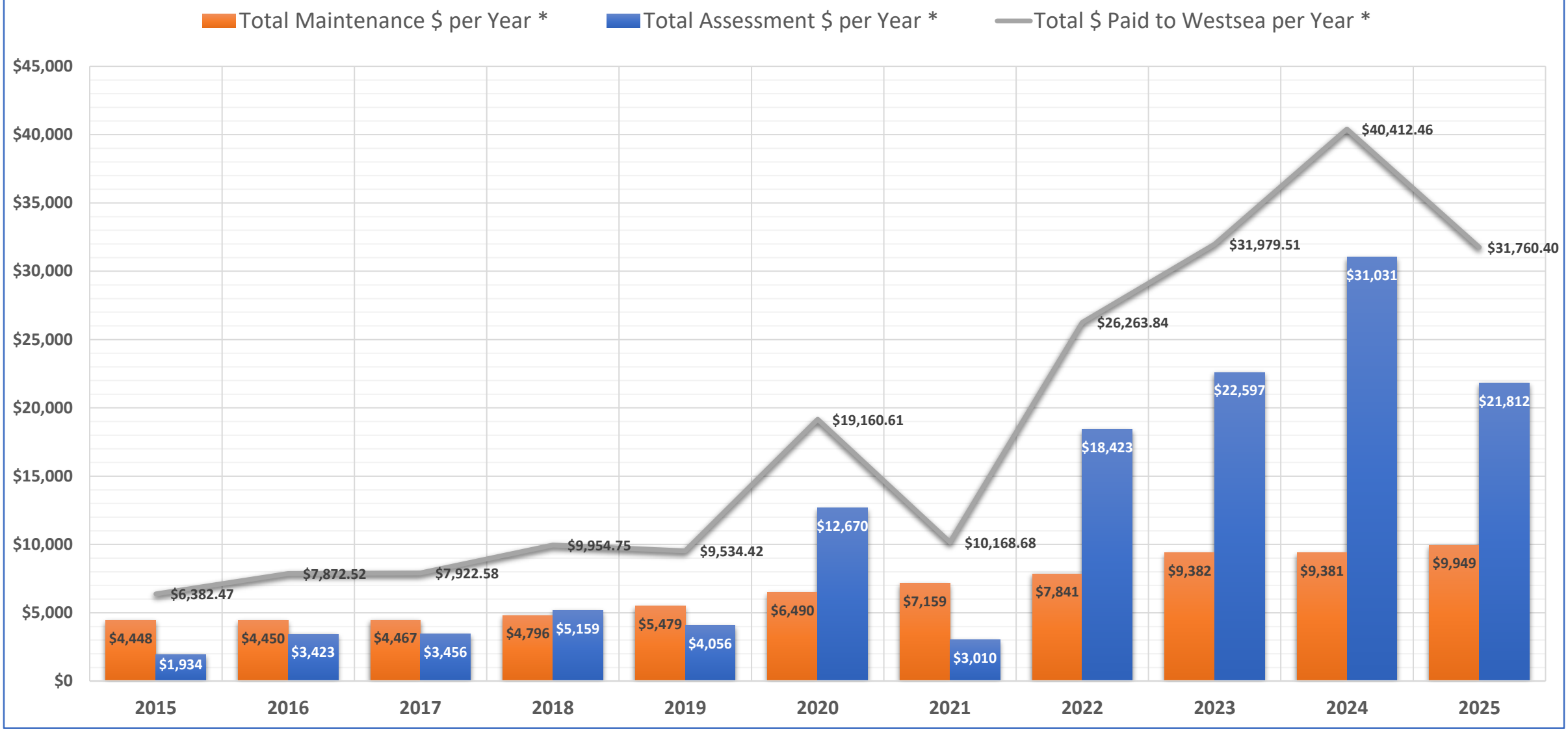
On October 23, 2026, leaseholders were notified **that monthly maintenance fees** (for regular operating expenses) in 2027 would be **increasing by 41.9 percent** from the previous year with not one word of explanation for this outrageous demand.

Note: The above numbers do NOT include any $ amounts that leaseholders are also obligated to pay the bank for mortgages held on their properties.

The fees being demanded of leaseholders are excessive, unrealistic, and unmanageable and many Sun Creek leaseholders are in danger of losing their homes if they do not receive immediate help.

