



# Condo Buyer's Guide



[www.condoauthorityontario.ca](http://www.condoauthorityontario.ca)

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# Introduction

In Ontario, more home buyers than ever are considering condominiums as an alternative to freehold home ownership.

There are already over 800,000 condo units and over 1.6 million residents in the province, and almost 60 per cent of new homes built in Ontario are condos.

The Condominium Authority of Ontario developed this Condominium Buyer's Guide to help potential condo buyers understand what condo ownership means, and to provide some background information to help you decide if condo ownership is right for you.

**+800,000**  
condo units

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**1.6 million**  
residents

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**Almost  
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# What is a condo?

The word “condo” means many different things to different people. When some people hear the word “condo,” they immediately think of high-rise buildings dotting the skyline. While high-rise condos are certainly common, condos can come in all shapes and sizes, including:

- Low-rise buildings
- Townhouse complexes / semi-detached homes
- Fully detached homes
- Mixed residential and commercial buildings
- Commercial lots or malls

In fact, the word “condo” refers to a specific type of property ownership rather than a specific type of building. Almost any type of property you can imagine can be a condo – for example, there are many condominium corporations that have no residential units, and there are even some condos that are parking lots.

There are two types of condos that people can buy:

- 1 | “New condos”** are units that have recently been built and have never been occupied. Many people purchase condominiums while the development is still in the planning stage - usually from plans and typically directly from a condo builder. Here are some considerations for new condos:
- They may be less expensive because you are usually buying the unit based on a plan and before it has been built
  - You may have different floor plans or layouts to choose from and you may be able to choose a unit based on its view or location (e.g., if you prefer being on a higher or lower floor)
  - You may be able to make specific choices about finishes (e.g., choosing a specific colour or type of flooring, tile, kitchen cabinets, etc.)
  - It may take time until you are able to take occupancy or ownership of your unit. It is not uncommon for construction to take several years, and there can sometimes be unforeseen delays (e.g., with obtaining materials needed to complete the buildings, or with obtaining permits or approvals)
  - New condos in Ontario are covered by a warranty backed by [Tarion](#) under the [Ontario New Home Warranties Plan Act](#). This warranty also covers things like deposit protection, and compensation when you are unable to take occupancy of your unit because of delays
  - Condo projects can sometimes be cancelled (e.g., if the developer is unable to secure financing for the project, or if not enough units are sold). In these instances, any deposits or other money collected will be refunded
  - When you buy a new condo, you are entitled to receive a disclosure statement. If there are material changes to the disclosure statement after you receive it, you can back out of the purchase agreement
  - The potential common expenses fees that you may pay are usually estimates based on the prospective budget of the corporation and may not account for all the corporation’s costs once construction is completed





**2 | “Resale condos”** are units available for sale by the current owner (who typically lives in or rents out the unit). Here are some considerations for resale condos:

- You can see the unit before you buy it, and can take a tour to learn more about the condominium corporation and its common elements
- It may be easier to find a condo corporation and a community that has all the amenities to fit your needs and lifestyle (e.g., using services such as Realtor.ca, or through a real estate professional)
- You can review the condominium corporation’s documents (including its budget, declaration and description, by-laws, and rules) to understand how they operate
- You can carefully review the corporation’s declaration and description to understand what types of changes you can make to the units or common elements
- You may be able to get a better sense of the location and surrounding community for resale units, as they are often located in established areas
- You can and should review the condo corporation’s financial documents, including its budget and reserve fund, before you buy the unit. You can also research whether the corporation has a history of imposing special assessments to pay for unforeseen repairs
- With resale units, you will be able to get a more accurate sense of the common expenses fees you can expect pay, because you can see the history of actual common expenses payments for the unit

There are certain things you should consider depending on the type of condo you are looking to buy. For more information, please refer to the **Buying a Condominium** section of this guide.











## What are condominium corporations?

Condo units don't just exist in a vacuum – instead, every condo unit is a part of a **condominium corporation**. A condominium corporation is a legal entity that is created when the condominium corporation is registered at a land registry office.

When you purchase a condo, you become a part of a condominium community. That means that you are required to abide by the ***Condominium Act, 1998***, as well as your condo corporation's declaration, by-laws, and rules (commonly referred to as your corporation's governing documents).

