CONSUMER TIPS

Alberta Government

Buying and Owning a Condominium

This publication is intended to provide general information only and is not a substitute for legal advice.

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The Condominium Property Act and regulation affects condominium owners, buyers, sellers and developers. This publication provides an overview of the key topics that you need to be aware of when buying and owning a condominium. It does not cover all the special circumstances or unique situations that can arise.

INFORMATION ABOUT THE LEGISLATION

The Condominium Property Act and the Condominium Property Regulation set out the rules for operating and managing condominiums in Alberta. The legislation includes

- the rights of a unit owner
- the powers and duties of a condominium corporation
- the responsibilities of a condominium corporation and of a unit owner
- rules regarding budgets and financial matters of the condominium corporation
- rules regarding bylaws, including how they can be changed and enforced
- rules about reserve funds
- responsibilities regarding management agreements, renting a condominium unit, and proper insurance coverage
- requirements for annual general meetings of the unit owners and meetings of the condominium board.

For complete information refer to the *Condominium Property Act* and regulation. They are both posted on the Service Alberta website: www.servicealberta.ca or you can purchase print copies from:

Queen's Printer Bookstore:
10611 - 98 Avenue, Edmonton, Alberta T5K 2P7
Phone: 780-427-4952

WHAT IS A CONDOMINIUM?

A condominium is a form of real property ownership that has two distinct parts: you own your condominium unit to which you get a title, and you also jointly own common property with the other unit owners in your complex.

Owning a condominium is not the same as renting an apartment where all the duties and responsibilities of running the building are handled by the building owner and caretaker. In a condominium complex, ownership responsibilities belong to you and all the other unit owners in your condominium corporation.

Some examples of residential condominiums are an apartment within an apartment building, a duplex, a bungalow, or a townhouse.

Non-residential condominiums may be commercial outlets, resorts, time shares, and bare land units.

Condominium Unit

The exact boundaries of each condominium unit are identified in a condominium plan.

When you buy a unit you acquire title to a space that is usually bound by walls, floors, and ceilings. You are responsible for the maintenance, repair and remodeling of your unit. However, you may need the board's permission to remodel your unit if the changes impact the common property.

Bare Land Units

In a bare land unit, you buy the actual land and anything built on it. Usually the exterior walls, the roof, the foundation, driveway and at least part of the landscaping are part of the condominium unit and must be repaired and maintained by the individual unit owner. However, the exterior repair and maintenance obligations of the individual bare land unit owners may be transferred to the condominium corporation through the registration of properly worded bylaws.

Common Property

The common property in a condominium complex is everything that is not within a unit identified in the condominium plan. It usually includes the space and facilities outside the condominium units, such as hallways, elevators, heating and electrical systems, laundry rooms, recreation rooms, and landscaped areas. In the case of a bare land condominium this would include such things as roads. Your share of the costs for the maintenance and repair of the common property is determined by your unit factor.

Unit factor

The unit factor identifies your portion of the joint ownership of the common property. The developer assigns a unit factor to every condominium unit when registering the condominium plan. The sum total of the unit factors for all the units in a condominium plan is 10,000. Developers must disclose how they set the unit factor. It is important to know the unit factor assigned to your unit because it will affect your condominium contributions and your voting rights.

Exclusive-use common property

You may also lease or have the right to use defined areas of the common property called exclusive-use areas with private access and use of, (i.e. the carport, parking stall or balcony next to the unit). These areas may be identified on the condominium plan or defined in the corporation's bylaws. The corporation retains the control of these areas.

Check the bylaws to see what exclusive-use areas you can access and what your responsibilities are for those areas (e.g. maintenance). You need to know if you are entitled to the exclusive use of these areas or if the area is shared with the other unit owners. Are you allowed to make any improvements to these areas? If you have any questions, check with the board, manager, or developer before you buy.

Doors and windows

All doors and windows of a condominium unit that are located on the exterior walls of the unit are part of the common property unless the condominium plan says otherwise. If the plan is silent, or does not specify whether the doors and windows are part of the unit, or part of the common property, the corporation is responsible for repairs and maintenance. However, the corporation may, by special resolution, vote to change the condominium plan so doors and windows become the unit owners' responsibilities. The special resolution becomes effective only when it receives the approval of the court and is registered at a Land Titles Office.

