



Condominium Authority of Ontario Residential Condo Buyers' Guide



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INTRODUCTION

The CAO Residential Condo Buyers' Guide (the "CAO Condo Buyers' Guide" or "Guide") has been prepared by the Condominium Authority of Ontario to provide Ontario condo buyers with information that can help them make better purchasing decisions and also help better prepare them for condo living. The CAO is an organization that aims to improve condo living by providing services and resources for condo communities. The Minister of Public and Business Service Delivery and Procurement has delegated responsibility for the development of this Guide to the CAO and approved its contents.

According to section 72 (1) of the [Condominium Act, 1998](#), this Guide must be provided to buyers of pre-construction/new residential ("pre-construction") condo units purchased from either the [developer](#) or someone working for the developer. The buyer has a 10-day [cooling-off period](#) starting from the latest date on which they receive a copy of the most recent Guide, the fully signed [purchase agreement](#), and the most recent [Disclosure Statement](#). The 10-day period begins when the buyer has received all three documents. During this period, the buyer may cancel the purchase agreement by providing written notice to the developer. Buyers are strongly advised to review these documents carefully with their legal counsel during this time. Although this Guide is not required to be provided to buyers of resale condo units and only applies to residential condos, it offers valuable information on various aspects of condo buying and living.



1. WHAT IS A CONDOMINIUM?

Most people think of condos as high-rise residential towers in urban areas. A better way to think of a condo is as a shared real estate ownership structure. Owners collectively share ownership of the condo corporation's common elements and assets. Condo living also involves community engagement, as owners participate in collective decision-making. Condos are also diverse, with many existing in suburban and rural areas as well as urban centres, and with unique and differing set ups.

Condo communities are governed by a board of [directors](#) that are typically volunteers. Directors are elected by the owners, and each community has its own unique structure and [rules](#).

What this means is that purchasing a condo allows someone to become part of a community where they are directly responsible for paying their share of the community's upkeep, following its rules, staying informed about its operation, and voting on important decisions that affect all owners and more. Here's a summary of what condo owners can, should, and must do:

OWNERS CAN:

- Seek election to their condo's board of directors
- Request an [owners' meeting](#) to discuss important matters in their community (provided the statutory requirements are met)
- Request to review condo [records](#)
- Request an item for discussion be added to the agenda for an owners' meeting

OWNERS SHOULD:

- Attend and vote at owners' meetings
- Always strive to resolve issues collaboratively
- Review all communications provided by the [condo corporation](#), such as [information certificates](#), financial statements, [reserve fund studies](#), and any other communications

OWNERS MUST:

- Abide by the [governing documents](#)
- Notify the corporation if they lease their unit
- Repair and maintain the unit in accordance with the Condo Act and governing documents
- Pay [condo fees](#) on time
- Use the common areas and amenities in accordance with the governing documents
- Allow the condo corporation access to their unit when necessary

Condo boards, elected by the owners are responsible for making decisions about the condo on behalf of all unit owners and may hire a [condo manager](#) to oversee the day-to-day operations of the corporation on their behalf. The condo manager must be licensed by the Condominium Management Regulatory Authority of Ontario (CMRAO).

1.1 Different Kinds of Condo Corporations

The Condo Act outlines two main types of condo corporations:

Freehold corporations are ones where the land /property is jointly owned by the unit owners.

Leasehold corporations are ones where the underlying land on which the condo is built is leased. These are less common than freehold. Unit owners buy a leasehold interest in a unit and its associated common elements but do not own the underlying land.



There are four types of **freehold** corporations.



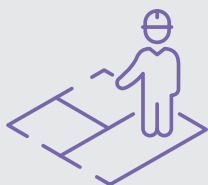
Standard Condominium Corporation

- The most common type of condo corporation in Ontario
- Has individual units and common elements which often include areas such as a foyer, exterior walls, and amenities



Phased Condominium Corporation

- A standard condo corporation that is intended to be built in phases where new units and common elements are constructed and added to the initial condo corporation
- Upon final phase registration, which must take place within 10 years of the initial condominium registration, a phased condominium becomes a completed standard condominium



Vacant Land Condominium Corporation

- The units are typically vacant lots at the time of purchase. The layout of the condominium may resemble a subdivision
- The [common elements](#) are often things such as private roadways, private sewer systems and may include amenities such as a park or recreational facility
- The developer may sell the individual units as vacant or may build a home on some or all of the units



Common Elements Condominium Corporation

- There are no units in this type of condo corporation, only common elements which are shared by owners of [parcels of tied land \(POTL\)](#) that are legally attached to the common elements
- Owners purchase a common interest in the common elements that is attached to their POTL. Examples include shared roads, golf courses or ski hills

The Condo Act has different requirements for different types of condo corporations.

2. CONSUMER PROTECTION FOR CONDO BUYERS

It pays to be informed! Ontario home buyers, whether they are purchasing for residential or investment purposes, have access to several housing consumer protection organizations that help protect consumers. There are five in total, each with different responsibilities. It is a good idea to become familiar with these organizations and to make use of their resources.



Supports and protects consumers through digital information, education and dispute resolution services.

The CAO's searchable [Condo Registry](#) offers key details, including whether a condo corporation is meeting its Condo Act filing requirements, the identity of the [declarant](#), the current board of directors, the date of the last [Annual General Meeting \(AGM\)](#) and more.



The Condominium Management Regulatory Authority of Ontario regulates and licenses condo managers and management providers and enforces professional standards.

Their [Public Registry](#) shows whether condo managers and management providers are licensed or have had disciplinary action taken against them and more.



The HCRA licenses and regulates new home [builders](#) and [vendors](#).

Their [Builder Directory](#) shows whether a builder is licensed, if they've had any disciplinary action taken against them and more.



The Real Estate Council of Ontario regulates and licenses real estate agents and brokers.

Their [Agent/Broker Search Portal](#) shows if a real estate agent or broker is licensed or has had disciplinary action taken against them and more.



Administers the province's new home warranty program. Developers must enroll all new homes with Tarion and provide specific new home warranties to each new home buyer.

Buyers and owners who register with [Tarion's MyHome Online Portal](#) can receive e-mail alerts for important dates and warranty timelines, submit claims online and more.

3. BUYING A CONDO UNIT

3.1 Buying a Pre-Construction Condo Unit

Pre-construction condos are sold by developers directly to buyers before construction is complete. This comes with its own risks like delayed construction, potential project cancellation and more. A useful pre-construction condo buyer's checklist can be found in [Appendix A](#). The checklist provides important considerations before and during the buying process.



3.2 Key Pre-Construction Documents

Developers must provide six key documents to buyers of pre-construction units during the purchase process. Buyers should understand the purpose of each document and carefully review these with the help of a lawyer before finalizing the purchase.

- The purchase agreement does not become firm and binding until the buyer receives the first three documents outlined below and the 10-day cooling-off period has passed.

Pre-construction Agreement of Purchase and Sale (Purchase Agreement)

Contains important information about rights and obligations as a condo buyer, the developer's rights and obligations, the unit, and the terms of the agreement.

Disclosure Statement

Contains the proposed condo's governing documents, a summary of agreements the condo has or will enter into, the condo's proposed first year budget, and more.

CAO Condo Buyers' Guide

This Guide must be provided to buyers of pre-construction condo units by the developer. The purchase agreement is not binding until this is received. Buyers of resale condo units may also wish to review this Guide.

HCRA Information Sheet for Buyers of Pre-Construction Condos

Must be attached to the purchase agreement. Outlines the risks of buying a pre-construction condo as well as important updates like the estimated occupancy date for the unit and the status of construction. It also provides information about the conditions that may lead to termination of the purchase agreement.

Addendum to the Agreement of Purchase and Sale

Must be attached to the purchase agreement. Contains the [delayed occupancy](#) warranty provided by the developer as well as an official [Statement of Critical Dates](#) outlining when the unit will be ready for occupancy along with conditions for extension of Critical Dates and early termination. **The Addendum to the Agreement of Purchase and Sale prevails over the purchase agreement and any other attachments if inconsistencies are found.**

Tarion Warranty Information Sheet

Must be attached to the purchase agreement. Outlines key information about the warranty buyers are entitled to if the unit has defects. It also includes information about Tarion, deposit protection, delayed occupancy coverage, warranty exclusions, construction performance guidelines, common elements warranties and pre-delivery inspections of the unit.



3.3 Cooling-Off Period



The Condo Act provides buyers with a cooling-off period of 10 calendar days where the purchase agreement can be cancelled for any reason whatsoever simply by notifying the developer in writing.

This 10-day period begins once a buyer has received all 3 of the following documents:

- > Agreement of Purchase and Sale executed by the buyer and the developer
- > Disclosure Statement
- > CAO Condo Buyers' Guide

If the purchase is cancelled within the cooling-off period, the developer must refund any deposits given by the buyer, plus any applicable interest at the rate set out in the Condo Act without any additional penalty or charge.