For more information on governing documents, refer to the **Condo Governance** section below.

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## Did you know?

There are over 11,000 condominium corporations in Ontario, and they are all required to file Returns containing information about the corporation with the Condominium Authority of Ontario (CAO).

The CAO publishes that information on its Public Registry, providing condo buyers and owners with easy access to information all condominium corporations across Ontario.

Looking for information on a particular condominium corporation?  
**[Visit our Registry here!](#)**







## What do you own?

When you purchase a condo, you are purchasing more than just your individual unit. You also share ownership of the condominium corporation's common elements and assets with the other owners of the condominium corporation. That means that you are all jointly responsible for the costs associated with their repair and maintenance, in accordance with the proportion of your ownership interest set out in your condominium corporation's declaration.

## What are common elements?

**Common elements** are the parts of the condominium corporation that are jointly owned by all the owners. Examples of common elements include your building lobby, hallways, elevators, stairways, pool, gym, party room, gardens, parking lot, and/or other amenities. They may also include structural elements (like the walls between the units) and things like plumbing and electrical work.

## What do you pay?

Once you have purchased your condo, you will be required to pay what are called **common expenses fees** (otherwise commonly known as condo fees or maintenance fees). These fees are usually paid monthly, and are used by the corporation to pay for things such as:

- The cost of repairs and maintenance to the common elements
- The cost of your condominium manager or management service provider
- The condominium corporation's insurance policies
- Utilities costs (depending on whether owners pay directly or a share)
- Services, such as garbage or snow removal
- Payments to vendors (e.g., cleaners, landscapers, elevator repair / maintenance, etc.)

A portion of your common expenses fees will be set aside and added to your condominium corporation's reserve fund. A reserve fund is a bank account that all condominium corporations are required to maintain, and which is used to pay for major repairs to the common elements.

Unfortunately, sometimes the corporation will need to perform unanticipated repairs or maintenance. If the reserve fund doesn't have enough money to pay for these repairs, all of the owners must pay a portion of the total costs, either as a lump sum or in installments. These unexpected amounts are called special assessments and can sometimes cost thousands of dollars.

For more information on common expenses fees and special assessments, [please visit this page on the CAO's website.](#)

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## Your role in the condo community

Being a condo owner means that you have certain rights and responsibilities. Along with your fellow owners, you are responsible for making many important decisions in your condominium corporation. You can participate in the decision-making process by:

- Attending and voting at your condominium corporation's owners' meetings
- Participating in the election of your condo corporation's board of directors
- Serving on your condo corporation's board of directors yourself

While serving on the board may not be right for everyone, it is important for you to attend owners' meetings held by your condominium corporation (or send an individual authorized to act on your behalf called a proxy) whenever possible. Owners' meetings, like your condominium corporation's annual general meeting, are an important opportunity for you to make your voice heard. You must comply with the decisions made at these meetings, regardless of whether or not you attended.

It is important to read the minutes of meetings and other information sent to members (e.g., the condo newsletter), as well as the corporation's budget and financial statements.

While many decisions must be made by the owners, some of the most important decisions are made by the condominium corporation's board of directors.





# Condominium Governance

## The role of the board

The **board of directors** is a group of people that is responsible for governing the corporation and for the management of the corporation's affairs. The board of directors plays a critical role in supporting a positive, healthy condominium community and for ensuring that the corporation and its assets are well managed and maintained. The board is responsible for things such as:

- Setting the corporation's annual budget
- Making most decisions about how the corporation will spend its money, including selecting contractors or service providers your corporation will work with
- Hiring and overseeing the work of a condo manager

A condo corporation's board is usually made up of owners in the corporation (but there may be non-owners on some boards as well), and they are almost always elected by the owners. Directors serve for defined terms (usually three years at a time, but they can be shorter depending on a corporation's by-laws), and must seek re-election when their term expires if they want to remain on the board.

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## Did you know?

All condo board members (other than the members of the developer or declarant-controlled board) are required to complete training provided by the CAO within six months of being elected or appointed to the board if they join the board on or after November 1, 2017.

This training is designed to ensure that directors understand how condominium corporations operate, and their role in managing the affairs of the corporation.

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## The role of condo management

Many condo corporations decide to hire a **condo manager** (or a condo management provider) to oversee the corporation's day-to-day operations. The manager is accountable to the board of directors of the condo corporation.