When considering the pros and cons of having the owner of a unit rather than the corporation (common property) pay for the repair and replacement of the doors and windows owners should keep in mind that the condominium corporation will be able to

- obtain cost savings because of bulk purchases
- raise the money over time (creating less hardship for the owner)
- negotiate and follow up with warranties and guarantees around the product quality and installation
- monitor the installation or repair to make sure it does not negatively affect the rest of the common property; and
- consider things like the integrity of the building envelope, the effect on building security, heating systems, and costs.

The condominium corporation can oversee all the above regardless of any changes in ownership of the unit. If the owner is responsible, that owner may not have the funds on hand when required and may not be able to get the same price breaks.

The owner, and future owners of that unit, will be responsible for any warranties and guarantees and will be responsible for any damage caused to the common property by the installation or repair, or by the owner's delay in completing the work.

If the condominium corporation is responsible for the doors and windows it decides, based on advice from the reserve fund study report, when the repair or replacement will be done. If the owner is responsible for the repair of the doors and windows they may be required to make repairs if the faulty door or window is causing damage to other common property, such as the wall or insulation.

Existing legislation gives the condominium corporation some flexibility if some owners have already replaced their doors and windows and the owners do not wish to now change the condominium plan. Owners can, by special resolution, pass a bylaw to change the way condominium contributions are assessed, by using a different basis than "unit factors". This allows the condominium corporation to temporarily assess a more equitable condominium contribution to those unit owners who have already paid for the repair or replacement of their doors or windows.

Insurance

Insurance on the entire structure of the condominium complex is the responsibility of the condominium corporation. (This is not always the case for bare land complexes.) The corporation must have replacement cost value insurance on the property for all perils covered by standard insurance policies. Check the policy for exclusions. There must also be insurance for any liability incurred by the board or corporation when carrying out their duties and responsibilities.

You will need to buy your own insurance to cover your personal property, personal liability, and perhaps any changes made to your unit. Check the bylaws to see if unit improvements are covered under the corporation's policy. Ask your insurance agent or broker for more information.

The condominium corporation can give you a certificate of insurance that provides your agent or broker with information about the extent of the corporation's insurance policy.

CONDOMINIUM CORPORATION

A condominium corporation is created when the developer registers the condominium plan with Alberta's Land Titles Office. The condominium corporation consists of the owners of all the units identified in the condominium plan.

As a legal entity it can sue for damages to the common property and it can be sued regarding any matter for which the owners are jointly liable. An agent or employee of the corporation can act on behalf of the corporation.

Bylaws regulate the corporation. They provide for the control, management and administration of the units, the common property and any other real and personal property owned by the corporation. A board of directors is elected by the unit owners to carry out the condominium corporation's responsibilities.

Condominium bylaws vary greatly. Some for example, may not allow children or pets to live in the complex. In other complexes if you wish to remodel the interior of your unit you may have to seek approval from the board of directors if the common property or building structure is affected. Keep a copy of any correspondence you have with the board.

Make sure you know what bylaws govern the condominium you own and your rights and responsibilities.

BYLAWS

Every condominium has a set of bylaws. When a condominium plan is registered, it may include the initial set of bylaws that govern the corporation. If not, the bylaws found in Appendix 1 of the *Condominium Property Act* apply until they are replaced. If the condominium was built before May 16, 1978, the corporation would be regulated by the bylaws found in Appendix 2 of the *Act* until they are replaced.

Owners can change the bylaws to suit their particular complex by passing a motion to adopt the changes. A special resolution, requiring the approval of 75% of the owners named on the unit titles and representing not less than 7,500 unit factors is required to make any changes to the bylaws. Changes are effective after the board registers the changes at a Land Titles Office.

Owners, and everyone occupying a unit, are bound by the bylaws of the corporation. If there is a conflict between the bylaws and the *Condominium Property Act,* the *Act* applies. The *Act* and specific bylaws give the corporation the right to impose sanctions, like fines, on owners who fail to comply with the bylaws.

BOARD OF DIRECTORS

Every condominium corporation has a board of directors elected by the owners to carry out the corporation's responsibilities. The bylaws outline how many directors sit on the board, how often they are elected, and if there are any eligibility requirements.