The Condo Act provides a buyer with another 10-day cooling-off period where there is another chance to cancel the purchase, if there is a *material change* in the Disclosure Statement. A material change is specifically defined under the Condo Act as a change that would have caused a reasonable person to no longer want to proceed with the purchase had the information that is now disclosed or revealed been included in the Disclosure Statement delivered to the buyer at the time of sale or later by notice. This cooling-off period begins on the later of:

- > The date that the developer delivers a revised Disclosure Statement or a notice to the buyer advising of the material change
- > The date that a buyer otherwise became aware of the material change
- > The date that the Ontario Superior Court of Justice determines that a material change has occurred

3.4 Deposits and Cancellations

Once the purchase agreement has been signed, the developer must hold any deposits and other payments covered by the purchase agreement in trust. The developer must refund these monies plus interest, calculated according to sections 19 and 19.1 of O. Reg. 48/01 under the Condo Act, if the project is terminated.



Did you know developers may cancel pre-construction projects even after you have purchased your unit?

If monies are not refunded as required, buyers may be able to file a claim for deposit protection coverage up to \$20,000 with Tarion under the [*Ontario New Home Warranties Plan Act, 1990*](#).

Make sure to review the conditions for cancelling the pre-construction project carefully before making a purchase. Buyers are encouraged to understand the various risks associated with buying a pre-construction unit.

The conditions for cancellation, if applicable, are found in the purchase agreement and mandatory Addendum to the Agreement of Purchase and Sale and may include conditions such as:



Failure to sell a certain percentage of condo units



Inability to secure financing for the project



Delays in obtaining development approvals



3.5 Occupancy Dates & Delayed Occupancy

The Addendum to the Agreement of Purchase and Sale contains a Statement of Critical Dates. The Statement of Critical Dates must be signed by the condo buyer and developer. It sets out when the developer expects to finish the unit for occupancy along with other critical dates and the timing for delivery of any permitted extensions. Some important dates to focus on in this document are:

➤ **Tentative Occupancy Date or a Firm Occupancy Date** – The form should set out a date that the developer states that the unit will be ready for occupancy. Buyers are entitled to receive delayed occupancy coverage from the developer if the Firm Occupancy Date is not met and the developer does not extend the date as permitted in the Addendum to the Agreement of Purchase and Sale. If the developer does not pay delayed occupancy coverage, the buyer can make a claim to Tarion for delayed occupancy compensation.

➤ **The Outside Occupancy Date** – The latest date that the developer has agreed to provide the buyer with occupancy of the unit. Buyers can terminate the purchase agreement within 30 days of this date if the developer does not meet this date. Buyers who exercise their right to terminate the purchase agreement due to this delay are entitled to delayed occupancy compensation from the developer. If the developer does not pay delayed occupancy coverage, the buyer can make a claim to Tarion for delayed occupancy compensation.

Note: Condo construction may be delayed, and this may impact the occupancy of the condo unit. The Addendum to the Agreement of Purchase and Sale allows the developer to extend dates provided the notice requirements are met. If a buyer's occupancy is delayed for reasons that are not permitted under the Addendum to the Agreement of Purchase and Sale, they may have a right to compensation from the developer for this delay. Details on this warranty can be found in the Addendum to the Agreement of Purchase and Sale.

For more information about occupancy dates and warranty coverage for delayed occupancy, [visit Tarion's webpage](#).

3.6 Pre-Construction Condo Assignment & Selling

A condo unit assignment is a transaction where the buyer of a pre-construction condo unit transfers their purchase agreement to a new buyer before taking ownership of the unit. A buyer may be able to assign the purchase agreement to a new buyer before or during [interim occupancy](#). Buyers are encouraged to review the purchase agreement as there are often conditions that can include requiring the developer's agreement to the assignment, charging a fee, and keeping the buyer liable for closing. Buyers should understand that the developer may not agree to an assignment sale, which may stop the transaction from occurring.

Additionally, buyers of pre-construction condo units will receive warranty protection for up to 7 years through Tarion. More information on Tarion and the applicable warranty [can be found below](#). This warranty period does not prevent the unit from being sold during this time (once ownership has been transferred). However, buyers should consult with a financial professional to be aware of any tax implications associated with the sale.

3.7 First-Year Budget

The first-year budget is required to be prepared by the developer and contains information about expenses all owners are required to pay in addition to the cost of buying the unit.



See [sections 72 \(5\), 72 \(6\) and 75](#) of the Condo Act for more information about first-year budget requirements.

The developer must prepare the first-year budget and include it in the Disclosure Statement. It must cover the one-year period from the date of registration of the [declaration](#) and [description](#) and must include:

- > The projected expenses for operation of the condo corporation, such as snow removal, landscaping and other maintenance costs of the common areas and amenities
- > The particulars of the type, frequency and level of services to be provided
- > The projected costs of the performance audit
- > The projected monthly common expenses contribution for each unit
- > The projected cost of the first reserve fund study
- > The costs of preparing the condo corporation's audited financial statements



The developer may be responsible if there is a shortfall between the actual first year expenses and the first-year budget. The condo board has 30 days after receiving the audited financial statements for the first full year to determine whether there is any shortfall and make a claim against the developer.

3.8 Buying a Resale Condo

Individuals can buy an existing condo unit from a current owner rather than a developer, but it is important to consult a lawyer and do research on the unit and the condo corporation before making this decision. Resale condo units are typically sold by real estate agents on behalf of condo owners instead of developers. A useful checklist for resale condo buyers can be found in [Appendix B](#). The checklist will provide important questions that should be considered before and during the buying process.

3.9 Leasing a Condo Unit and Disclosure to Condo Corporation

There are special considerations to keep in mind if a buyer chooses to lease out their condo unit.

Unit owners are responsible for ensuring that tenants abide by the condo corporation's governing documents as outlined in [section 119 \(2\)](#) of the Condo Act.



Certain rights and responsibilities of landlords and tenants who rent residential properties are governed by the [Residential Tenancies Act, 2006](#).

The unit owner must provide the tenant with a copy of the governing documents within 10 days of entering into or renewing a lease. The owner must also notify the condo corporation that the unit is leased and provide the condo corporation with a summary or a copy of the lease within those 10 days.

Owners may also use the [Summary of Lease or Renewal form](#) available on the CAO's website and send it to the condo corporation. This form must be used if the owner does not provide the tenant's name, the unit owner's address and a copy of the lease to the condo corporation.

Owners must also be aware of restrictions that the condo corporation's governing documents may have in relation to leasing units. For example, the governing documents may impose minimum terms for unit leases to prevent short-term rentals.

Additionally, buyers and owners are encouraged to speak with a financial professional to understand any tax implications that may come with leasing their condo unit.



4. MOVING INTO A PRE-CONSTRUCTION CONDO UNIT

4.1 Interim Occupancy

Developers will often require that buyers take occupancy of their units before the declaration has been registered and the ownership of the unit transferred to the buyer. Buyers cannot make mortgage payments during this “interim occupancy” period.

Developers will share the interim occupancy start date with the buyer and despite being able to live in the unit during this time, the buyer does not yet legally own the unit. Additionally, the condominium is typically still under construction during this period, meaning that some or all of the amenities may not be ready for use.



During interim occupancy a buyer is not required to pay the balance of the purchase price as the developer is not ready to close the sale. However, buyers will be required to pay the developer an [interim occupancy fee](#) for the period between taking occupancy and the closing or unit transfer date, whether they choose to move into the unit or not. Requirements related to interim occupancy fees are set out under [section 80](#) of the Condo Act.

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

- > The amount of the monthly interest on the unpaid balance of the purchase price (which is the sale price minus any deposits paid before occupancy)
- > The estimated monthly municipal taxes for the unit
- > The projected monthly common expenses fees for the unit based on the Disclosure Statement



Interim occupancy fees can be thousands of dollars a month for the entire interim occupancy period which can last for an extended period of time.



See [section 80 \(4\)](#) of the Condo Act and [section 19 \(1\)](#) of Ontario Regulation 48/01 for more on interim occupancy fees and interest.



5. CREATING THE CONDO CORPORATION

5.1 Condo Registration Process

Condo corporations are created when the developer registers the declaration and the description with the Land Registry Office. Registration requirements may vary by the type of condo corporation being registered.

The declaration and description are legal documents that contain mandatory information about the condo corporation and the property. Buyers should carefully review the declaration that the developer provides in the Disclosure Statement. Buyers are encouraged to review the Disclosure Statement with their lawyer.

The declaration contains information such as:

- > The percentage of common interest in the common elements allocated to each unit
- > The percentage of the common expenses that each unit will pay
- > The boundaries of the units
- > Which parts of the building will be exclusive-use common elements, such as balconies
- > Any restrictions on the sale or lease of the unit or use of the amenities
- > The responsibilities of owners and the condo corporation to repair and maintain the units and common elements



Once a condo is registered, an initial return must be filed within 90 days with the CAO. Buyers of resale condos can check out the CAO's [Condo Registry](#) to find out important information about their condominium.

The description defines the units, the common elements and the boundaries between them. The description contains information such as:

- > The condominium's legal boundaries
- > Diagrams showing each unit's shape and dimensions
- > Delineation of each unit's boundaries and what is considered the common elements

The Condo Act requires developers to take all reasonable steps to finish construction and register the condo without delay.

5.2 Developer-controlled Board

The developer must appoint at least three individuals to make up the condo corporation's first board of directors within 10 days of registering the condominium. These directors are responsible for carrying out all typical board duties, such as establishing [by-laws](#) and rules, until the developer no longer owns a majority of the units in the condo corporation.

