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resources on the CCI National website <https://cci.ca/resource-centre> plus a listing of educational events across all CCI Chapters <https://cci.ca/events/upcoming-events> that all CCI Manitoba members are eligible to attend.

Some self-study can also be done by becoming familiar with the Manitoba Condo Act and Regulation <https://www.gov.mb.ca/condo/> or by reviewing your own Declaration and Bylaws.

QUOTES FOR SPECIAL PROJECTS OR SERVICES

One of our members sent us the following email

"I'm curious if there is a standard SOC sheet or a scope of work required sheet which a condo corp can use when asking for bids on this work to be done.

This is an annual requirement, so in my mind, it makes sense to have everyone quote on the same type of work and in the same order so we as a board are comparing apples to apples.

Is there something out there in Condo Land?"

Comparing quotes from different service providers can be difficult because they often quote slightly different services. This makes it difficult for Boards to evaluate the quotes and make decisions promptly. There are a few means to reduce this difficulty, such as using a statement of work (SOW), a request for proposal (RFP) or even defining a CC policy so that you are consistent year over year for seasonal services. They would be useful to have when seeking quotes for services such as

- Lawn care - what is included in core service and what is extra charge? Weeding, fertilizer, aeration, weed killer, pruning
- Snow removal - what time will they show up and after how many cm of snow? Do they pile it up or haul it away by default? Do you define where you want it piled up and what areas you want shoveled? Does the service include sanding?
- Deck refinishing - options include sanding, stain colours, board replacement, levelling, etc
- Inspections of critical infrastructure
- Major renovations or additions

For all of these, it is useful to have a SOW or RFP to provide to all of the bidders. Assuming all bidders use the SOW or RFP (sadly, this is not a given), it should be much easier to evaluate and compare the bids to make a good and timely decision.

CCI MB NEWSLETTER COMMITTEE 📧

¹ Winnipeg condominium owners call for regulations and taxes on short-term rentals Sean Kavangh CBC News 2021-05-18 <https://www.cbc.ca/news/canada/manitoba/winnipeg-short-term-rentals-airbnb-condominiums-damage-crime-1.6031966>

² What condo owners can do to oust short-term rentals from their buildings CBC News 2019-08-07 <https://www.cbc.ca/news/canada/nova-scotia/what-condo-owners-can-do-to-challenge-short-term-rentals-1.5238097>

THE REPLACEMENT COST CHALLENGE

According to Statistics Canada, the year over year increase in construction costs in a single-family home was an average of 14.6%. In Winnipeg, the quarterly increase was 3.5%.

It is no secret to anyone in the development or construction business that multi-family residential construction costs are rising due to the global pandemic's impact on labour and material costs. Labour costs are impacted by the requirements of social distancing which has resulted in reduced productivity. Material costs for lumber have increased due to plant shutdowns and increased product demand as homeowners divert their planned travel dollars into home reno dollars.

A recent report by RE/MAX revealed that more than half of Canadians renovated their homes in 2020. Anyone who has built a fence or a deck will confirm that lumber costs have skyrocketed. And while the cost of lumber is coming down, (the cost of 8 foot-long two by fours dropped from a record cost of \$2,100 per thousand board feet in late April 2020 to \$1,300 per thousand board feet in June of 2021), construction costs are not expected to return to pre-pandemic levels for quite some time. Certainly not in 2022 according to experts. Further, it is not only lumber pricing that has been impacted, costs for other materials such as sheet metal and concrete, have also seen significant increases.

While this may be of interest, how does this relate to our condominium community? As everyone who has taken the Condo 101 course knows, it is a requirement of Section 185 (3) of the Manitoba Condominium Act for the Board to place insurance on the condominium property on a 'replacement cost' basis¹. As you can imagine, it is challenging given these factors for the Board to insure the condominium property at replacement cost.

One solution to ensure you are meeting your obligation as a director in these challenging times is to have your building appraisal updated now. Section 185(9) of the Manitoba Condominium Act requires that an appraisal be obtained before the first unit is occupied and every five years thereafter. However, given the current volatility in costs it certainly seems prudent to revisit your appraisal now.

In the recent past, it was quite common to increase building values by 3% per year or some such other nominal factor. It is obvious that in the current situation this would not be prudent. Statistics Canada data indicates that residential construction costs in Winnipeg have increased 7.69% in the last year. This is of course an average and would vary depending upon the type of building (townhomes vs apartment-style condominiums for example) and type of construction (wood frame vs concrete).

Of course, another thing we are seeing is significant increases in insurance rates. So, it is a 'double whammy' – not only is your rate going up but your values need to be increased significantly as well. That being said, insurers do look more favourably on risks with current building valuations.

There are important conversations to be had as Boards do their due diligence when it comes to ensuring obligations are met with respect to property valuation and insurance.

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¹ Manitoba Condominium Act <https://web2.gov.mb.ca/laws/statutes/2011/c03011e.php#A185>