* This amount will vary (marginally) depending on the square footage of the suite.

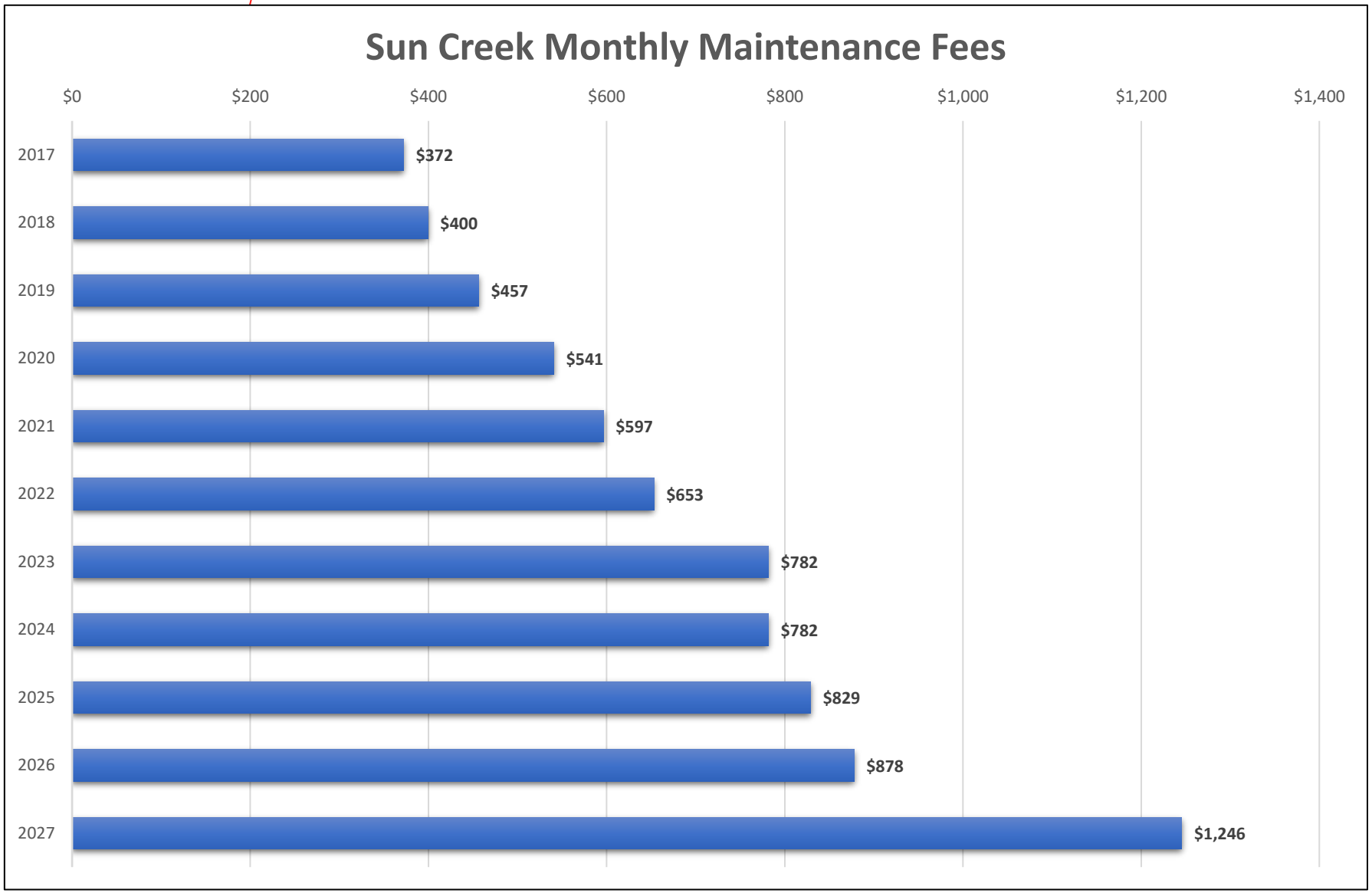
Leaseholder Fees at Sun Creek Estates



The Sun Creek estimated operating expense budget for the year 2027 is **$4,245,469** which is an increase of **$1,253,476 (41.9%)** from the previous year's budget of ($2,991,993).