Directors are volunteers who agree to take on the responsibility of running the condominium for at least one term. Two thirds of the members of the board must be unit owners or mortgagees, unless otherwise stated in the bylaws. The board conducts its business by holding regular meetings, usually monthly. The board must report to the owners at annual general meetings or extraordinary general meetings.

Each director has the responsibility to act honestly and in good faith in exercising the power and in discharging the duties of the board. Every director must declare any conflict of interest and not vote on matters that may involve a conflict.

It is important to remember that the board of directors must make decisions in the best interests of the entire corporation and all the owners, which will sometimes conflict with what individual owners might want to do.

The board of director's responsibilities

The board is responsible for

- abiding by and enforcing the *Act*, regulation and corporation's bylaws
- managing, administrating and maintaining the common property
- setting and collecting condominium contributions and dealing with the financial administration of the corporation (financial statements must be prepared according to generally accepted accounting practices)
- preparing and approving an annual operating budget and reserve fund budget and providing those budgets to the owners before the annual general meeting
- placing and maintaining insurance on the property for perils covered by standard insurance policies or any other perils identified in the bylaws and the regulation
- placing and maintaining liability insurance for the board or corporation with respect to carrying out their duties and responsibilities
- establishing, maintaining, and administering the capital reserve fund and preparing and distributing an annual report on the reserve fund to the owners
- conducting a reserve fund study every five years and preparing a reserve fund plan
- hiring and supervising employees, contractors, and a condominium manager or management company
- reviewing and updating the bylaws and, with proper notice, presenting the changes to the owners for approval
- holding an annual general meeting and reporting on their stewardship of the corporation
- responding, within 10 days, to a written request from an owner, purchaser, or a mortgagee of a unit, for information on contributions due and payable, copies of agreements, bylaws, minutes of the board or general meetings, budget, recent financial statements, insurance, and the reserve fund study report or plan or annual update (if available), as required under the *Act* and the regulation.

The board may charge a reasonable fee for these documents.

CONDOMINIUM CONTRIBUTIONS (FEES)

The condominium corporation needs money to meet its financial obligations – paying for insurance premiums, snow removal, grass cutting, repairs to common property, reserve fund, etc. The main source of income for the corporation is the money paid by the owners in their condominium contributions (often referred to as a condominium fee).

Contributions are normally set annually and paid monthly, however the board can levy special assessments (one or more lump sums) if the corporation needs to raise extra funds to meet its obligations.

The board sets contributions by taking into consideration the budgeted needs of the corporation and the unit factors (for each unit). Corporations can change the formula for allocating condominium contributions, if the owners pass a special resolution to amend the bylaws.

Make sure you know how your condominium contributions are calculated. Be aware that condominium contributions can and do go up!

A condominium corporation has the right to collect unpaid condominium contributions. The corporation can

- ask the owner's mortgage company to pay the outstanding amounts and add it to the owner's mortgage
- require an owner's tenant to pay the monthly rent to the corporation to cover the unpaid condominium contributions
- file a caveat against the title to the unit at the owner's expense
- charge interest (up to 18% per year on outstanding amounts)
- sue the owner for all outstanding contributions, interest and its full legal fees; and
- foreclose on the title to the unit.

VOTING RIGHTS

The board of directors, elected by the owners, makes most of the decisions on the running of the corporation. As an owner of a unit you have the right and obligation to vote. Your voting rights are determined by the *Condominium Property Act,* the bylaws of your condominium corporation and by the unit factor for your condominium unit.

At most general meetings, votes are conducted by a show of hands. The bylaws clarify who has the right to vote if more than one person owns the unit.

Bylaws permit owners to ask for poll votes at meetings. In a poll vote the person's share of the unit factor assigned to the unit determines the weight of that owner's vote.

You may exercise your right to vote personally or by proxy. If you have a mortgage, the first mortgagee may have the right to vote in your place if it gives the corporation written notice of the mortgage.

If you owe money to the corporation for 30 days or more on the day before a vote, you lose your right to vote.

Owners can vote on matters presented at any general meeting and on bylaw changes, changes to the common property and other matters permitted under the *Act,* regulation and the bylaws. It is important that owners vote to elect the board of directors and to change the bylaws.