Different condominiums have different management needs depending on the size, age and nature of the property. A condo manager's range of responsibilities may include:

- creating and maintaining records for the condo corporation
- responding to owner complaints
- coordinating the maintenance and repair of the property
- hiring and monitoring the performance of service providers
- preparing draft annual budgets and monitoring the reserve fund
- preparing status certificates
- issuing meeting notices and reporting on the affairs of the corporation
- organizing board meetings and overseeing administration of all owners' meetings
- monitoring the corporation's insurance
- preparing financial reports and arranging for audits
- collecting common expense fees
- advising the board on its financial responsibilities (e.g. contributions to the reserve fund, long-term reserve fund planning)
- advising the condo board on its obligations under the [Condominium Act, 1998](#)



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## Did you know?

Condominium corporations can only hire licensed managers or management service providers to manage the corporation.

The Condominium Management Regulatory Authority of Ontario (CMRAO) is responsible for administering mandatory licensing and professional oversight for condo managers and management providers. They also ensure that only qualified people with the appropriate training and experience hold a licence.

For more information on the CMRAO, [visit the CMRAO's website](#).

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## The role of governing documents

When you purchase a condo, you become a part of a condominium community. That means that you are required to abide by the [Condominium Act, 1998](#), as well as your condo corporation's declaration, by-laws, and rules (commonly referred to as your corporation's **governing documents**).

Among other things, a condominium corporation's declaration sets out:

- The proportion in which the owner of each unit contributes to the common expenses
- The responsibilities of owners and the condominium corporation to repair and maintain the units and common elements

A condominium corporation's by-laws govern how the corporation operates, and can cover things such as:

- The size of your condo board, and the process for electing directors
- The format of board meetings
- When/how the condo corporation can borrow money

Finally, a condominium corporation's rules govern what the owners and other occupants can and can't do in the condo community, and can cover things such as:

- When you can use the amenities
- What type or size of pets owners can (or cannot) have
- Whether you are allowed to use your unit for short-term rentals (e.g., through services such as Airbnb)
- Whether you are permitted to smoke tobacco or cannabis in your unit







## The role of the Condominium Authority of Ontario

The **Condominium Authority of Ontario (CAO)** was established in response to a call from condominium communities across the province for more information and more ways to solve issues and disputes.

The CAO is a non-profit organization with responsibilities under the **Condominium Act, 1998**. The CAO's role is to support condominium living by providing services and resources for condo communities. These include:

- easy-to-use information to help owners and residents understand their rights and responsibilities
- mandatory training for condo directors
- resources to help condo owners and residents resolve common issues
- an online dispute resolution service through the **Condominium Authority Tribunal (CAT)**
- the CAO's Public Registry, which contains and displays information filed with the CAO through returns and notices of change

In addition to periodically filing returns and notices of change, every condominium corporation must pay an annual assessment fee to the CAO. The assessment fee is charged on the basis of \$1 for each voting unit in the condominium corporation, per month (or \$12 per voting unit per year). The total assessment amount for the corporation is added to the common expenses fees and allocated to each owner based on their "unit factor," which can be found in Schedule D of the condominium corporation's declaration (for more information on unit factors, please refer to **Step 1 – Your Budget** below).

To learn more about the CAO, [please visit this page on our website.](#)

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## The role of the Condominium Authority Tribunal

The **Condominium Authority Tribunal (CAT)** is a part of the CAO. It is Ontario's first tribunal dedicated to resolving condo disputes and is Canada's first fully online tribunal. The CAT has developed an online dispute resolution system (CAT-ODR) to help people resolve their disputes conveniently, quickly and affordably, while encouraging everyone to work together in healthy condominium communities.

The CAT can only accept cases dealing with issues specified in regulations under the **Condominium Act, 1998**. Currently, the CAT can accept cases related to disputes involving condominium corporation records under section 55 of the Act.