This will result in an average increase of **$368*** in monthly maintenance fees from $878* (2026) to **$1,246*** in 2027.

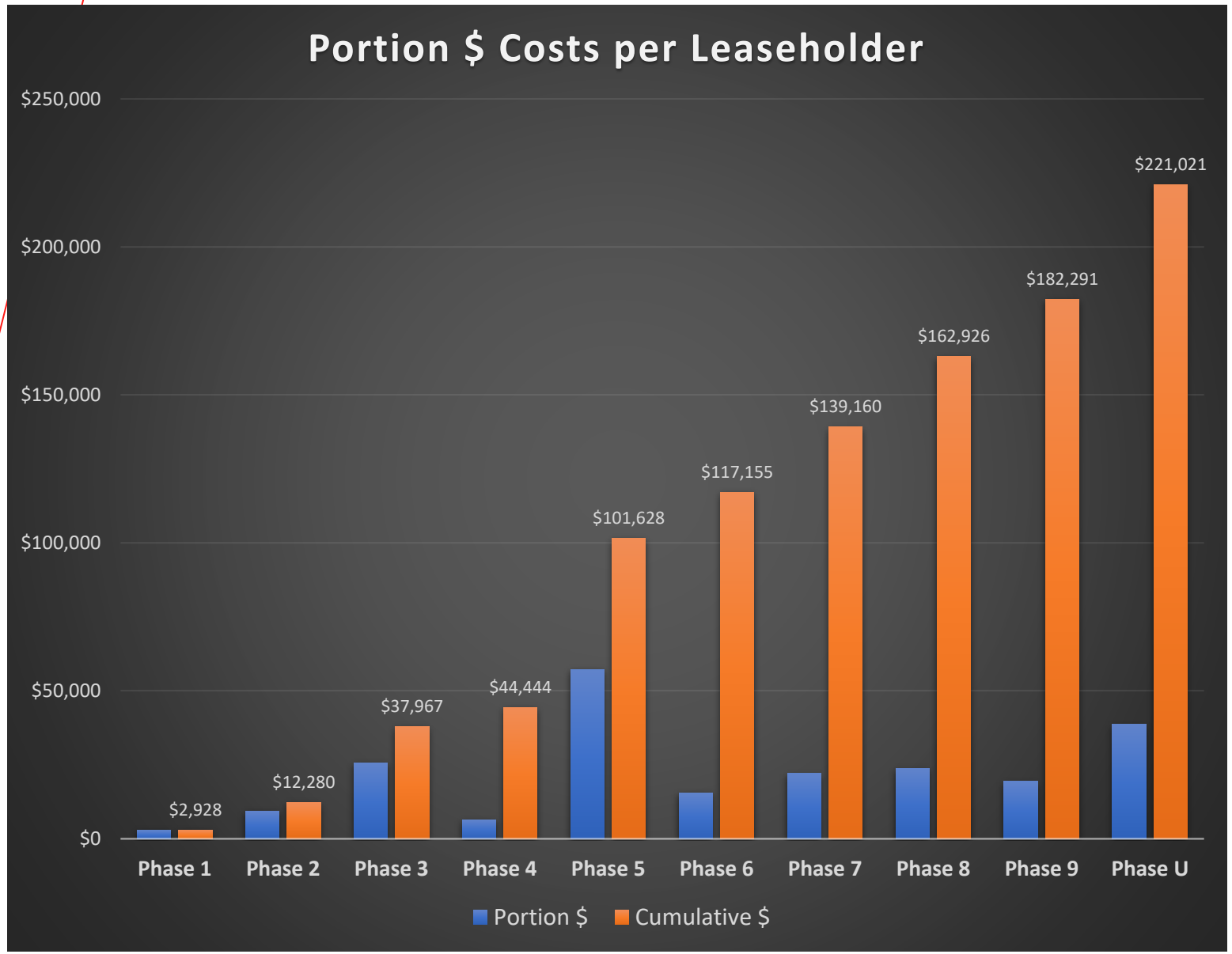
* The exact amount will vary depending on the square footage of the suite.



This chart shows the Portion $ costs that each leaseholder is required to pay* for each phase of the Project, plus the Cumulative $ amount they have already paid and will be required to eventually pay to complete the entire project.

Based on the historical data and current trends from the first half of the project, the total cost for each leaseholder in Sun Creek is projected to total **$221,021** at the completion of the project.

