

Four-Step Approach to Managing a Major Repair



Homeowner
Protection Office
Branch of BC Housing

This bulletin outlines the basics of a four-step approach to managing a major repair: problem assessment, solution development, repair implementation and ongoing maintenance.

STEP 1 – PROBLEM ASSESSMENT

Most major condominium repairs are required because of a failure of the building envelope. The strata council, usually with the assistance of their property manager, will deal with initial issues of the reported problems, arrange for emergency repairs, determine when an assessment of the building envelope is warranted and prepare an information package to owners before involving them in informational and decision-making meetings.

Common visible symptoms indicating water problems include:

- water flowing down sides of buildings
- water stains appearing on the insides of walls, ceilings or inside foundations
- pools of water on decks or balconies
- windows that are wet on the inside
- mold or fungi formation, and
- wood rot.

Problems will often be reported by owners through maintenance inspection reports or possibly an inspection report for a prospective buyer. There are also emergency situations requiring immediate attention. Your property manager will have telephone numbers of emergency contractors who can assist you in mitigating damage to your building.

Getting Expert Advice:

Once it has been recognized that the problem involves more than minor repairs, the strata corporation needs to obtain expert advice. At this point, there are two types of advice that should be sought:

- advice on legal issues, and
- advice on the building envelope.

It is important to carefully select professionals who can provide the advice. They are critical to the overall success of the major repair and the possible recovery of costs. The strata corporation members who search out the experts need sufficient time to do it carefully.

Legal Advice:

The strata corporation needs legal advice as early as possible with respect to the following issues:

- ensuring that all the actions of the strata corporation comply with the *Strata Property Act*
- obtaining suggestions for choosing a building envelope professional
- reviewing the contract for the building envelope consultant's services
- assistance in preparing a claim for the insurer
- assistance in preparing a notice to a warranty company and the developer, and
- investigating possible cost-recovery options.

(See the HPO information bulletin entitled "Selecting a Lawyer" for more information.)

Building Envelope Advice:

The strata corporation needs advice from a qualified professional in evaluating building envelopes. Initially, their role is to assess the condition of the building envelope and suggest remedies. If the strata corporation initiates a cost-recovery process, the building envelope consultant will be required to supply an "expert opinion" for any legal proceedings. If the strata corporation does not have a credible expert, their case may be harmed.

The building envelope consultant hired by the strata corporation will use a variety of techniques and testing devices to determine:

- how the water is getting in
- why it is not draining
- what path it is taking once it is inside the walls, and
- how much damage has been done to the building.

(See the HPO information bulletin entitled "Selecting a Building Envelope Consultant" for more information.)

STEP 2 – DEVELOPING THE SOLUTION

Once the building envelope investigation is done, the strata corporation needs to make decisions about the repairs, financing and a legal strategy if seeking cost recovery. They will need to have a general meeting to obtain these approvals, and ensure that owners are thoroughly informed of all the issues beforehand.

The tender package will be produced and a decision will be made about the best process for obtaining bids from construction companies.

The report prepared by the building envelope will identify causes and suggest remedies for repairing the problem.

People who have been involved with major repairs - professionals, property managers and members of strata

councils - often experience frustration with strata owners who believe there is a "magic elixir" that can be painted on the walls, solving all their problems. The key to evaluating repair options is being informed, asking relevant questions and hiring qualified professionals.

Some questions to ask are:

- Will the building be restored to its "original, as new" condition? This might be logical if the problems were related to workmanship alone. If design issues contributed to the problem, there is no point in rebuilding something that didn't work the first time.
- Has the consultant explained how the reconstructed building envelope will handle rain penetration?

Discussions regarding the proposed repair options should include evaluating their suitability using the principles for water control within the building envelope called the 4D's:

- **Deflection** - features to deflect water away from the building. This is achieved by designing to limit the exposure to rain, for example; roof overhangs, flashing with drip edges to direct the water off the face of surfaces of the exterior building.
- **Drainage** - assemblies that re-route water that has entered the system back to the outside
- **Drying** - ventilation features to dry out materials that get wet
- **Durability** - using materials that resist decay caused by moisture

STEP 3 – IMPLEMENTING THE SOLUTION

The quality of construction is a serious consideration in a major repair. Hiring a good contractor to do the repairs ensures the best possible outcome of your investment.

(See the HPO information bulletin entitled "Selecting a Licensed Building Envelope Renovator".)

The Tender Package:

To tender means to offer. The tender package is all the documents that describe the work to be done - the specifications of the work, the drawings, the contracts that will be used, etc. - together in a package that is offered to construction firms for their bid.

The construction contract is part of the tender package. The parties to this contract are the strata corporation and the contractor who is successful in winning the contract. In most cases, the construction contract is a standard form created by the Canadian Construction Documents Committee (CCDC contracts).

These standard forms represent years of extensive input from experienced and knowledgeable experts from various sectors of the construction industry. They are intended for use by owners, design professionals and contractors. In all cases, the strata corporation lawyer should review the contract to ensure the interests of the strata corporation are protected.

Co-ordinating the Project:

The strata corporation will enter into contracts with their contractor, building envelope consultant, and possibly other architects and/or engineers. One of the professionals (a building envelope consultant, architect or engineer) will administer the construction contract and provide on site quality assurance.

STEP 4 - ONGOING MAINTENANCE

After repairs are completed, final inspection and reviews will be conducted. Accounts will be audited and a summary of all money collected for the major repairs and how it was spent will be presented to the owners. A project completion package put together by the building envelope consultant should be handed over to the strata corporation at the end of the major repair project. It should include building envelope maintenance and renewal plans, as-built drawings and warranties.

Warranty:

Since September 30, 2000, repair contractors who perform building envelope renovations must be licensed by the Homeowner Protection Office and provide mandatory, third-party warranty insurance on applicable building envelope renovations. In geographic areas where building permits are not required for such building envelope renovations, licensing and warranty insurance must be in place prior to the commencement of the renovations.

Minimum coverage and standards for warranty insurance covering building envelope renovations are set by regulations. The minimum coverage always includes 2 years on labour and materials and 5 years on the building envelope including water penetration.

Maintenance is not just repairs. It includes searching out and testing components that may not show any signs of problems.

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