To learn more about the CAT, [please visit this page on our website.](#)









# Buying a Condominium

## General Considerations

So, you've decided that condo ownership sounds right for you – great! But it can be hard to know where to start, particularly for first-time buyers. Before we discuss new and resale condos in more detail, here are some general considerations to get you started:



## Step 1

## Your Budget

Determining how much you can afford and how much you are willing to spend is a great first step. In addition to the purchase price of your unit, you should also consider the cost and your ability to pay for things like:

- Your mortgage – remember to take the amount, the term, and the interest rate into account, as well as other costs like mortgage insurance
- Utilities
- Common expense fees
- Possible legal or real estate professional fees
- Taxes (including both property tax and land transfer tax)
- Homeowner's insurance
- Home inspection costs
- Moving costs
- Unexpected additional costs, like special assessments

Whether you are buying a new or existing unit, it is important that you also determine whether you will be responsible for paying directly for your utilities, or whether they are counted as a common expense. That could have a big impact on your monthly utility costs.

Perhaps most importantly, you should consider how much you can afford to pay in **common expenses fees**. To determine how much your common expenses fees might be, you should look at the corporation's budget and the percentage that the unit owner must contribute to the common expenses, which is often called the "**unit factor**."

Unit factors are often based on the size of the unit, and it is common for different units to have different factors. The unit factor is expressed as a percentage and can be found in **Schedule D** of the condominium corporation's declaration.

A unit may have an appealing purchase price, but a high unit factor may mean you are responsible for a large share of the corporation's common expenses. You should carefully review the unit factor and the corporation's budget before making a purchase. You should also be aware that it is very difficult to change a unit's factor – a change requires the approval of the board and at least 90% of all the owners.



## Step 2

## Finding the Right Fit

Once you've identified your budget, you can start looking for the condo that fits your needs and lifestyle. Here are some important things to consider:

- **Location** – Make sure that you like the neighbourhood where the condo is located, and consider the proximity of things like grocery stores, parks, schools, parking, or other services.
- **Amenities** – You should consider which amenities are important to you and which ones you are likely to use. Consider that all the owners must pay for the common elements, regardless of whether you use them or not.
- **Units and common elements** – Pay close attention to the size, layout, boundaries of your unit and the common elements, because these may be difficult or impossible to change. You should also consider your potential repair and maintenance obligations.

You may want to get a real estate professional to help you find a condo and to walk you through all the different considerations. In Ontario, real estate salespersons and brokers are specially trained, are covered by consumer deposit insurance, and are governed by professional code of ethics.

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## Did you know?

In Ontario, all real estate salespersons, brokers, or brokerages are required to be licensed by the Real Estate Council of Ontario.

To learn more about Ontario's real estate professionals, [please visit RECO's website](#).

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# Buying a new condo

If you're thinking of buying a new condo, the information below provides a brief overview of some of the most important considerations.

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## Condominium corporation registration

As discussed above, condominium corporations are created when the builder (referred to as the **declarant** in the [\*Condominium Act, 1998\*](#)) registers the declaration and description with a land registry office. For new condo developments, this typically doesn't happen until construction is complete and people have already taken occupancy of at least some of the units.

The [\*Condominium Act, 1998\*](#) does not require that corporations be registered within a specific time frame, but declarants are legally required to take all reasonable steps to finish construction and register the corporation without delay.

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## The declarant-controlled board

Once the condo corporation has been registered, the declarant is required to appoint at least three people to make up the corporation's first board of directors. This first board is called the **declarant-controlled board**, and they are responsible for performing all the duties of a normal board until a majority of the units have been sold to owners (for more information, please refer to "**The role of the board**" section of this guide on page 5).

Once a majority of the units have been sold, the declarant-controlled board is required to call a meeting of the owners to elect a new board within 21 days. The meeting must then be held within 21 days of being called, meaning that the meeting must occur within 42 days of a majority of the units being sold. This meeting is called a **turn-over meeting**.

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## Turn-over meetings

At the turn-over meeting, the owners will elect a new board to replace the declarant-controlled board. The declarant-controlled board will also hand over control of the corporation, along with:

- The seal of the corporation
- The minute book of the corporation, including a copy of the declaration by-laws, current rules, and minutes of all owners' and board meetings held to-date
- A copy of all agreements entered into by the declarant-controlled board on behalf of the corporation or the declarant, including management contracts, deeds, leases, or easements
- A copy of all insurance policies and the insurance certificates
- A copy of all bills of sale or transfer for the corporation's assets
- All records related to the units or employees of the corporation



Within 30 days of the meeting, the declarant is also required to provide additional materials, including:

- All financial records of the corporation and of the declarant for the corporation from the date of registration onwards
- A copy of any reserve fund studies conducted to-date (if any)
- A copy of the most recent disclosure statement

The declarant-controlled board is also required to provide audited financial statements within 60 days of the meeting.