* This amount will vary (marginally) depending on the square footage of the suite.

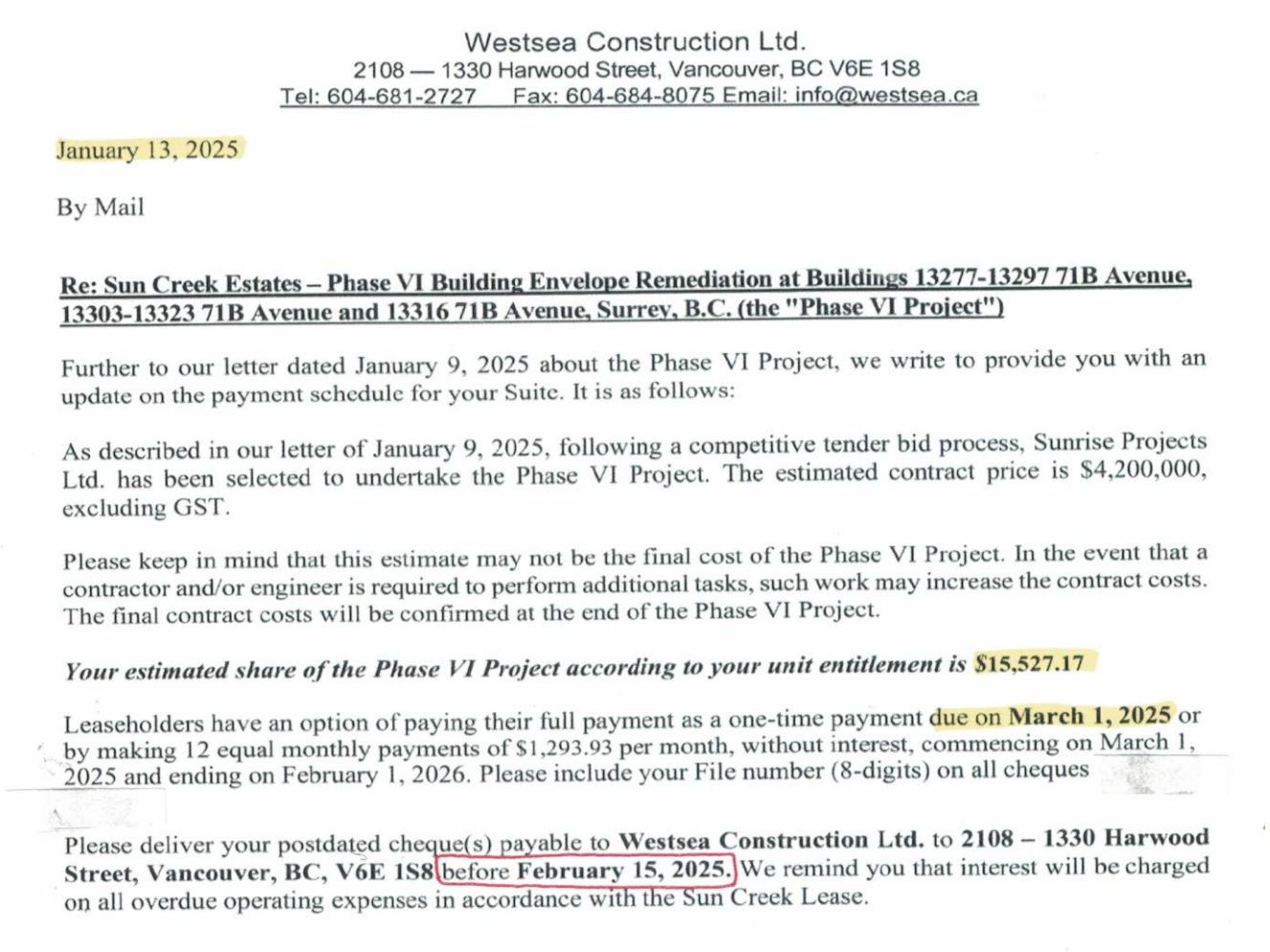


PROBLEM #2

Inadequate Time to Pay

In a recent notice of assessment for the Project VI assessment dated Jan 13, 2025, leaseholders were informed that a total of **$4.2 million** (plus GST) was needed to be paid with a proportionate share for each leaseholder of about **$15,500***. This payment would be due in about six weeks on March 1, 2025, and that cheques were expected to be delivered to the landlord **before** Feb 15, 2025, in just one month.