Once the developer ceases to own a majority of the units in the corporation, the [developer-controlled board](#) is required to call and hold an owners' meeting to elect a new board within 42 days. During this meeting, the developer turns over the condominium documents. This is known as the [turn-over meeting](#).

5.3 Turn-over Meeting

This is the meeting where a new owner-controlled board is elected by the owners, and the developer turns over important documents related to the operations of the condominium.



See [section 43](#) of the Condo Act for more details about the turn-over meeting.

The Condo Act sets out the requirement for the documents to be handed over to the new elected board at the turn-over meeting and then within 30 days after the turn-over meeting. Some of the documents that must be provided at the turn-over meeting include:

- > The condo corporation's minute book, containing minutes of meetings from the time of registration to the [turn-over date](#)
- > The condo corporation's declaration, by-laws, and rules
- > Any agreements that have been entered into on the condo corporation's behalf

Additional information that must be turned over by the developer within 30 days of the turn-over meeting include:

- > All financial records of the condo corporation relating to the operation of the condo corporation from the date of registration to the turn-over date
- > A copy of any reserve fund studies conducted by the turn-over date, except the one conducted within the first year of registration
- > A copy of the most recent Disclosure Statement
- > All as built or other drawings, operating manuals and warranties for the building structure and systems

The developer must turn over the audited financial statements within 60 days of the turn-over meeting.

Developers may be liable to legal action and fines if they do not comply with the turn-over delivery requirements.

6. TARION AND THE ONTARIO NEW HOME WARRANTIES PLAN ACT

6.1 What is Tarion?

[Tarion](#) is an independent not-for-profit consumer protection organization established by the Ontario government to administer the province's new home warranty program. Tarion ensures that buyers of new homes receive the warranty coverage they are entitled to from developers under the [Ontario New Home Warranties Plan Act](#).

The warranty coverage protects buyers both before and after they have taken interim occupancy of the unit. Before taking interim occupancy of the unit, the warranty coverage offered includes deposit protection, unauthorized substitutions, delayed occupancy and closing, which starts once the buyer signs an Agreement of Purchase and Sale. The warranty coverage also protects against construction defects once the buyer takes possession of the unit and enters the interim occupancy period.

Tarion administers this warranty coverage in the form of one-year, two-year, and seven-year warranties, which are available once the buyer has taken interim occupancy of the unit. Buyers of pre-construction units are generally entitled to all three of these warranty coverage periods, which are connected to the unit and are transferable to subsequent owners. The items that are eligible for coverage under the warranty varies according to these time periods. To make a claim, an owner should first verify that the item is covered for the specific time period that has passed since the interim occupancy date. Questions regarding warranty coverage should be directed to [Tarion](#).



Coverage Before Interim Occupancy

- Deposit protection
- Unauthorized substitutions
- Delayed occupancy and closing



Coverage After Interim Occupancy

- Warranty for construction defects
- 1-year, 2-year and 7-year coverage



6.2 The Unit Warranty

All new residential condo units in Ontario must be enrolled by the developer in the Ontario New Home Warranty Program, administered by Tarion.

If a new condo unit is purchased and there are warranted defects in work or materials, buyers should first contact the developer for resolution and may also report the defects to Tarion. If the developer does not resolve the warranty claims, Tarion may provide warranty assistance if the defect is covered by the warranty.

Please review the Tarion Warranty Information Sheet and visit [Tarion's website](#) for more information on new home warranty coverage.

6.3 The Common Elements Warranty

Common elements are also eligible for warranty coverage under the Ontario New Home Warranties Plan Act. If there are defects in the common elements, the condo corporation generally will address the issue with the developer rather than any unit owner. A condo corporation must appoint an engineer or architect to conduct a performance audit of the common elements within six to ten months of the registration of the condominium. After the performance audit, the report needs to be submitted to Tarion before the end of the eleventh month following registration. Submitting the report to Tarion will form the basis for review of any identified deficiencies with the common elements. Failure to send this report to Tarion may cause a condo corporation to jeopardize any common element deficiency claim that is submitted.

6.4 Pre-delivery Inspection

The pre-delivery inspection (PDI) of the condo unit takes place before the buyer takes interim occupancy of the unit. The PDI will be conducted with the developer or an agent for the developer and will involve a walkthrough of the unit. This is an opportunity for the developer to explain how to operate the unit's systems, such as ventilation, plumbing and heating. It also allows the buyer to identify and have the developer document any items that are damaged, missing, incomplete or not working properly in the unit during the PDI.

Once the PDI has finished, the developer must then provide the buyer with a copy of the completed PDI form.

The PDI form is a record of the state of the home before a buyer moves in, so it is important to keep a copy in a safe place. The developer then has an opportunity to correct any deficiencies or issues noted in the PDI form. If a damaged or missing item is noticed that was not noted on the PDI form upon possession, it should be documented (e.g., photo) and reported immediately to the developer. This will help establish a record of the condition at the time of possession. Any items that are not corrected by the date the purchaser takes interim occupancy of the unit would need to be listed on the [Initial Form](#) submitted to Tarion, which lists any unresolved warranty items identified during the PDI as well as any new items that have arisen since taking occupancy of the unit. More information on these forms and the warranty process can be found on [Tarion's website](#).

7. INTRODUCTION TO CONDO LIVING

7.1 The Unit and the Common Elements

Once the condo corporation has been registered and the title of the property has been transferred to the buyer, they are officially an owner. As an owner in a condo corporation, the individual owns their individual unit and collectively shares with all other unit owners the ownership of the common elements.

Common elements may include parking garages, elevators, lobbies, landscaped areas and much more. These typically include structural elements like the walls between the units, exterior doors, plumbing and electrical wiring that runs between units.

7.2 Exclusive Use Common Elements

Certain common elements may be for the exclusive use of a particular condo unit. These are called [exclusive use common elements](#). Condo owners often think that their balcony, patio or terrace is part of their unit boundary, but legally it may be an exclusive use common element of the corporation.

Every condo corporation is unique in how it distinguishes between units and common elements. Refer to the declaration and description for more details.

7.3 Shared Facilities and Services

A condo corporation may share the use of a facility such as a recreational centre, party room, green space, parking lot, driveway or entrance servicing another condo corporation or other neighbouring landowner. The parties involved usually enter into a shared facilities agreement or mutual use agreement that defines how these facilities or services are to be used, repaired, the cost obligations to each party and other responsibilities.

Every shared facilities agreement is different, and condo buyers are advised to review the terms of any shared facilities agreement that their condo corporation has entered into carefully:

- > If buying a pre-construction condominium unit, please review the Disclosure Statement that is provided with the purchase agreement. This should include a summary of all the agreements to be entered into by the developer before the turn-over meeting, including any shared facilities agreements
- > If buying a resale condominium unit, it is suggested that a [status certificate](#) is requested and reviewed from the desired condo corporation. If the condo corporation is party to a shared facilities agreement, they must provide a copy with the status certificate

8. CONDO CORPORATION GOVERNING DOCUMENTS

Ontario condo corporations have the following governing documents:

1. Declaration

2. By-laws

3. Rules

These governing documents together with the Condo Act outline how the condominium is intended to operate and what owners and residents are allowed to do. The Condo Act and these governing documents must not contradict each other but in the event that they do, the Condo Act will govern, followed by the declaration, the by-laws, and the rules.

All owners, residents, employees of the condo corporation, guests and others must comply with the governing documents and the Condo Act.

The declaration, along with the description, are the two legal documents that are prepared by the developer and registered to create a condo corporation. The declaration includes the following information:

- > The proportion and percentage of the common interest allocated to each condo unit
- > The percentage of the common expenses that each unit will pay
- > The boundaries of the units and common elements
- > Which parts of the building are exclusive use common elements, such as balconies
- > Any restrictions on the use of units or common elements, including exclusive use common elements
- > The division of responsibility between owners and the condo corporation to repair and maintain the units and common elements

To learn more about the declaration visit our [website](#).



Avoid future issues by reading the governing documents before purchasing a unit, to learn about restrictions and other matters.



By-laws specify how the corporation will be governed and must be registered with the Land Registry Office. These can be considered to be the condo corporation's administrative guide. They generally focus on governance of the property and how the board carries out their duties, including:

- > How directors are elected
- > Number of directors on the board
- > [Quorum](#) thresholds
- > [Board meeting](#) procedures
- > Duties of the board of directors
- > How common expenses are collected
- > When and how the condo corporation can borrow money

To learn more about by-laws visit our [website](#).

Rules address the day-to-day operation of the condominium. These typically define how the units and common elements can be used as well as the standards of behaviour within the community.

Rules can only:

- > Promote the safety, security or welfare of the owners and of the property
- > Prevent unreasonable interference with the use and enjoyment of units and the common elements or assets, if any, of the condo corporation

Examples may include:

- > Restricting smoking, vaping or growing cannabis
- > Setting out hours of operation of facilities
- > Restricting short-term rentals
- > Setting rules for use of a party room or other amenity

To learn more about rules visit our [website](#).

9. CONDO GOVERNANCE

9.1 Owner Participation in Condo Governance

Living in a condo unit means that the owner is part of a community that is governed by a set of governing documents, and a board of directors who make decisions in the best interests of all unit owners.