RESERVE FUNDS

The *Condominium Property Act* requires that condominium corporations establish and maintain a capital replacement reserve fund to provide for major repairs and replacement of property and common property owned by the corporation. As buildings age they need to be repaired and maintained e.g. the roof of the complex needs to be replaced. The same is true of other parts of the common property such as the asphalt in the parking lot, underground utilities, or services and landscaping. Condominium owners must pay for the repair or replacement costs of the property owned by the corporation. The reserve fund is not used for repairs or replacements that are done annually.

Condominium corporations registered before September 1, 2000 must have completed a reserve fund study and a reserve fund plan by September 2002. Reserve fund studies must be conducted every five years.

Condominium corporations registered after September 1, 2000, have two years from the registration date to do a reserve fund study and approve a plan.

The *Act* gives the board the responsibility and power to make decisions around the reserve fund. Although a responsible board will provide information to and obtain input from the owners, it need not consult the owners before making decisions on the reserve fund.

The board must

- engage a qualified person to conduct and prepare a reserve fund study
- receive a reserve fund report from the qualified person
- prepare and adopt a reserve fund plan
- provide a copy of the approved reserve fund plan to the owners before implementing the plan
- maintain the reserve fund at an appropriate level so that the corporation can meet the statutory requirements
- maintain the reserve fund in a separate trust bank account and not combine the funds with other corporation funds except when bills are paid under the reserve fund plan, and ensure all managers or other persons handling the corporation money do the same
- prepare and provide to the owners, before or at the time of giving notice of every annual general meeting, an annual report on the reserve fund; including the opening balance, money in and out, where the income came from, what money was spent during the year, and the list of property repaired or replaced and the costs incurred for the repair or replacement; and
- not use the reserve fund for “improvements” unless the owners vote by special resolution to allow it. Improvements are normally changes, enhancements, alterations or additions to the common property or property owned by the Corporation which are not listed in the reserve fund study report.

How much money should be in the reserve fund?

Each condominium corporation will have a different amount in its reserve fund. The corporation determines how much money it should have in its reserve fund by completing a reserve fund study. The reserve fund study is prepared for use by the condominium board, owners and buyers. It is not reviewed by the government.

How is the reserve fund funded?

Corporations may meet their funding requirements by

- increasing condominium contributions (permanently or for a set period)
- levying special assessments (immediately or in the future)
- borrowing money
- using any combination of the above requirements.

This gives the corporation maximum flexibility as to how and when to deal with repair and replacement costs, while at the same time enabling it to deal with any potential surprises and undue hardship for owners.

For example, if the corporation does not have enough money in the reserve fund to cover significant repairs or incurs other large unexpected expenses, the board may require each condominium owner to pay a special assessment to cover the costs.

Who can do a reserve fund study?

Only a "qualified person" can do a reserve fund study. A qualified person would be someone who, based on reasonable and objective criteria, is knowledgeable about

- depreciating property
- the operation and maintenance of depreciating property
- the costs of replacements or repairs to depreciating property.

The board has the sole responsibility and authority to hire and should obtain quotes for a reserve fund study, as it would get quotes for any other contract. When choosing the person who best meets all the requirements of the corporation the board should

- ask for verification of the person's qualifications
- ask for proof of liability insurance
- ask for and check references
- examine one of the person's other reserve fund study reports to see if it meets the corporation's needs and is understandable
- ask what follow-up assistance the person will provide
- interview the person
- ask about fees and any additional costs
- ask about time lines for completing the study and report.

Whoever is hired must provide the board with information about their qualifications and whether they are an employee, agent, or associate of the condominium corporation, its manager or maintenance provider.

Corporations with 12 or less units

In condominium corporations with 12 or fewer units, the owners have a choice on how to conduct a reserve fund study. They may hire a qualified person or they may vote (by special resolution) to let the corporation be its own "qualified person" (meaning, the owners can do the study themselves).

Condominium corporations who choose to let the corporation be its own qualified person must meet all the criteria and guidelines for the report and reserve fund plan. If the owners do not pass a special resolution, the corporation must hire a qualified person to complete the reserve fund study and report.

What is included in a reserve fund study report?