Leaseholders simply cannot produce funds of this magnitude at such short notice. The time notice to pay needs to be proportional to the amount requested.



Westsea Construction Ltd.
2108 — 1330 Harwood Street, Vancouver, BC V6E 1S8
Tel: 604-681-2727 Fax: 604-684-8075 Email: info@westsea.ca

January 13, 2025

By Mail

Re: Sun Creek Estates – Phase VI Building Envelope Remediation at Buildings 13277-13297 71B Avenue, 13303-13323 71B Avenue and 13316 71B Avenue, Surrey, B.C. (the "Phase VI Project")

Further to our letter dated January 9, 2025 about the Phase VI Project, we write to provide you with an update on the payment schedule for your Suite. It is as follows:

As described in our letter of January 9, 2025, following a competitive tender bid process, Sunrise Projects Ltd. has been selected to undertake the Phase VI Project. The estimated contract price is $4,200,000, excluding GST.

Please keep in mind that this estimate may not be the final cost of the Phase VI Project. In the event that a contractor and/or engineer is required to perform additional tasks, such work may increase the contract costs. The final contract costs will be confirmed at the end of the Phase VI Project.

Your estimated share of the Phase VI Project according to your unit entitlement is **$15,527.17**

Leaseholders have an option of paying their full payment as a one-time payment due on **March 1, 2025** or by making 12 equal monthly payments of $1,293.93 per month, without interest, commencing on March 1, 2025 and ending on February 1, 2026. Please include your File number (8-digits) on all cheques

Please deliver your postdated cheque(s) payable to **Westsea Construction Ltd.** to **2108 – 1330 Harwood Street, Vancouver, BC, V6E 1S8** before **February 15, 2025.** We remind you that interest will be charged on all overdue operating expenses in accordance with the Sun Creek Lease.

* This amount will vary (marginally) depending on the square footage of the suite.

PROBLEM #3

No Clarity or Transparency to Ensure Fairness

The current lack of clarity and transparency means that leaseholders have no assurance that Westsea is paying its fair portion of expenses for the 140 suites for which they retain lease assignments, nor do they know if the owner is passing on the costs incurred to generate rental income. * They are repeatedly told that **there is no provision in the lease to ask details of how money being demanded is calculated and/or spent** and they are also held in the dark about the process of how/why the contracts to perform the remedial work are awarded.

* Example: Why was $10,633 for "Advertising" included in the Annual Operating Costs for 2017?