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## Pre-construction condominium purchase process

Purchasing a condominium may be one of the most important decisions of a person's life.

When considering a new condo, you should review purchase agreements, disclosure statements and seek legal advice before signing any documents. Purchase agreements contain a list of potential conditions that may result in the development not proceeding and the termination of the purchase agreement. It's important that buyers are aware of, and agree on, the potential conditions when signing the purchase agreement. These may include:

- A failure to sell enough condominium units
- An inability to secure financing for the project
- Delays in obtaining the required building or planning approvals

The purchase agreement is not binding until the disclosure statement has been provided to the purchaser. The disclosure statement includes important information such as a copy of the existing or proposed declaration, a copy of the budget statement for the first year after registration of the condominium corporation, and a summary of the most recent reserve fund study.

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## Pre-construction condominium cancellations / Deposit protection

If a condominium project is cancelled, buyers should receive a refund of their deposit, which they are entitled to under section 19(3) of Ontario Regulation 48/01. Under the [Condominium Act, 1998](#), all funds paid by buyers as a deposit, or otherwise received by the builder of a condominium project, must be held in trust by the builder.

The purchaser is entitled to receive all money paid to the developer to date with interest, calculated using the Bank of Canada's overnight interest rate, minus two per cent. The developer must return this money within 10 days of the purchase agreement being terminated.

Tarion protects deposits by a purchaser of a condominium unit up to a maximum of \$20,000. For any deposit amounts that exceed \$20,000, the purchaser may be able to make a claim to the third party insurance company, which has provided a deposit protection policy to the builder.

For more information on deposit protection, [please visit Tarion's website](#).

## Disclosure statements

Every declarant is required to give purchasers of units (or proposed units not yet built) a document called a **disclosure statement**. This is required under [section 72 of the Condominium Act, 1998](#), and while there is no deadline for providing a disclosure statement in the Act, your purchase agreement is not binding until you receive the disclosure statement from your declarant.

The disclosure statement includes a lot of important information, including:

- A copy of the existing or proposed declaration, by-laws, rules, and insurance trust agreement for the condo corporation
- An overview of all agreements entered into by the declarant before the turnover meeting, including agreements for:
  - Condo management services
  - Services like repairs and landscaping
- An overview of all agreements entered into by the declarant before the turnover meeting, including agreements for:
  - Condo management services
  - Services like repairs and landscaping
- A copy of the budget statement for the first year after registration of the condo corporation, which includes:
  - An overview of the common expenses for the condo corporation, and the projected monthly common expenses fees for each type of unit
  - An overview of the portion of these fees that will be contributed to the reserve fund
  - A summary of the most recent reserve fund study (if one has been conducted)

You should carefully review the disclosure statement and clarify any questions you might have with the declarant or a legal professional.

If there is a material change to the disclosure statement (e.g., a change in the schedule for when construction on the amenities will be completed), then you may be able to cancel your purchase agreement.

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## Did you know?

If the common expenses of the corporation exceed the amount set out in the first-year budget statement prepared by the declarant, the declarant may be required to pay the difference to the condo corporation.



## Tarion's role – New home warranty

In Ontario, all new condominiums are required to be covered by a warranty. This warranty is backed by an organization called [\*\*Tarion\*\*](#).

If there are defects with your new home (e.g., things left unfinished, construction issues, or unauthorized alterations to the finish selections you made), you can report them to Tarion and your builder. If your declarant does not fix the defects, Tarion may provide warranty coverage.

However, you should know that Tarion's warranty does not cover everything, and different types of defects are covered by different warranty periods. You should carefully review the information on [\*\*Tarion's website here\*\*](#) to make sure you know what the warranty does and does not cover.

You should also note that as an owner, you are also responsible for promptly notifying Tarion and your builder about the defects. If you don't, they may not be covered.

Finally, [\*\*you may want to review Tarion's 10 tips for new home buyers\*\*](#), which provides a good overview of the Tarion warranty and what it means for new owners.

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## Did you know?

All new home builders in Ontario are required to be licensed by Tarion, and you can look up licence details regarding your or other home builders through Tarion's Builder Directory.