Condo owners are strongly encouraged to get involved in their community by participating in owners' meetings, reviewing financial statements and reading [notices](#) and updates from the board of directors or condo manager.

Attending meetings is one of the ways that owners can participate in the governance of the property. Actively participating allows owners to be engaged and have some influence over the governance of the property.

If an owner would like to be more involved in the decisions of the corporation, such as the annual budget or which contractors or companies are hired, they may wish to run for a director position on the board.



9.2 Board of Directors and Board Responsibilities

The board of directors of a condo corporation is an elected group of individuals who typically volunteer their time and are responsible for managing the affairs of the corporation. They should support a positive, healthy condo community and have a legal duty to ensure that the condo corporation and its assets are properly managed and maintained.

The board's responsibilities include:



Setting the annual budget



Tendering, awarding, and deciding on contracts



Hiring professionals when necessary, such as lawyers and engineers



Hiring and overseeing condo managers, if applicable



Sending legally required notices and generally keeping owners informed



Proposing changes to the governing documents

A condo board is usually made up of owners in the condo corporation but can include non-owners depending on the corporation's by-laws. Directors usually serve three-year terms but their terms may be shorter depending on a condo corporation's by-laws. Directors must seek re-election if they want to continue as a director after their term expires.

9.3 Duties of Directors and Required Disclosure

Condo board directors are responsible under [section 37 \(1\)](#) of the Condo Act for managing the affairs of the corporation and carrying out their duties with a standard of care defined under the Condo Act.

They must:



Act honestly and in good faith



Use the same care, effort and skill that a reasonable person would use in comparable circumstances

A condo corporation may also have a by-law about a code of ethics dealing with conflicts of interest, confidentiality and standards of behaviour at board meetings.

Board members must also meet disclosure requirements before and during their term. This includes mandatory disclosure requirements under the Condo Act and any requirements in a condo corporation's by-laws.



See [section 29](#) of the Condo Act and [section 11.6](#) of Ontario Regulation 48/01 for more information on candidate disclosure requirements.

These disclosure requirements only apply to owner-elected boards and do not apply to the first board appointed by the developer.

Find out more about ongoing director disclosure by reading the [CAO Guide on Governing Condos](#).

9.4 Election Process

Except for the first board of directors (developer appointed board), directors are elected by owners at a turn-over meeting, Annual General Meeting, an [owner-requisitioned meeting](#) or a meeting called specifically for elections. Exceptions exist for instances where a director can be appointed to the board by existing directors to fill a vacancy until the next election.

9.5 Requirements for Being a Director

Director candidates must be individuals who are:

- > At least 18 years old
- > Not bankrupt
- > Not found incapable by any court
- > Not found incapable of managing property under certain legislation
- > In compliance with the required disclosure obligations

If a candidate fails to meet any of the mandatory criteria, they cannot be elected as a director.

9.6 Director Training Requirements

All condo board directors must complete CAO mandatory director training within six months of being elected or appointed unless they have completed the training within the previous 7 years.

Directors who do not complete the training within the required time are immediately disqualified from the board and are no longer allowed to participate in any decision-making or governance of the condo corporation.

The CAO's training is available to anyone and provides useful information regarding condo living and condo governance.

9.7 Disqualification of a Director

A director is immediately disqualified from the position if they:

- > Become bankrupt
- > Have been found incapable of managing property under certain legislation
- > Have been found incapable by any court
- > Have a certificate of lien registered against their unit that is not discharged within 90 days of registration
- > Have not completed mandatory [director training](#) within the required time
- > Have not met the mandatory disclosure obligations

Condo corporations may have additional qualifications and disqualifications for both candidates and directors set out in the corporation's by-laws. Make sure to always check the condo's governing documents.



Director training is free [on our website](#).





9.8 Board Meetings, Owners' Meetings and Quorum

Condo corporations hold owners' meetings and board meetings. The Condo Act requires that a minimum number of participants, known as a quorum, be present at either type of meeting for business related to the condo corporation to be conducted and for voting to take place. Without quorum, voting cannot take place, however discussion on relevant business can still occur.

The majority of directors must be present to meet quorum at a board meeting. For most owners' meetings, owners representing at least 25 per cent of the voting units must be present or have provided a [proxy](#) for quorum to be met.

For certain owners' meetings, if quorum is not reached in the first two attempts to hold the meeting, the quorum requirement is reduced to 15 per cent on the third and any subsequent attempts to hold the meeting.

These meetings include annual general meetings, turn-over meetings, any meeting to appoint a new auditor, and any meeting to elect directors. However, condo corporation by-laws can require quorum to be 25 per cent regardless of how many attempts were previously made to hold the meeting.

Owners generally cannot attend board meetings but can and should attend owners' meetings personally or through a proxy.

Here are the most typical condo meetings:

Annual General Meetings are where the board reports on the financial health of the condo corporation to owners, conducts elections for any board vacancies and where owners can discuss other relevant corporation business.

Here is a typical AGM agenda:



- > Approval of the previous AGM's minutes
- > Review of year-end audited financial reports
- > Appointment of the corporation's auditor for the next fiscal year
- > Board of directors' report on important topics
- > Major upcoming repairs or renovations
- > By-law or rule changes
- > Election of directors

Owner-Requisitioned Meetings are meetings that the board is required to call at the request of owners representing at least 15 per cent of the entitled voting units. All owners can attend.

Some examples of why owners may request these meetings are:

- > Voting on a proposed rule change
- > Discussing an emerging issue like repairs, security, nuisances
- > Removing a board director before the expiration of that director's term



Read more in [section 46](#) of the Condo Act or on the [CAO's website](#)

Board Meetings are used by board members to manage the affairs of the condo corporation. Owners are not usually entitled to attend unless invited as a guest. The board must have quorum to conduct any condo related business. Quorum for board meetings is the majority of condo board directors, regardless of any current vacancies on the board. For example, if there are three positions on the board, two board members would need to attend the meeting for quorum to be met.

9.9 Voting by Proxy, Electronically or In Person

Condo owners that do not attend owners' meetings can appoint an individual to attend and potentially vote on their behalf. This individual is called a proxy. Proxies may be used whether the meeting is held in-person, electronically or in a hybrid format.

The proxy does not have to be an owner in the condo corporation. Owners can appoint one proxy per condo unit by completing a [proxy form](#) and giving it to the proxy. If there is more than one owner of a unit, the proxy represents all owners of the unit.

Owners should speak to their proxy before the meeting and make sure that they follow their condo's specific processes such as submitting a copy of the completed [proxy form](#) to the condo corporation before the meeting.



Instructions are available on the [CAO website](#) about how to use a proxy form and how a proxy can vote.

In addition to traditional in-person voting, telephonic or electronic voting can be used for the purposes of conducting a vote at an owners' meeting, unless a condo corporation's by-laws restrict or set out other requirements for using these methods. The board of directors will decide in accordance with the by-laws which methods will be used to conduct the owners' meeting.

If the owners' meeting is conducted using an electronic or telephonic platform, there is a requirement that the meeting must allow for owners or proxies entitled to attend to be able to reasonably participate in the meeting.

To learn more about these requirements, please refer to the [CAO Guide to Virtual Owners' Meeting](#).

9.10 Meeting Notices

A condo corporation must follow notice requirements set out in the Condo Act to make owners aware of upcoming owners' meetings. Condo corporations must send a [Preliminary Notice of Meeting](#) to owners at least 20 days before a Notice of Meeting must be sent. The Preliminary Notice states the purpose of the meeting and may invite individuals interested in becoming candidates for director positions to notify the board in writing.

A [Notice of Meeting](#) must then be sent to owners in writing at least 15 days before the meeting. It must include the date, time, place and the meeting agenda, among other things. Voting cannot occur on items not disclosed in the Notice of Meeting, except for routine procedural items.

If an owner uses an email address to communicate with the condo corporation for any reason, that email address may be used by the corporation to deliver notices to the owner in the future. If an owner wants to update the email address on file or wishes to stop receiving electronic notices all together, they must notify the condo corporation in writing.



Read more about
[meeting notices](#)

9.11 Condo Management Services

Condo corporations may decide to procure condo management services to assist in the day-to-day operations. Condo management services may only be provided by licensed condo managers and management providers under the [Condominium Management Services Act, 2015 \(CMSA\)](#). Condo managers act on behalf of the condo corporation and report to the board of directors.

A condo manager's 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 contractors or service providers
- > Preparing draft annual budgets and monitoring the reserve fund
- > Issuing meeting notices
- > Organizing board meetings and overseeing administration of owners' meetings

Find out the licensing status of a condo manager or management provider by searching the [CMRAO's Public Registry](#).



10. INFORMATION CERTIFICATES AND RECORDS

Information Certificates help ensure that condo owners receive important updates about the state of the corporation throughout the year. There are three types:

10.1 Periodic Information Certificate (PIC)

- > Sent to all owners within 60 days of the end of the first quarter and 60 days of the end of the third quarter of the corporation's fiscal year
- > Includes key information about the condo's board, finances, insurance, reserve fund, legal proceedings and other matters

10.2 Information Certificate Update (ICU)

- > Sent to owners if there are key changes before the next scheduled PIC (such as changes in the directors or officers of the condo corporation)
- > To be distributed within 30 days of the change

10.3 New Owner Information Certificate (NOIC)

- > Sent to new owners within 30 days of them providing written notice to the condo corporation stating their name and their condo unit number
- > A NOIC covers the most recent PIC and any subsequent ICUs

10.4 Records Requirements and Process to Request or Examine Records

Condo owners can access certain records so they can learn more about how the condo corporation is managed. Condo corporations must keep these records for the time period required under the Condo Act.