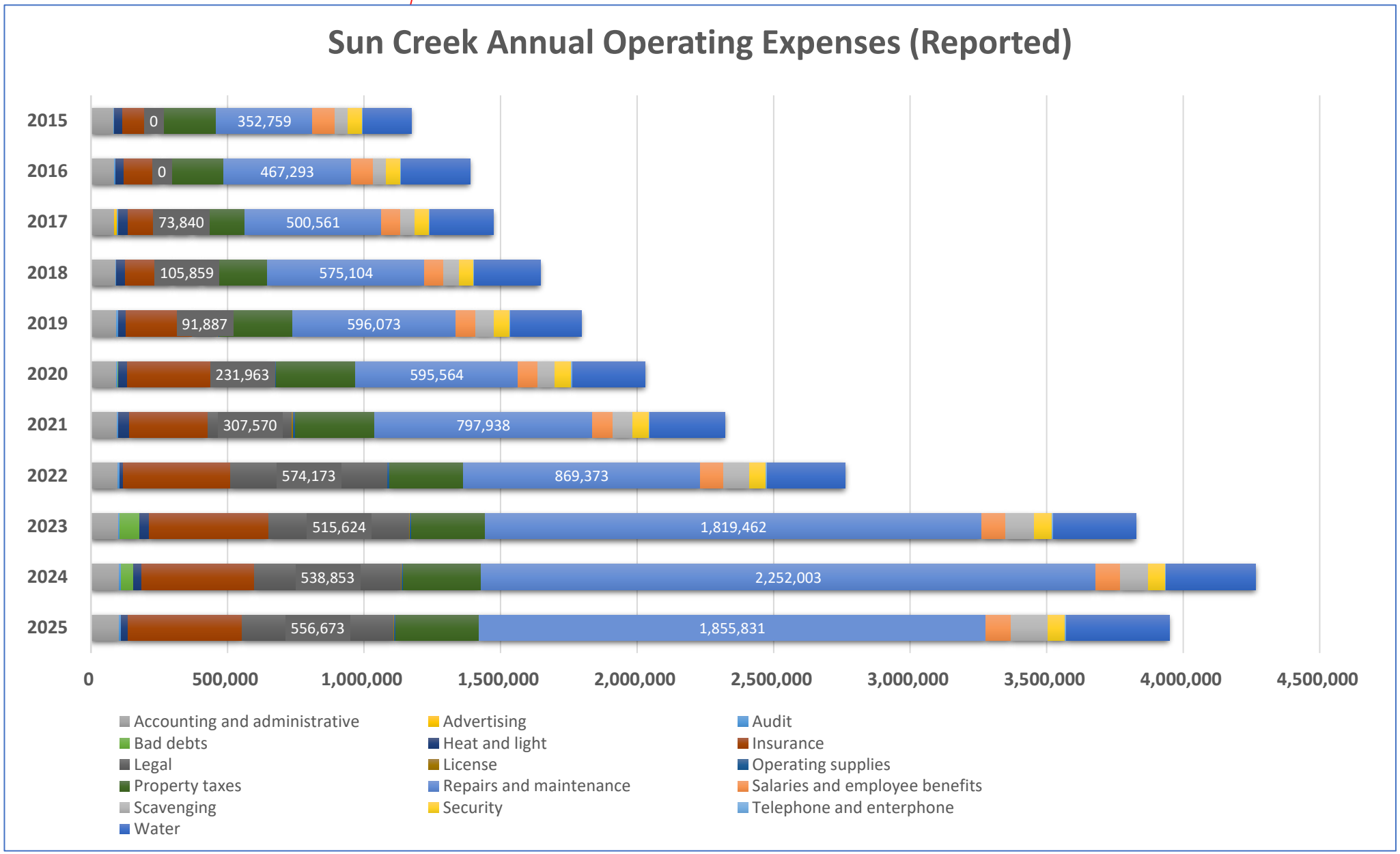
PROPOSAL: If Westsea insists on keeping its books closed to leaseholders, there needs to be a competent court-appointed neutral party that has access to the official records so that everyone can be assured that the financial statements are accurate and that everyone is being treated fairly.

This chart illustrates how regular Yearly Operating Expenses have drastically escalated over the past years.

Categories of Note:

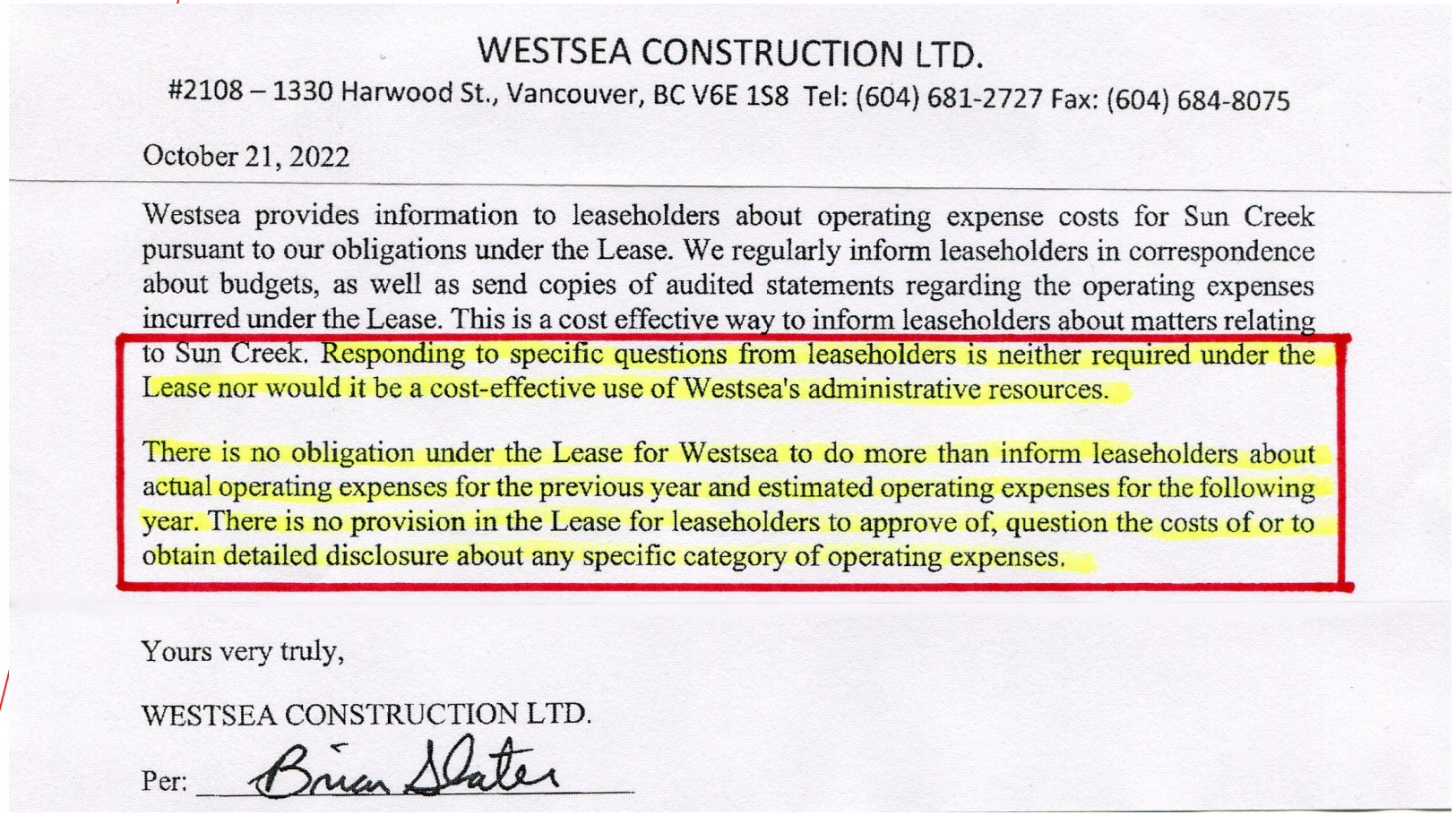
Legal charges

Repairs & maintenance



No Access to Details Relating to Operating Costs

This is a copy of the "***standard response***" that leaseholders receive from Westsea when they ask questions or seek further clarification of Operating Costs that are reported in the annual *Audited Year End Report*.



WESTSEA CONSTRUCTION LTD.

#2108 – 1330 Harwood St., Vancouver, BC V6E 1S8 Tel: (604) 681-2727 Fax: (604) 684-8075

October 21, 2022

Westsea provides information to leaseholders about operating expense costs for Sun Creek pursuant to our obligations under the Lease. We regularly inform leaseholders in correspondence about budgets, as well as send copies of audited statements regarding the operating expenses incurred under the Lease. This is a cost effective way to inform leaseholders about matters relating to Sun Creek. Responding to specific questions from leaseholders is neither required under the Lease nor would it be a cost-effective use of Westsea's administrative resources.

There is no obligation under the Lease for Westsea to do more than inform leaseholders about actual operating expenses for the previous year and estimated operating expenses for the following year. There is no provision in the Lease for leaseholders to approve of, question the costs of or to obtain detailed disclosure about any specific category of operating expenses.

Yours very truly,

WESTSEA CONSTRUCTION LTD.

Per: Brian Slater

No Disclosure of Information Relating to Legal Charges

The amounts reported being spent on **Legal Charges are especially troubling** considering that there were **$0** Legal expenses reported in the years prior to 2017, but they have now escalated to **$556,673** in 2025.

WESTSEA CONSTRUCTION LTD.