To learn more about how Tarion protects new home owners, [\*\*please visit their website\*\*](#).

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## Condo conversions

As of January 1, 2018, Tarion's warranty coverage has been expanded to cover **condo conversions**. A condo conversion is a condo where part of the structure was not newly built. Many condo conversions are converted from buildings formerly used for commercial or other purposes (e.g. a warehouse or a church), but they can also be units formerly used for rental purposes (e.g., a former apartment building that has been converted into a condominium corporation).

For more information on condo conversions, [\*\*please visit this page on Tarion's website\*\*](#).

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## Delayed occupancy

In condominium development projects, construction can sometimes be delayed, and you may not be able to take occupancy of your unit as expected. This is called **delayed occupancy**.

Your purchase agreement must include an Addendum that sets out important dates for your agreement, including your occupancy date. These are set out in the **Statement of Critical Dates**. Your Addendum may contain a few different occupancy dates - for more information on the different occupancy dates, [\*\*please visit this page on Tarion's website\*\*](#).

There are two dates that are particularly important for delayed occupancy:

- The **Outside Occupancy Date**: This is the latest date your builder expects to be able to provide you with occupancy to the unit.
- The **Firm Occupancy Date**: This is a date your builder commits to providing you with occupancy to the unit.

Your Tarion warranty includes delayed occupancy coverage. That means that if you cannot take occupancy of your unit by either the Firm Occupancy Date or the Outside Occupancy Date (whichever is earlier) you may be entitled to delayed occupancy compensation.

For more information on delayed occupancy and delayed occupancy compensation, [please visit this page on Tarion's website](#).

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## Interim occupancy

When you buy a new condo, sometimes you will be able to move in before construction of all the units has been completed (particularly if your unit is closer to the ground floor and will be finished first). This is called **interim occupancy**, and it is governed by the [Condominium Act, 1998](#).

As your building nears completion, your vendor will advise you of your **interim occupancy date**. Once the interim occupancy date comes, you can live in your unit, but it is important to note that you don't own it yet.

That's because ownership of your unit can only be transferred to you if the condo has been registered with the municipality, and it can only be registered with the municipality once all the construction is complete.

The period from your interim occupancy date to the date ownership is transferred to you is called your **interim occupancy period**. Interim occupancy periods can be relatively short (perhaps a few weeks or a month), or lengthier (up to a year or more), depending on how far your declarant is from completing all the construction.

During the interim occupancy period, you must pay your builder or vendor an **interim occupancy fee**, regardless of whether you actually move into the unit or not.

The interim occupancy fee cannot be more than the total of:

- The interest (calculated on a monthly basis) on the unpaid balance of the purchase price at the prescribed interest rate;
- The estimated monthly municipal taxes for the unit; and,
- The projected common expense fees for the unit.

In general, shorter interim occupancy periods are better for condo buyers, because you can avoid paying interim occupancy fees. When evaluating potential condos to purchase, you should consider whether a builder has had lengthy interim occupancy periods for other projects.

Once the interim occupancy period ends and ownership of the unit is transferred, you may be owed money if your declarant collected more money for property tax than the actual property tax amount. Alternatively, you may owe your builder money if they collected less property tax than the actual amount that was charged by the municipality.



## 12 TIPS for buying a new condo

If you are thinking of buying a new condo, there are many things to consider. Here are some helpful tips:

- 1** Make sure you understand exactly what is and isn't included in the purchase price.
- 2** Carefully review the unit's layout, boundaries, and unit factor.
- 3** Review the planned amenities and decide if they meet your needs.
- 4** Make sure you have a good understanding of what you can afford in common expenses fees and determine what the expected fees for the unit are.
- 5** Carefully review your disclosure statement and clarify any questions you might have with the developer or a legal professional.
- 6** Ask about what types of changes or modifications are permitted, and how much they cost. This includes bigger modifications like moving windows and doors, and smaller things such as flooring or cabinet colours or finishes.
- 7** If you are concerned about future development or changes in your area, you can inquire with your municipality about whether there is any planned construction nearby.
- 8** Ask whether the utilities will be included in the corporation's common expenses, or whether each unit owner will pay individually for their own.
- 9** Ask the developer about noise and/or odour reduction measures.
- 10** Review the information about new condo warranties on [Tarion's website](#) and the different occupancy dates included in your purchase agreement.
- 11** Confirm with your developer that the building will be accessible for individuals with disabilities, particularly if you or someone who will reside in the unit has accessibility needs.
- 12** Speak to a lawyer and/or real estate professional before signing any documents.