If owners want records, they must request records using a [Request for Records](#) form. In their request, owners can also specify if they want to examine the records or request copies and whether they would like electronic or paper copies. Condo corporations must respond within 30 days of receiving a request using the [Board Response to Request for Records](#) form.



The records that a condo corporation must keep can be found under [section 55 \(1\) of the Condo Act](#) and [13.1\(1\) of Ontario Regulation 48/01](#). The amount of time that these records need to be kept for can be found under [section 13.1 \(2\)-\(6\) of Ontario Regulation 48/01 of the Condo Act](#).

Read more about records, including the process of requesting them and their different retention periods on the CAO's webpage on [Corporate Records](#).

Owners can request access to the following records:



The condo corporation's declaration, by-laws and rules



The financial records of the condo corporation



The minutes from past owners' meetings and board meetings



A copy of the returns or notices of change that the condo corporation has filed with the CAO



All lists, items, records and other documents from the condo corporation's turn-over meeting



A list of the names, unit numbers, and service addresses of the owners of each unit in the condo corporation



All reserve fund studies and plans for future funding



All agreements entered into by the condo corporation or on its behalf



All instruments appointing a proxy or ballots for a meeting of owners that are submitted at the meeting



Other records as specified under the condo corporation's by-laws or the Condo Act and its regulations

11. CONDO FINANCES

11.1 Reserve Fund

A reserve fund is an account that condo corporations must have which can only be used for major repairs and replacements of common elements and assets of the corporation. Condo corporations must complete periodic reserve fund studies to determine how much money needs to be in the reserve fund. Studies are completed by reserve fund specialists, such as engineers, who complete the study and recommend an estimated amount needed to pay for future planned major repairs or replacements. After the first reserve fund study, condo corporations must complete a reserve fund study at least every 3 years.

Condo buyers and owners should be aware of the corporation's funding plan for the reserve fund. For a pre-construction condo unit, developers must contribute a specified amount to the reserve fund. The proposed amount can be found in the first-year budget included with the Disclosure Statement.

If purchasing a resale condo unit, requesting a status certificate will disclose the amount in a condo corporation's reserve fund and any plan for future funding. The [Notice of Future Funding of the Reserve Fund](#) is a mandatory form that must be used by the condo board to share information about the proposed plan for future funding.

This notice must be sent to owners within 15 days of the board proposing a funding plan.

This notice will contain information regarding reserve fund contribution amounts including:

- > A summary of the most recent reserve fund study that was completed
- > A summary of the proposed plan for future funding of the reserve fund
- > Statements indicating differences between the plan for future funding and the reserve fund study, if any

When the board's proposed reserve fund contribution amounts differ from the recommended amount by the professional, there will be a statement indicating any reasons for this difference in contributions where the board's plan differs from the recommended amount of funding in the reserve fund.



Read more about
[reserve funds](#)

11.2 Common Expenses

Condo fees (also known as common expenses or maintenance fees) are used for contributions to the reserve fund and operating expenses such as maintaining the common elements. Each owner's share is set out in the condo's declaration.

Owners must pay their share of common expense fees even if they have made a legal claim against the corporation or do not use certain common elements, such as the amenities.

They pay for important goods and services such as:

- > Cleaning, garbage, snow removal, landscaping, and security
- > Building maintenance (such as elevator repairs)
- > Condo management services, legal services
- > Insurance
- > Where applicable, shared facilities costs



Section 84 (1) of the Condo Act requires all condo unit owners to pay their share of common expenses.



11.3 How are Common Expenses Calculated?

The condo corporation's declaration will state the proportion of the contribution to the common expenses that each unit is required to pay, expressed as a percentage. This percentage may vary (e.g., depending on the size of the unit). Generally, the amount of the contribution can be calculated by multiplying the condo corporation's annual budget by the owner's proportion(s).

Note: To identify their total common expenses payable, an owner may need to include all of their units in their calculation. This can include parking spaces or storage lockers in addition to the residential unit.

Calculation Example:

- Your corporation has a budget of \$1,000 per month
- The declaration states that your unit must contribute 5 per cent in fees
- Therefore, each month, you must pay $\$1000 \times 0.05 = \text{\$50}$

The condo board's yearly budget sets out the various annual expenses that are to be paid by owners and the amount each owner needs to contribute. The annual budget will typically increase each year as the needs of the condo corporation change, which would also lead to an increase in the common expenses paid by owners.

[Section 56 \(1\)](#) of the Condo Act also permits condo corporations to pass by-laws governing the assessment and collection of [condo fees](#).

11.4 Liens

A [lien](#) under the Condo Act is a legal claim registered against a unit that can be used to secure payment of an amount owed by that unit owner to the condominium for common expenses arrears, [special assessments](#), or other permitted charges.



[Section 85](#) and [section 86](#) of the Condo Act apply to liens

A lien arises on the unit if an owner does not pay their common expenses fees (including any increases and special assessments) on time, which is called a default. The lien is for the unpaid amount, plus interest and all reasonable legal costs and expenses incurred by the condo corporation in its attempt to collect the arrears.

The condo corporation has three months from when the default occurred to register a certificate of lien against the unit, otherwise the lien will expire. At least 10 days' notice must be provided to the unit owner before a lien can be registered on title to that owner's unit.

Condominium liens have priority over most other secured and unsecured debt related to the unit, including mortgages. This is subject to some exceptions.

11.5 Special Assessments

A [special assessment](#) is an extra fee added to an owner's regular condo fees. Condo corporations typically use this money to cover unexpected costs that were not planned for in the yearly budget like fixing emergency damage from flooding or paying for legal costs.

Under [section 84](#) of the Condo Act, owners are required to pay their unit's share of the common expenses, which may include special assessment fees. The portion of the special assessment is calculated using the same percentage used to calculate an owner's regular contribution to the common expenses.

11.6 Chargebacks

A condo corporation's governing documents and the Condo Act may allow or require the corporation to charge back certain costs to an owner if the corporation has incurred costs because of something the owner has done or failed to do. This ensures that other unit owners don't have to pay for costs that an owner is responsible for.

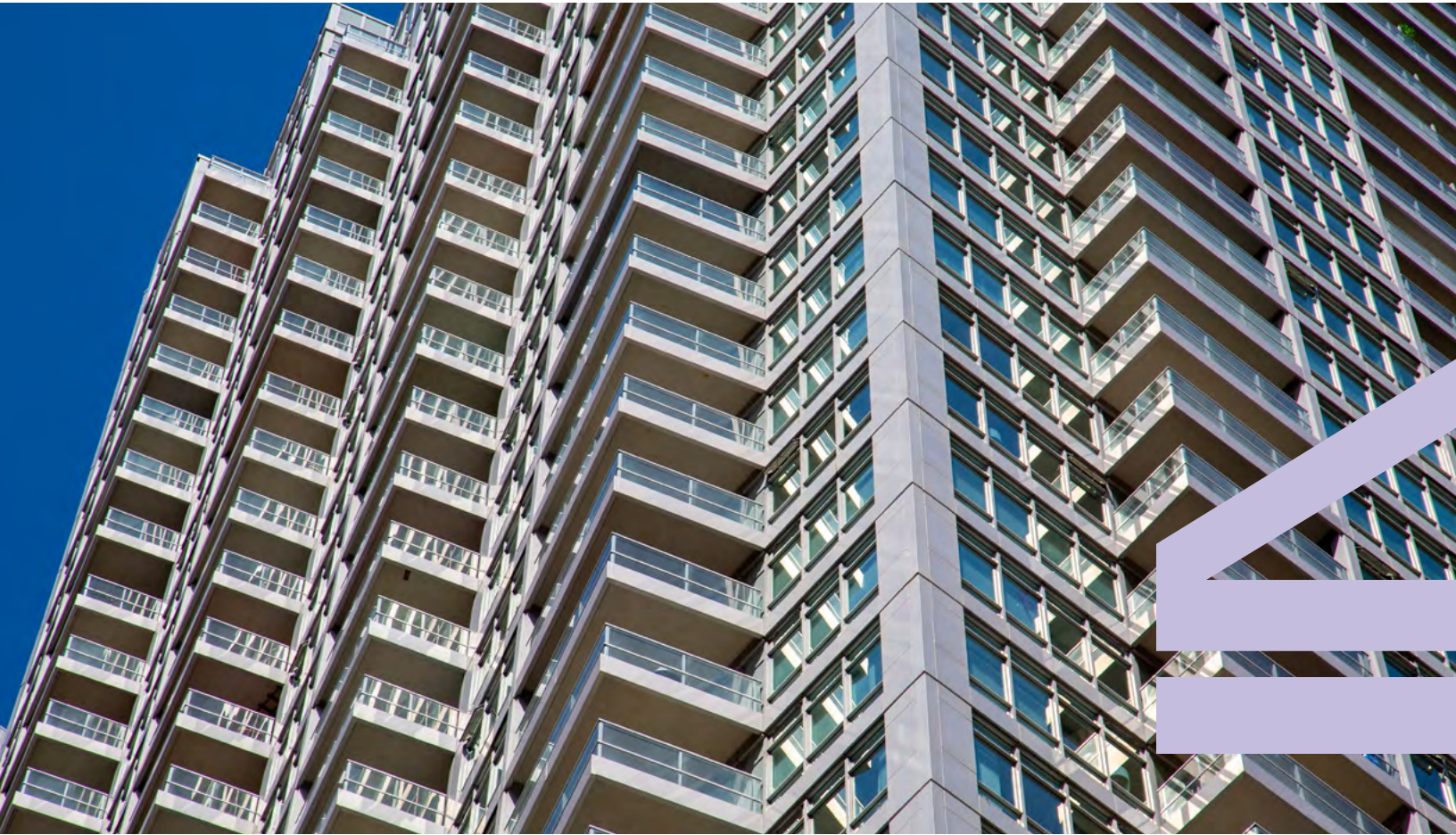
For example, if an owner fails to repair a part of the condo property that is their responsibility, the condo corporation must complete the repair and charge the cost back to the owner by adding it to their condo fees. Condo corporations typically have provisions in their declaration that require owners to repay the condo corporation for certain costs in addition to those allowed by the Condo Act.