The qualified person who completes the reserve fund study must prepare a report on the common property and other property owned by the corporation to

- identify what may need to be repaired or replaced within the next 25 years
- assess the present condition of the property and estimate when it will need to be repaired or replaced
- assess the potential for increased damage to other common property and the potential cost if the repair or replacement is delayed
- estimate the costs of repair or replacement of the property, at a cost no less than current costs
- identify the life expectancy of a component if it is repaired or replaced
- identify the current level of funds in the reserve fund
- recommend the amount of money, if any, that should be included in or added to the reserve fund; and

- describe the basis for determining the current level of funds and recommend the amount of money required.

Updating the reserve fund study

Every five years, condominium corporations must conduct a new reserve fund study. Once completed, the board must develop and adopt a new reserve fund plan. Before implementing the plan it should be presented to the unit owners for their information.

A reserve fund plan

The board must prepare and approve a reserve fund plan based on the reserve fund report, decide what work to do and the order in which it will be done. The plan must show that sufficient funds will be available from the owner's contributions to repair or replace the property identified in the report.

Some questions the board needs to consider when developing the reserve fund plan:

1. How much money is needed to have sufficient funds in the reserve fund? If the report made any financial recommendations were they feasible or practical for the corporation?
2. What are the priorities for repair and replacement and what maintenance can be done to extend the life of any of those components?
3. What alternatives are available to raise the money needed to pay for the repair and replacement of property?
4. What are the practical realities, for the board and the other owners, of these funding alternatives? Will one alternative cause more hardship and community disruption than another? Is there a strong reason to choose one alternative over the other? Perhaps the board could discuss alternatives with the owners at an information meeting before making the final decision. Good community relations suggest the owners should not be surprised by the board's final decision.

Once the board has made the decision on which funding method to implement it should adopt the entire reserve fund plan and send a copy to the owners. A reserve fund plan will normally cover a five-year period, but may be updated by the board each year.

Conversions, previous rental buildings and new condominium corporations

Residential condominium conversions must have a reserve fund study, reserve fund study report and a reserve fund plan in place before the developer sells the first unit. Purchasers are entitled to inspect the reserve fund report and the reserve fund plan.

If all the condominium units are owned by one owner or a group of owners, and are used as a rental property, the condominium corporation need not have a reserve fund. However, if the owners decide to sell any of the units, the condominium corporation must complete the reserve fund study, reserve fund study report and a reserve fund plan before any unit is sold.

New condominium corporations have two years from the date of registration of the condominium plan to complete the reserve fund study, reserve fund study report, and reserve fund plan.

BUYING A CONDOMINIUM

When considering the purchase of a condominium you need to know how the complex is run and financed in order to make an informed decision. Understand what you will own before you make an offer to purchase a specific unit and what is considered to be common property that you will own jointly with other unit owners.

A condominium unit is financed the same way you would finance any other property purchase. You will probably get a mortgage through a financial institution and make a monthly payment of principal and interest.

If you are buying a new condominium from a developer, you need to find out if there is a “blanket mortgage” on the development. Seek legal advice for a complete explanation of a blanket mortgage and how it might affect you as an owner.

Whether you plan to purchase a condominium from a developer or a previously owned unit, talk to people who own condominium units in the same complex, speak to the manager or a member of the Board of Directors. All these individuals can give you good information about owning a unit in the complex and about the governance of the condominium corporation.

Some questions you should ask:

- What is the development’s history? (e.g. Are there any persistent problems with the plumbing or other utilities?)
- Does the common property appear to be well maintained and managed?
- Have any transactions taken place affecting the common property such as transfers, leases or re-division of the units?
- Do the unit owners own the recreational facilities as part of the common property, or does the condominium corporation lease them? If they are owned, are they used by anyone besides the unit owners? If they are leased, what are the terms?
- What is the current financial status of the corporation? Is the corporation operating with a surplus or deficit?
- How many of the units are unoccupied?
- How many are rented?
- Are you personally responsible for any maintenance duties?
- Are there extra parking stalls for owners? Is there enough visitor parking? Are there restrictions on visitor or owner parking?
- Is there a place to park a recreational vehicle?
- Are there any bylaw restrictions governing your use of your unit? (e.g. Can you have pets? Is there an age restriction on occupants in the complex? Can you operate your home-based business from your unit? Can you put up your satellite dish? Can you put in a hot tub?)
- How much money is in the reserve fund?
- How do the owners and board get along? Is this the kind of community you want to live in?