# Buying a resale condo

If you're thinking of buying a resale condo, you should do your research on the unit and condominium corporation before you make any decisions. You can access key information on any condominium corporation in the province through the CAO's Public Registry. For more in-depth information about the unit and condo corporation, you should consider requesting a **status certificate**.

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## Status certificates

A status certificate is a document that contains information about a specific condo unit and the condo corporation to which it belongs. Status certificates are particularly important for prospective buyers of resale units because they contain information about the unit and corporation, financial details (like what the common expenses fees for the unit are), and a copy of the corporation's declaration, by-laws, and rules. Any person can request status certificate for a unit from a condominium corporation at any time.

Status certificates include a lot of important information, including:

- A copy of the corporation's declaration, by-laws, and rules
- A statement of the common expenses for the unit and whether the unit owes money to the corporation
- If the common expenses for the unit have increased since the current year's budget was prepared, a statement of the increase and the reason
- If an assessment has been charged against the unit since the current year's budget was prepared, a statement of the assessment and the reason
- The address for service for the corporation (e.g., the address where the corporation receives mail)
- The names and addresses for service for the directors and officers of the corporation

The status certificate will also include information about any other legal issues that may affect the condo or corporation (e.g., whether there are any legal judgments against the corporation, or if the corporation is involved in any ongoing litigation).

A condo corporation can charge up to \$100 (including all applicable taxes) for the status certificate. The corporation must provide the status certificate within 10 days of you submitting your payment.

It is important to note that the status certificate "binds" the corporation. Here is an example of what that means:

- A potential purchaser requests and receives a status certificate for a unit from a condo corporation. The status certificate indicates that there have been no assessments against the unit. The purchaser then buys the unit.

After buying the unit, the corporation realizes that there was an assessment for \$2,000 to repair the parking garage and that they made a mistake in the status certificate. The owner is not required to pay the \$2,000 assessment amount, because the corporation is bound by the certificate they issued.

You may want to ask a legal or real estate professional to help you review the status certificate to make sure you understand everything that is included.





## 10 TIPS for buying a resale condo

- 1** Make sure you understand exactly what is and isn't included in the purchase price.
- 2** Carefully review the unit's layout, boundaries, and unit factor.
- 3** Take a tour of the condominium corporation's grounds and amenities to see if the corporation is a good fit.
- 4** Request and carefully review the status certificate for the unit before making any decisions. Pay close attention to what is included in the unit's common expenses and the total amount you would be required to pay, and be realistic with what you can afford.
- 5** Confirm that there are no legal actions against the condominium corporation. If a corporation is ordered to pay money in a legal action, those costs may be covered by your condominium corporation's insurance, or the owners may be required to pay those costs through a special assessment.
- 6** Determine what parts of the unit and/or common elements you can and can't change. This information should be available in the status certificate (pay close attention to the corporation's Declaration and Rules)
- 7** Consider hiring a home inspector to inspect the condition of the unit and the common elements.
- 8** Determine if the unit is still covered by a new condo warranty provided by Tarion. Tarion has three different warranty periods that cover different types of defects, the longest of which is seven years.
- 9** Ask about whether the unit and common elements of the corporation are accessible. If the common elements are not accessible (e.g., they are not navigable with a wheelchair or there are no automatic/electric door openers), the corporation may be required to make changes to make them accessible.
- 10** Speak to a lawyer and/or real estate professional before signing any documents.