If an owner does not pay the [chargeback](#), it would be considered a default in the payment of condo fees, which could result in a lien being placed against the unit.



For more information about chargebacks, see the [CAO website](#).





11.7 Condo Corporation Insurance

Condo corporations are required by the Condo Act, and the governing documents, to secure insurance against:

- Damage to units and common elements caused by fire, smoke, lightning, windstorm, hail or other major perils specified in the Condo Act and the condo corporation's declaration and by-laws. Corporations are only responsible for the components of the units that fall under the standard unit definition, which can be found in either the schedule provided by the developer or the corporation's by-laws
- Liability resulting from being the occupier of the common elements
- Liability from the ownership and use of boilers, machinery, pressure vessels and motor vehicles
- Personal liability for directors and officers of the corporation while carrying out their duties, if it is reasonably available or required by the by-laws

Read more about insurance for condo corporations and owners on [our website](#).

11.8 Condo Owner Insurance

The condo corporation's insurance will not cover damage to units beyond the standard unit definition, so owners are strongly encouraged and may be required by the governing documents to obtain their own insurance. Condo owners should review their governing documents to understand their insurance obligations. Owners will typically have insurance policies for the following:

- > **Improvements:** Insurance to cover upgrades or improvements to the unit that are not covered by the standard unit definition
- > **Unit Contents:** Insurance to cover any personal property, furniture, electronics, household goods, and clothing in the unit or exclusive use common area
- > **Third Party Liability:** Liability insurance in the event that the owner causes damage to other units or if someone gets injured in the owner's unit. This is important to have because the corporation's liability insurance only covers the common elements and does not cover the units
- > **Deductible and Loss Assessment:** In the event that the owner is required to pay the condo corporation's deductible or repair damage to the common elements and other units
- > **Additional Living Expense:** If the owner needs to be moved from their unit until damage is repaired. (Condo corporations are not required to have this type of coverage)
- > **Locker/Parking Space/Storage:** Insurance over lockers, parking spaces, and storage

11.9 Deductibles

Deductibles are payments that insurance policy holders must make before insurance companies release funds to cover claims. Depending on the policy, deductibles can range from a few hundred dollars to tens of thousands. The condo corporation's deductible is considered a common expense which is payable by all owners.

However, an individual owner may sometimes be required to pay for the corporation's deductible, such as if they, their tenants or guests cause damage or are negligent. Make sure to read and understand the corporation's insurance policies and any requirements in the governing documents regarding owners' insurance responsibilities. Owners should speak to an insurance broker to determine whether they should purchase a policy that covers their corporation's deductible as well.

12. REPAIR AND MAINTENANCE OBLIGATIONS

Condo corporations are generally responsible for repairing damage to the common elements and standard unit elements. This obligation to repair does not include any improvements made to units.

Unit owners are generally responsible for maintaining their units including upkeep and repair after normal wear and tear, unless the declaration states otherwise.

Condo corporations are generally responsible for maintaining the common elements such as parking areas, gardens, hallways, elevators, and other amenities, unless the declaration states otherwise.

When it comes to repair and maintenance responsibilities, it is important to review the:

- 1 Declaration:** The declaration also clarifies repair and maintenance responsibilities, especially in unclear areas such as plumbing, electrical or areas behind drywall, which should be reviewed with the description to determine whether the area is the unit owner's or the condo corporation's responsibility to repair. It may change the default obligations for maintenance and repair after damage as set out under the Condo Act.
- 2 Standard unit definition:** The corporation's by-laws or schedule provided by the developer includes a standard unit definition which details the components of a unit that are the responsibility of the condo corporation to repair and insure. Items that are not included in the standard unit definition are the responsibility of the unit owner.



See [sections 89, 90 and 91](#) of the Condo Act to learn more about division of responsibilities for repairs and maintenance.



[Section 91](#) of the Condo Act allows condo corporations to alter these repair and maintenance obligations in their declaration by stating that:

- > Owners are responsible for repairing their units after damage
- > Owners are required to maintain the common elements or parts of them
- > Owners are responsible for maintaining and repairing their exclusive use common elements after damage
- > The corporation is required to maintain the units or any part of them

If questions around responsibility arise, owners should refer to the condo corporation's declaration.

12.1 Making Changes to the Unit

A condo corporation's declaration, by-laws and rules may contain provisions about making modifications to the unit that might require notification to and approval by the board; restrictions on design, decor, or materials; and restrictions on days or times when renovations are permitted. Owners should make sure to review the governing documents before making changes to the unit. If unsure about whether these changes can be made, please speak with the board, condo manager, or a lawyer.

12.2 Changes to Common Elements by Owners

Changes to the common elements (e.g., exterior walls) by owners generally will require board approval. [Section 98](#) of the Condo Act states that an agreement (often referred to as a section 98 agreement) must be entered into between the condo corporation and the owner where an owner wishes to make changes to common elements that the board is willing to permit. This agreement specifies, for example:

- > The allocation of cost of the proposed modification between the unit owner and the condo corporation
- > The respective duties and responsibilities of the unit owner and condo corporation for repair after damage, maintenance, and insurance of the modification and any associated costs

The board may approve a proposed modification, and there will be no requirement to provide notice to other owners if the modification is to an exclusive use common element, and the board is satisfied that the modification will not:

- > Have an adverse effect on units owned by other owners
- > Give rise to any expense to the corporation
- > Negatively impact the appearance of buildings on the property
- > Affect the structural integrity of buildings
- > Contravene the declaration or any prescribed requirements

12.3 Electric Vehicle Charging Systems

As electric vehicles are becoming more widely used, Electric Vehicle (EV) Charging Systems have grown to be a more integral part of condo living. In 2018, the province established requirements for installing EV Charging Systems in condo buildings that owners and corporations must follow, which can be found under Ontario Regulation 48/01 of the Condo Act.

EV Charging Systems can be installed by the condo corporation or by individual owners. Unit owners should speak to the board or condo managers before taking any steps to install an EV Charging System or associated wiring. Different steps must be followed depending on which installation approach is taken.

If a buyer or owner has or plans on buying an electric vehicle, they should become familiar with the different installation requirements for having a charger installed. Also, buyers may wish to review the Disclosure Statement for a

