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TRUSTED ADVISOR, MASTER MARKETER & SKILLFUL NEGOTIATOR!™

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BONUS REPORT: The New Urban Decay: Grow-ops and Meth Labs

This is a true story.

One Saturday morning, a property management company received a telephone call on their emergency line that there was a water leak in a building that they managed. So they dispatched a restoration contractor to mop up the water. The contractor had to access several strata lots to get the job done, and, at one unit, no one answered the door and a locksmith was called to "pick the lock". Once open, the restoration contractor stepped inside, and to his horror – a fully equipped meth lab.

The police and fire departments were called and the building had to be evacuated. The fire department's HAZMAT team gingerly dismantled the meth lab. The City then advised that the strata lot could no longer be occupied and, further, the entire strata lot has to now be "deconstructed" and rebuilt. The owner of the strata lot will be facing a cost estimated at about \$100,000 to reimburse the City and to reconstruct. On top of this will be fines from the strata corporation and other legal consequences.

No charges were pressed against the tenant as they were not home at the time of the meth lab being discovered (an interesting part of our law).

The non-resident owner was in shock to learn all this. It turns out that little was known about the tenant other than he paid cash for his monthly rent payments and security deposit.

The Plot Thickens

Non-resident owners, both strata and houses need to be aware also that most insurance policies are now imposing huge deductibles (\$50,000 in some cases) for damages arising from illegal operations. In some policies, the coverage is denied altogether. In the case of a strata, you can be sure that the strata council is not going to step up to the plate and have the strata corporation pick up the tab if your rental unit is one of these bad apples.

Also, be aware of a very significant court case recently heard in the Supreme Court of BC involving strata insurance claims. The essence of this case is that if an occupant of a strata lot is responsible for the cause of an incident and the Insurance of the strata corporation has a deductible, the owner is responsible for paying the deductible. That would be **you** if your tenant is the culprit for some incident.

The Solution

Simple. Have periodic inspections of your suite or home conducted to ensure any illegal activity is not happening. Given that the life cycle of a grow-op "crop" is 3 months, the police recommend monthly or alternate monthly inspections as a minimum*. Check with your insurance agent to determine the requirements of your policy. Many have a clause that the suite must not be left vacated and unattended for more than fourteen (14) days, to avoid the risk of loss of coverage (i.e. going away on vacation). Check with your insurance broker.

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Place quality tenants by obtaining background and reference checks. Be sure to check with their **previous** landlord for their experience, not their current landlord, as the previous landlord will be very candid with you as to how they were as tenants.

The moral of the story? Renting a home or apartment involves a lot more worry than merely getting the monthly rent given the above facts.

*Contact us for details on a great local affordable inspection service that specializes in the prevention of illegal activities in your investment home.

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wait till you hire an amateur." ~Red Adair**

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