# Where can I learn more?

First, check out the CAO's website at: [www.thecao.ca](http://www.thecao.ca)

**Still have questions? Contact us at:**

Email: [info@condoauthorityontario.ca](mailto:info@condoauthorityontario.ca)

Phone – Local: **416-901-9356**

Phone – Toll-Free: **1- 800-854-9014**

# Glossary

**By-laws:** A condominium corporation's by-laws govern how condominium corporation and board operate and can cover things such as the size of your condo board, the process for electing directors, and the format of board meetings. **Please refer to page 13 for more information.**

**Common Elements:** The portions of the condominium corporation that are owned jointly by all the owners (i.e., everything that isn't a unit). **Please refer to page 10 for more information.**

**Common Expenses Fees:** The amount of money that an owner pays the corporation for their portion of the common expenses (e.g., the spending of the corporation). Common expenses fees are calculated based on the corporation's budget and the unit's unit factor and are typically paid monthly. **Please refer to page 9 for more information.**

**Condominium conversion:** A condominium corporation created on existing property that was previously used for other purposes (includes formerly non-residential properties, such as warehouses or factories). **Please refer to page 23 for more information.**

**Condominium corporation:** A legal entity that comes into existence when a declaration and description are registered with the Land registry office. All condo units are part of a condominium corporation, and condominium corporations are governed by boards of directors. **Please refer to page 8 for more information.**

**Condominium Manager:** An individual licensed by the Condominium Management Regulatory Authority Ontario who is hired by a condominium corporation to oversee the corporation's day-to-day operations. Condo managers are accountable to the board of directors of the condo corporation. **Please refer to page 12 for more information.**

**Declaration:** A condominium corporation's declaration contains important information about the condominium corporation including the unit factor for each unit and a breakdown of the responsibilities for repairing and maintaining the units and common elements. **Please refer to page 13 for more information.**

**Declarant-controlled board:** Once the condo corporation has been registered, the declarant is required to appoint at least three people to make up the corporation's first board of directors. This board is responsible for performing all the duties of a normal board until a majority of the units have been sold to owners, at which point they will call and hold a turn-over meeting. **Please refer to page 20 for more information.**

**Delayed occupancy:** When a unit purchaser is unable to take possession of the unit by the firm or outside occupancy dates contained in the Addendum to a purchase agreement. **Please refer to page 23 for more information.**

**Director / Board of Directors:** The individuals who are appointed or elected to manage the affairs of the condominium corporation. Directors are responsible for making important decisions and serve for terms of up to three years. **Please refer to page 11 for more information.**



**Disclosure Statement:** A document that your declarant must provide when you purchase your unit, and which includes important information about your unit and the condominium corporation. Your purchase agreement is not binding until you receive a disclosure statement, and if there is a material change you may be able to cancel your purchase agreement. **Please refer to page 21 for more information.**

**Governing Documents:** A condominium corporation's declaration, by-laws, and rules. **Please refer to page 13 for more information.**

**Interim Occupancy:** When a purchaser takes occupancy of their unit before ownership is transferred to them. The duration of the interim occupancy is called the interim occupancy period, and during that period the purchaser is required to pay interim occupancy fees. **Please refer to page 24 for more information.**

**Interim Occupancy Fee:** The amount that a purchaser is required to pay the declarant during the interim occupancy period. **Please refer to page 24 for more information.**

**Rules:** A condominium corporation's rules govern what the owners and other occupants can and can't do in the condo community and can cover things like what type of pets owners are allowed to have, or when people are allowed to use the amenities. **Please refer to page 13 for more information.**

**Statement of Critical Dates:** For purchasers of new condo units, these are the dates you can expect to take occupancy of your unit. The statement of critical dates can be found in the Addendum to your purchase agreement. **Please refer to page 23 for more information.**

**Status Certificates:** A document that anyone can request from a condominium corporation can be requested from a condominium corporation and which contains important information about the unit and corporation. **Please refer to page 26 for more information.**

**Turn-Over Meeting:** The meeting held by the declarant-controlled board within 42 days of ceasing to own a majority of the units. At this meeting, the new owners will elect a new board and the declarant-controlled board will turn over a number of items the new board. **Please refer to page 20 for more information.**

**Unit Factor:** The percentage of the corporation's common expenses that each unit owner is required to pay. The unit factor can be found in Schedule D of the corporation's declaration. **Please refer to page 18 for more information.**

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## **Links - Organizations**

[Condominium Authority of Ontario](#)

[Condominium Authority Tribunal \(CAT\)](#)

[Condominium Management Regulatory Authority of Ontario \(CMRAO\)](#)

[Real Estate Council of Ontario \(RECO\)](#)

[Tarion](#)

## **Links - Legislation**

[Condominium Act, 1998](#)

[Condominium Management Services Act, 2015](#)

[Ontario New Home Warranties Plan Act](#)

[Residential Tenancies Act, 2006](#)