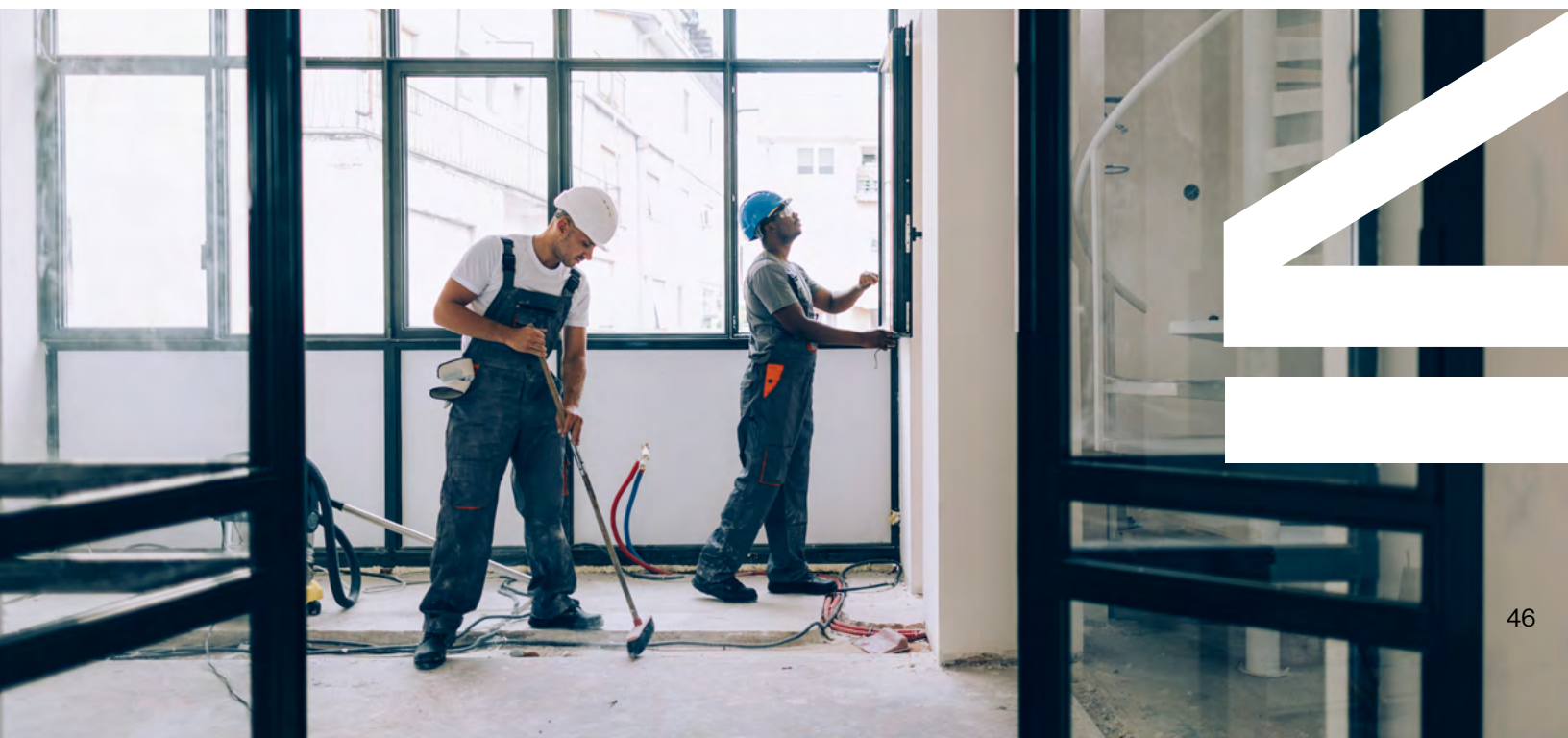
pre-construction condo unit or ask the board or a legal representative to find out if there is or will be existing infrastructure that can be used. For more information, please refer to the [CAO Guide on Electric Vehicle Charging Systems](#).

12.4 Right of Entry

Condo corporations or their authorized representatives have the right to enter units after providing reasonable notice to owners to perform various duties, including:

- Repairing and maintaining common elements
- Performing routine inspections on equipment such as smoke alarms
- Ensuring compliance with the Condo Act and the condo corporation's declaration, by-laws and rules

The condo corporation also has the right to enter units in case of an emergency, such as a fire or water leak, without notice. If planning to lease the unit, owners should inform any tenants about this right to enter.



13. ISSUES AND DISPUTE RESOLUTION

13.1 Raising an Issue with the Condominium Board

Occasionally issues can arise with condo living and there are steps that can be taken to resolve them. Before raising any issues, it is important to review the governing documents to see what restrictions or permissions are set out and what mechanisms may already exist to resolve issues. The following steps can then be considered:

1 Writing a Letter to the Board

Request formal consideration of a concern in writing if there is a condo-related issue that an owner wishes to raise. Provide as much detail as possible about this issue in the letter or email.



Visit the [CAO's Solving Common Issues](#) page for more information on common issues associated with condo living



2 Reaching out on a Condo Corporation's Virtual or Social Platform (If Applicable)

If a condo corporation has an official virtual or social platform and allows owners to send or post messages, the owner could reach out to the condo corporation through that platform. Owners must ensure their message meets the guidelines of the platform, and no private information is shared publicly.

3 Raising an Issue at the AGM

An AGM provides an opportunity to bring up issues regarding the condo corporation and condo business to the board and other owners. As a unit owner, any topic that is relevant to the business of the condo corporation can be raised when new business is discussed at the AGM. Personal grievances like unit specific billing or single unit repairs should not be raised at an AGM.



4 Requisitioning an Owners' Meeting

If the statutory requirements are met, an owner may requisition, also known as request, an owners' meeting to discuss certain issues such as:

- > The removal and replacement of a director before the expiry of that director's term
- > A proposed new rule or change or repeal of an existing rule
- > The discussion of any emerging issue or board decision that impacts the condo community



[Use our smart form to requisition a meeting](#)



5 Seek Legal Advice

If a particular issue cannot be resolved through any of the above options, an owner may wish to consider seeking legal advice from a lawyer or paralegal familiar with condo law. Names of lawyers or paralegals may be obtained from the [Law Society of Ontario Referral Service](#). They may provide a free consultation of up to 30 minutes. Owners can also visit our [Legal Resources](#) webpage for more information.



13.2 Mediation, Arbitration and Compliance Orders

Condo corporations may have provisions in their declaration or by-laws establishing a procedure for resolving certain disputes and compliance. [Section 132](#) of the Condo Act also requires that certain disputes (outside the [CAT's jurisdiction](#)) between an owner and the condo corporation must be sent to mediation or arbitration first in an attempt to resolve the dispute.

13.3 Condominium Management Regulatory Authority of Ontario

The [CMRAO](#) is a not-for-profit corporation that is responsible for regulating condo managers and condo management provider businesses and for administering the CMSA.

The CMRAO:

- > Ensures that condo managers and condo management companies are licensed, meet education standards and comply with a code of ethics, among other requirements
- > Maintains a registry of licensed condo managers and condo management providers
- > Promotes awareness of the condo management regulatory system and enforces compliance with the [CMSA](#)

13.4 Handling Complaints about Condo Managers

If an owner believes that their condo manager or management service provider is in violation of the CMSA, including the [Code of Ethics](#), they can [submit a complaint to the CMRAO](#). If the registrar of the CMRAO receives a complaint about a licensee, they may:

- > Attempt to mediate or resolve the complaint
- > Give the licensee a written warning
- > Require the licensee take further educational courses
- > Refer the matter to the discipline committee
- > Propose to suspend, revoke or add conditions to a licence
- > Propose to refuse to renew a licence
- > Take further action as appropriate under the CMSA



13.5 Formal Compliance Mechanisms

1 Responsibility to Comply with the Condo Act

All condo corporations, owners, directors, officers, employees, mortgagees, developers and occupants are required to comply with the Condo Act and the condo corporation's governing documents.

Condo corporations must ensure that owners, residents (e.g., tenants), agents and employees of a condo corporation comply with the Condo Act and the condo corporation's governing documents.

It is up to each owner to make sure that any occupants or visitors comply with the Condo Act and the condo corporation's governing documents.

2 Superior Court of Justice

Certain compliance disputes may be resolved through an application to the Superior Court of Justice, including if the mediation and arbitration process has failed to solve the issue. Condo corporations, owners, occupants of a proposed unit, and developers can all make an application for compliance with any part of the Condo Act, declaration, by-laws or rules. More information on this can be found in [section 134](#) of the Condo Act. However, owners are encouraged to consult a lawyer or paralegal if considering any legal action.

3 Offences Under the Condo Act

The CAO is empowered to pursue compliance against condo corporations who fail to meet certain responsibilities under the Condo Act by issuing Registrar's Certificates, Compliance Orders, and pursuing offences under the [Provincial Offences Act](#).

Under the Condo Act, condo corporations must file returns and notices of change and pay assessment fees to the CAO. Section 136.2 states that it is a provincial offence for a corporation to fail to meet these obligations to the CAO.

[Section 136.1](#) and [section 137](#) of the Condo Act set out further provincial offences for other provisions of the Condo Act.

Anyone who is considering commencing a proceeding with the Provincial Offences Court regarding an offence under section 136.1, section 136.2, or section 137 of the Condo Act is encouraged to consult a lawyer or paralegal.

14. THE CONDOMINIUM AUTHORITY OF ONTARIO

The [Condominium Authority of Ontario](#) (CAO) is a not-for-profit organization mandated to support condo living and enhance consumer protection for condo communities. It plays a vital role in Ontario's condo ecosystem by providing cost-effective, accessible and digital resources in English and French within the three pillars of our mandate.



INFORMATION

- Helpful condo living tips and tools
- Condo forms and templates
- Condo returns
- Searchable Condo Registry



EDUCATION

- Free mandatory director training on key topics like governance, finance and more
- Best practice guides



DISPUTE RESOLUTION

Integrated online dispute resolution through:

- Guided steps to help resolve common issues early
- [Condominium Authority Tribunal](#)





14.1 Role of the CAO

The CAO is dedicated to supporting harmonious condo living and has developed many helpful resources that are available on our website for use by all condo communities across Ontario. This includes numerous additional [guides](#), a [Condo Calendar Tool](#), [Condo Forms](#) and [guided steps and sample letter templates](#) for common issues.

The CAO is responsible for designing and administering the mandatory [director training](#) program for all condo board directors in Ontario. The training is available free of charge, accessible online at all times and can be taken by anyone at their own pace. It contains useful information that everyone should know when buying or living in a condo unit.

The CAO is mandated to provide an online dispute resolution service through the [Condominium Authority Tribunal \(CAT\)](#), which adjudicates certain condo disputes. The CAT is dedicated to helping condo owners and corporations resolve disputes conveniently, quickly and affordably. For more details about the CAT, its jurisdiction and the online process, owners can [read more here](#) on our website.

