

Reduced rates as part of Annual Returns Filing

The Commission of Strata Corporations is announcing a reduction in the rates for annual fees, from 0.4% to 0.25% of the unimproved land value. Annual Fees, which are due April 1 each year, is a component of the Annual Returns filing for Strata properties.

Under the Registration (Strata Titles) Act, Section 4 (5), it is mandatory that all strata corporations register annually with the Commission of Strata Corporations and pay the prescribed annual fee. Since the inception of the Commission in 2010, that fee has been 0.4% of the unimproved value of the parcel of the land on which the strata is located. This value is typically determined by the National Land Agency (NLA).

However a revaluation exercise by the NLA led to significant increases in most cases, in those values effective April 1, 2017. While the Commission, maintained the fee structure for 2017/2018, being mindful of this increase, it sought and received permission to revise the rates charged, from 0.4% to 0.25% for the 2018/2019 financial year.

It should be noted that no strata unit owner will be required to pay in excess of \$12,000 per year for each unit towards the annual fee, when apportioned according to unit entitlement. If any proprietor is expected to pay in excess of \$12,000, he or she is asked to contact the Commission for an adjustment to be made.

“The Commission has no power or control over land values and it is indeed noteworthy that while it may be necessary to seek rate increases from time to time in keeping with inflation and operational costs, we have reduced ours, as a way of cushioning the blow to our clients,” explained Mr. Ainsworth Norton, Manager of the CSC Inspectorate. It should be noted that due to the increase in the land values, proprietors are still likely to see a net increase in their annual fees, despite the lowered percentage by the Commission.

Aside from the annual fees, strata corporations are required to submit as a part of their annual returns filings: minutes of annual general meetings, name of executive committee members, certificate of insurance, and audited financial statements or statements consistent with generally accepted accounting principles.