In addition to asking how much money is in the reserve fund you should know:

- How much of your condominium contribution (fees) goes to the reserve fund?
- When the last reserve fund study, report, and plan was completed?
- What major expenses, if any, are being considered in the reserve fund plan?
- How much money will be needed to establish and or maintain the fund to offset future replacement costs?
- How does the board plan to raise those funds (increased condominium contributions, special assessments)?

Ask for a copy of the reserve fund plan and the annual report. If you wish, you can also ask for a copy of the reserve fund study report (you may have to pay a fee to obtain these documents).

Review the year-end financial statement, the current financial statement, the current budget, the previous year’s board and general meeting minutes and check for evidence of adequate insurance coverage.

Buying from a developer

If you are buying from a developer read the documents carefully and ensure you know:

- What work remains to be done on the condominium development?
- Does your purchase agreement identify a completion date?

The developer has a duty to deal fairly with you when entering into, performing, and enforcing the purchase agreement. Before you buy, the developer must provide you with a copy of

- the purchase agreement
- the bylaws or proposed bylaws
- any management agreement or proposed management agreement
- any recreational agreement or proposed recreational agreement
- the lease, if the land on which the unit is located is leased
- any mortgage or proposed mortgage that may affect the title of the unit
- the condominium plan or proposed condominium plan
- the phased development disclosure statement if the unit is in a phased development; and
- reserve fund information if the development is a conversion.

Purchase agreement

Consult with your lawyer before you sign a purchase agreement with the developer.

The purchase agreement must include the condominium plan showing

- the interior finishing and all the major improvements to the common property within the building
- recreational facilities and other special features; and
- maintenance equipment for common property.

As well, the purchase agreement must include

- the unit factor and how it was set
- the condominium contributions for the unit (or an estimate) based on a reasonable economic basis; and
- notification on the front or first page of the purchase agreement of the consumer's right to cancel.

When you purchase a unit in a condominium complex not yet completed, the developer must hold your funds in trust until construction of the unit and common property is substantially completed. You must receive the title to your property before the money is taken out of the trust fund. Before you move in, the developer must provide you with an occupancy permit.

If the condominium development is covered by a purchaser's protection program, other rules may apply. Examples of these programs are the Alberta New Home Warranty Program and the National Home Warranty Programs. For more information contact the warranty program provider.

Cancelling your purchase agreement

If you are buying a new unit from a developer, the *Condominium Property Act* allows you to cancel your purchase agreement within 10 days from the date you signed it, if you did not receive all the required documents at least 10 days before you signed the contract. You are entitled to a full refund within 10 days after the developer has received your written notice to cancel.

Information about phased development

Sometimes condominiums are developed in phases. If you are buying a unit that is in a phased project you should obtain a copy of the phased development disclosure statement that is registered as part of the condominium plan.

The disclosure statement will include

- a statement that the building or land is to be developed in phases
- the maximum and minimum number of units in the entire project
- a description of the units and common property included in the initial phase and subsequent phases
- a description of the proposed physical appearance of each phase and its compatibility with other phases
- the extent to which the developer will contribute to the common expenses during the development of each phase and the entire project
- the method that will be used to determine the allocation of administrative costs in each phase and for the entire project
- the basis for allocating unit factors; and
- the effect on the owners' contributions for administrative expenses and the corporation's budget if future phases are not completed.

If you purchase a unit in a phased project, keep a copy of the phased development disclosure statement that was registered as part of the condominium plan. The developer cannot change the phased development disclosure statement without the consent of 2/3 of the owners who are entitled to vote under the *Act*. However developers can make changes necessary to meet zoning and municipal development requirements.

If the developer cannot or will not complete the project, the developer, the corporation, the owners or other interested parties can ask the court to make any number of orders allowed under the regulations to deal with the land and the expected improvements to the common property.

Buying a previously-owned condominium

When you buy a previously-owned condominium, you are not protected by the disclosure and trust provisions of the *Condominium Property Act.* It is your responsibility to obtain the necessary documents and information. It is best to consult with your lawyer.