#2108 – 1330 Harwood St., Vancouver, BC V6E 1S8 Tel: (604) 681-2727 Fax: (604) 684-8075

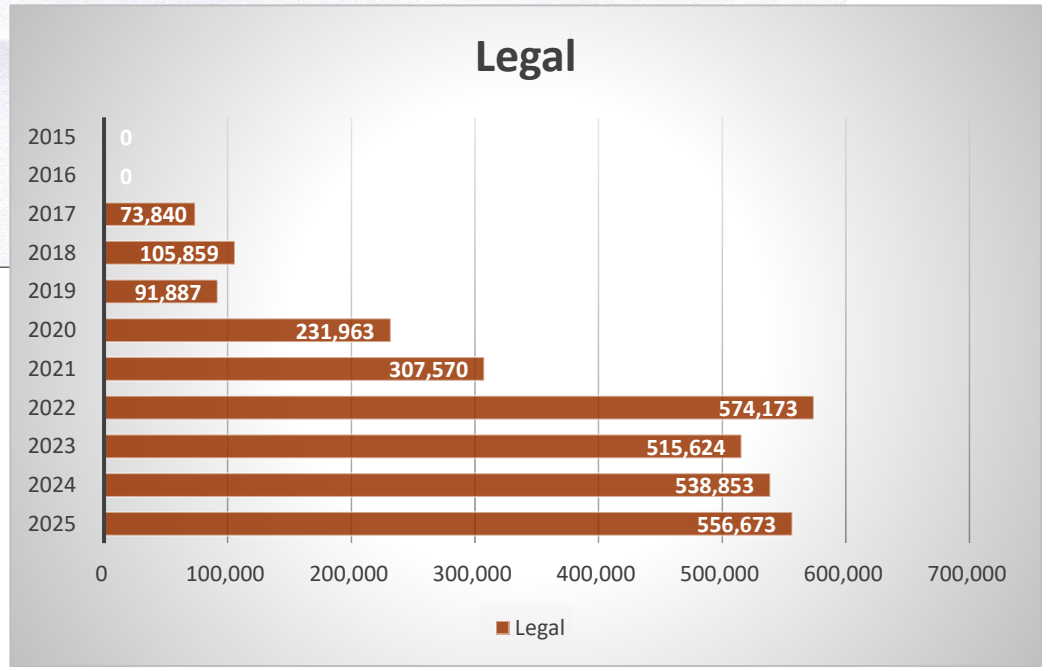
December 19, 2022

Regarding legal charges, we cannot for reasons of privilege and to protect the privacy of leaseholders and residents at Sun Creek, disclose any information about legal charges in the Schedule of Operating Costs. However, we can inform you that legal charges are necessary expenses relating to managing, maintaining and repairing a large residential apartment complex such as Sun Creek, especially when there are a number of ongoing and future remediation projects to various buildings and components.

Yours very truly,

WESTSEA CONSTRUCTION LTD.

Per: Brian Slater



PROBLEM #4

No Dispute Resolution Mechanism Available

The only dispute resolution mechanism available to long-term leaseholders is through initiating a legal case through the B.C. Supreme Court which is cost prohibitive and cumbersome for most residents in Sun Creek. To compound the problem, Westsea charges leaseholders for their legal costs by including them in the in the annual Schedule of Operating Costs. So, by going to the B.C. Supreme Court, leaseholders end up paying the costs incurred by both parties. It becomes a "no-win" situation for lessees and a "win-win" situation for Westsea.



This is a situation that denies access to justice.

CONCLUSION

Three Observations

1

THE GOOD

Sun Creek is a great place to live. The suites are spacious, well-located, and affordable. Long-term lease housing could be part of the solution for the current housing crisis.

2

THE BAD

Leaseholders have no protection against owners who charge excessive fees with no clarity or transparency. There is also no reasonable pathway for conflict resolution.

3

THE REMEDY

The B.C. government needs to act quickly to ensure that long-term leaseholders have the same protections in place that all other tenants currently enjoy in BC.

LEGISLATION IS NEEDED

… to provide the following four protections, which would help resolve the current crisis at Sun Creek Estates, and would ultimately benefit all long-term leaseholders in B.C.

1. The **amounts** that owners require leaseholders to pay should be reasonable and affordable.
2. The **timelines** to pay fees must be sufficient and manageable for people having a modest income, and proportional to the amounts demanded.
3. All financial statements must be **clear, transparent, and open to scrutiny**, so fairness is ensured, and an atmosphere of trust is maintained.
4. A **mechanism for resolving disputes** must be available that is fair and reasonable to all parties.

THE FUTURE

Long-term leaseholders in B.C. have been actively seeking help from their elected officials for many years, but with limited response. Those living in Sun Creek are just one example of people in desperate need of your help!

Long-term leaseholders in BC have been seeking to be treated with the same fairness and dignity as other residents living in this province. Will you join them on this path?