When you buy your condominium from the owner of the unit, you should obtain and examine the following documents before you make your offer to purchase:

- the condominium plan plus any additional sheets attached to the plan (endorsement, registration etc.) that may be made on the plan
- the certificate of title for the unit
- information about any restrictive covenants (agreements)
- the condominium bylaws; and
- the phased development disclosure statement.

The seller, a Land Titles Office, a registry agent, the real estate agent, the condominium corporation or manager, or your lawyer may be able to help you obtain the documents.

Alternatively, you could make your offer to purchase subject to obtaining the documents and the purchaser being satisfied with their contents.

You will need to know the condominium plan number (letters and /or numbers) to obtain these documents from a registry agent. Plans registered after 1975 have a seven-digit number. Those registered before 1975 have a combination of letters and numbers. They may also have names such as “Whispering Pines”.

The condominium corporation must provide you with the following information within 10 days of your written request:

- an estoppel certificate
- any governing policies of the condominium
- the particulars of any legal action or claim against the corporation
- details of any written demand made upon the corporation for $5,000 or more
- a copy of the corporation’s current budget
- a copy of the most recent financial statement and year-end statement
- a copy of the latest minutes of general meetings of the corporation and of the board
- details of any management, recreational and lease agreements
- a copy of the approved capital reserve fund plan and annual report, including a statement identifying the amount of the capital reserve fund
- a statement setting forth the unit factors and the criteria used to determine the unit factor
- the particulars of any post tensioned cables that are located on the property
- information on any structural deficiencies that the corporation has knowledge of at the time of the request in any of the buildings on the condominium plan
- a copy of the corporation’s certificate of insurance, showing the amount of insurance on the complex; and
- a copy of any lease agreement or exclusive use agreement with respect to the possession of a portion of the common property, including a parking stall or storage unit.

The corporation may charge a reasonable fee for these documents.

Estoppel certificate

An estoppel certificate is a signed statement from the condominium corporation that certifies the information provided is correct. The estoppel certificate tells you:

- the current condominium contribution assessed to the unit
- the schedule for paying the condominium contribution (e.g. monthly, yearly)
- whether the previous owner has paid his/her share of the contributions and what remains unpaid; and
- the amount of any interest owing on any unpaid condominium contributions.

The corporation may charge a fee for the certificate.

Your lawyer can deduct any unpaid contributions from the purchase price.

As with the purchase of any building, it would be wise to have a building-inspection report on the unit, if available, or you can make your offer to purchase conditional on obtaining a satisfactory report.

Make sure you also ask for the corporation's most recent newsletter, as well as the names of the corporation's current board of directors and manager, if any, along with contact numbers.

LIVING THERE

Your rights and responsibilities

When you own a condominium unit you have the right to

- vote in matters presented to the owners for a vote
- access common areas, subject to the bylaws
- obtain information on the management or administration of the corporation
- use mediation, arbitration or court action to resolve disputes with the corporation, the board or other owners; and
- legally challenge improper conduct of a developer, condominium corporation, employee of a corporation, director, or other owner.

Along with having specific rights as a condominium owner, you also have the following responsibilities:

- to inform yourself about the *Act*, the regulation, the bylaws, the policies and the governance of the condominium corporation
- to abide by the *Act*, the regulation, the bylaws, the policies, and to have your family, tenants and guests do so
- to participate in governing the condominium corporation (E.g., attend general meetings, information sessions, and serve on the board or on a committee, vote)
- to read the minutes of the general meetings and board meetings, the budget and financial statements, the corporation's newsletter
- to express your views, provide feedback to the board when requested to do so, put any complaints or concerns in writing to the board for follow up
- to keep the board aware of circumstances in the condominium complex which might affect funding or other decisions
- to maintain your own unit and any exclusive use common property
- to obtain insurance on your unit and your own belongings
- to pay all condominium contributions and assessments on time.

Every owner should have a copy of the condominium plan, the bylaws, the *Act* and regulation. Owners can get a copy of the condominium plan and bylaws from a registry agent. You will need to know the condominium plan number (letters and/or numbers) to obtain these documents.

Resolving disputes

Be aware that the government cannot become involved in disputes between condominium owners, boards, or developers. If you have a dispute with the developer or anyone in the complex, speak directly with the person involved to try and resolve the problem. If the conflict involves the bylaws, the *Act*, the regulation or the corporation, put your complaint in writing to the board of directors. If the matter is not resolved, get legal advice.

As an alternative to court action, condominium disputes can be resolved using mediation and/or arbitration. These processes involve using an objective third party. A mediator helps the parties negotiate their own resolution to the problem. An arbitrator makes a decision after all the parties present their cases.

All those involved need to agree on the process and on a mediator or arbitrator. If they cannot agree on a mediator or arbitrator, the Alberta Arbitration and Mediation Society can appoint one for them. The parties involved pay the costs of the dispute resolution.

If an owner or any person who has a registered interest in a unit believes there has been improper conduct by the developer, a corporation, an employee of a corporation, director, or owner, they can apply to the court to resolve the problem. An example of improper conduct includes non-compliance with the *Act*, regulation or the bylaws.

Taxes

You will pay municipal taxes on your condominium unit. The current taxes should be noted in the purchase documents. It's a good idea to double check with the municipal government to confirm the taxes.

Entering the unit

No one may enter your unit without your consent or without giving you proper notice unless there is an emergency. An emergency would include the provision of water, power, and heat, or any other service that would affect other owners. If there is no emergency, you must be given at least 24-hours notice before someone can enter your unit to repair the problem. The notice must be in writing, state the reason for entry, and set a date and time for entry. The hours for entry are between 8 a.m. and 8 p.m.

Renting units

If you want to rent your unit to someone else, you must inform the corporation in writing of your intent, your future address, and the amount of the monthly rent. You must name your tenant in writing to the corporation within 20 days after the tenancy starts.

The corporation may require that you pay a deposit that could be used to repair or replace common property damaged by your tenant. The amount of the deposit cannot be more than one month's rent.

If you do not pay your condominium contributions, the corporation can direct the tenant to pay all or part of the rent to the corporation to cover your unpaid condominium contributions.

The tenant is bound by the bylaws of the corporation. If your tenant contravenes the bylaws or damages the common property or the corporation's property, the corporation can ask you to evict the tenant. It can also give the tenant and you the notice directly.

The *Residential Tenancies Act* may affect you and your tenant if you are renting a residential unit (see the Information for Landlords and Tenants publication). If there is a conflict between the *Residential Tenancies Act* and the *Condominium Property Act,* the *Condominium Property Act* applies.

PERSONAL INFORMATION

Condominium corporations are required to protect personal information under the *Personal Information Protection Act.* However, corporations can collect and use personal information that is reasonable for their business or required under the *Condominium Property Act.* For example, corporations can maintain lists of owners with contact information, record names in minutes for proper business purposes and provide copies of those minutes to other owners or purchasers under the *CPA*. The Office of Information and Privacy Commissioner has published a FAQ sheet on common questions dealing with privacy issues in condominium corporations.

RESOURCE AND REFERRAL INFORMATION

Consumer Contact Centre
Edmonton: 780-427-4088
Toll free in Alberta: 1-877-427-4088
www.servicealberta.ca

Finding a registry agent:

Service Alberta
www.servicealberta.ca>Registries>Quick Links - Find a Registry Agent

Yellow Pages
Under Licence and Registry Services

Canadian Condominium Institute, North Alberta
780-453-9004
www.cci-north.ab.ca

Canadian Condominium Institute, South Alberta
403-253-9082
www.cci.ca/southalberta

Canada Mortgage and Housing Corporation
1-800-668-2642
www.cmhc-schl.gc.ca
Consumers - Buying a Home

Office of the Information and Privacy Commissioner
Personal Information Protection Act - FAQs for Condominium Corporations
http://pipa.alberta.ca/faqs/pdf/CondoFAQs.pdf

Canadian Home Builder's Association
1-800-661-3348
www.chbaalberta.ca

Real Estate Council of Alberta
1-888-425-2754
www.reca.ab.ca

Alberta Arbitration and Mediation Society
1-800-232-7214
www.aams.ab.ca

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www.anhwp.com

Aviva Insurance Company of Canada
1-800-363-6330
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The Guarantee Company of North America
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www.theguarantee.com

Travelers Insurance Company of Canada
1-800-555-9431
www.travelerscanada.ca

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01/16