The CAO is also mandated to protect condo consumers and support condo corporations by ensuring that they comply with their legal obligations under the Condo Act. The CAO uses several strategies including proactive advance reminders, escalating notices and legislative measures, such as Registrar's Certificates and Compliance Orders to help condo corporations understand and comply with these obligations. Condo buyers, owners and the general public can find out if a corporation has outstanding compliance issues by searching the CAO's [Condo Registry](#).

In addition, condo buyers, owners and residents can get support by speaking with one of CAO's highly skilled information services team members or by emailing a question using the [Contact Us](#) page on the CAO's website. The CAO encourages everyone to continuously visit the website and use the helpful resources to assist you in navigating your condo living journey.

14.2 The Condominium Authority Tribunal

Certain disputes may be resolved through an application to the Condominium Authority Tribunal (CAT). The CAT can hear issues related to certain condo nuisances, governing document issues, records and more. Refer to our [tribunal webpage](#) for more information.

The Tribunal's process begins when an applicant files a case through the Tribunal's online system. The CAO's Information and Tribunal Analysts review each case when it is filed to identify any potential issues with the application and will advise the applicant how they can be resolved. Once the Tribunal accepts the case, the other parties must join through the Tribunal's online system. Once they do, it will proceed through the Tribunal's three-stage dispute resolution process:

Stage 1 – Negotiation



The applicant files the case and must pay an initial \$25 fee.

Negotiation begins as soon as all of the parties join the case.

Important Note: If a respondent does not join the case, the case may proceed directly to Stage 3 – Adjudication. You should join the case as soon as possible after receiving a notice if you are a respondent or intervenor. An order may be made without your participation if you do not join.

Stage 2 – Mediation



If the parties cannot resolve the issues in Stage 1, the applicant can decide when to move to Stage 2 – Mediation. The applicant pays the \$50 fee and a Tribunal Member is assigned to the case as a Mediator.

Stage 3 – Adjudication



If the parties cannot resolve the issues in Stage 2, the Tribunal Mediator can allow the applicant move the case to Stage 3 – Adjudication. The applicant pays the \$125 fee and a new Tribunal Member is assigned to conduct the hearing as an Adjudicator.

Review the [CAO's Steps to Solve Issues pages](#) here before [filing an application](#) with the Tribunal.



APPENDIX A: PRE-CONSTRUCTION CHECKLIST

How to use this Checklist

This checklist provides a series of questions that you as a buyer should ask yourself before and during the purchasing process of a pre-construction condo unit. You should strongly consider the factors below and how your answers to these questions might impact your decision about purchasing a condo unit and if condo living is meant for you. If you need an explanation or more information about what certain documents are, some hyperlinks have been provided to specific areas of this Guide. Alternatively, you can use the table of contents to find the information that you are looking for. To access a printer friendly version of this checklist to inform the purchase process, please visit the [CAO's website](#).



Important Questions to Ask Yourself



Is my developer licensed and do I have a warranty?

Making sure your developer is licensed and knowing about your warranty coverage is an important step that a buyer should consider:

- > Anyone building or selling a new home in Ontario is required to hold a licence to do so with the HCRA
- > Ensuring that you have warranty protection through Tarion for any deposits and payments (up to \$20,000) made to developers. You must receive proof that the funds are in trust from your developer
- > Ensuring that your new home is covered under warranties and protections by the developer through Tarion

You can use the [Ontario Builder Directory](#) on the HCRA's website to confirm whether the developer is licensed.



Have I considered all the financial implications of purchasing the unit?

In addition to the purchase price, have you considered the additional costs of buying a condo unit?

- > Closing costs (lawyer fees, land transfer tax, other administrative fees)
- > The condo fees that you will be expected to pay which can be found in the first-year budget included in the Disclosure Statement.

Depending on your specific circumstances (first time home buyer) there may be certain incentives or financial options available to you. It is recommended to consult with a financial advisor, financial institution, or realtor before looking to purchase.

☒ **Have I considered all the longer-term costs associated with owning a condo unit?**

There are additional costs associated with owning a condo unit that you should be aware of, including:

- > Increasing condo fees
- > Potential special assessments
- > Property taxes
- > Interest and mortgage rates

☒ **Do I have qualified professionals to help me?**

Finding the right lawyer and real estate agent to assist you in buying a condo unit is important. When looking to find these professionals there are some factors to consider as a buyer:

- > Make sure that these professionals understand your specific needs and timelines as a buyer
- > Before choosing any professional, make sure you do your homework including looking at reviews and making sure they are licensed and are in good standing and have the experience you need for your purchase

☒ **Have I reviewed the governing documents (declaration, by-laws, rules)?**

All residents in the condo corporation must abide by the governing documents. Make sure to review these carefully before you buy to be sure that you agree with how this corporation regulates itself. For example, you want to ensure the condo allows your pet, if you have one.

☒ **Does the condo corporation have the amenities I want?**

What amenities currently exist or will be offered by the condo corporation? Remember you must pay all common expenses regardless of whether or not you use the amenities.

☒ **Does the location of the condo corporation make sense for me?**

Choosing a condo unit that suits your needs is an important aspect of deciding where you want to live. You should consider some of the following:

- > How long will it take to commute to work?
- > How accessible are stores, healthcare services, and other service providers?
- > Which public schools are zoned to the condominium?
- > What are or will be the transportation or infrastructure options (sidewalks, highways, public transportation) available?
- > How will the daily activities in the neighbourhood impact your lifestyle, including any construction or revitalization projects?
- > Where is the unit located in connection to community facilities like a gym or garbage and recycling area? Consider both convenience and potential noise for your lifestyle.

Additionally, location may impact the amount of noise that you experience. Choosing a condo unit in a densely built urban area may lead you to experience much more noise than a condo unit that is in a suburban or rural area.

✓ **What kind of condo corporation do I want to live in?**

There are various kinds of condo units that are available to purchase, including those that are townhouses and in low-rise buildings. It is important to consider the privacy that is offered by the unit, the communal aspect of living in close proximity and sharing common elements. Buyers should consider what kind of condo corporation is best suited for them.

✓ **Do I have adequate insurance coverage?**

Speak with a licensed insurance agent or broker, explaining the needs that you have, the types of coverage you are interested in, and the cost of carrying these policies. Remember! You can talk to multiple insurance providers or bundle insurance policies together to try to reduce the cost.

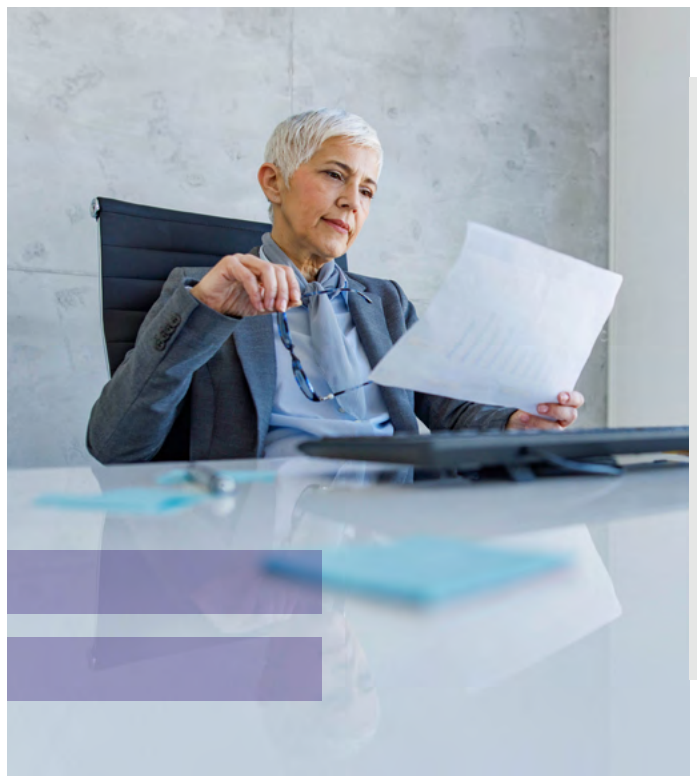
✓ **Have I reviewed these three important documents in the agreement of purchase and sale?**

- **Pre-construction agreement of purchase and sale** (also known as the purchase agreement)
 - Contains important information about you and your developer's rights and obligations, as well as important information about the unit and construction project
 - The agreement of purchase and sale must be provided with the HCRA Information Sheet, the Addendum to the Agreement of Purchase and Sale and the Tarion Warranty Information Sheet. The Disclosure Statement and CAO Condo Buyers' Guide can be provided separately or included with the other documents.

- **Disclosure Statement** – Contains information about the condo's governing documents, a summary of agreements the condo has or will enter into, a copy of the corporation's budget, and more
- **CAO Condo Buyers' Guide** – This Guide must be provided to you as a buyer of a pre-construction condo unit by the developer and your purchase agreement is not binding until you receive the Guide.
- Your 10-day cooling-off period starts when you receive all three of these documents

✓ **Have I reviewed any shared facilities agreements?**

If your condo corporation is party to any shared facilities agreements, they are important to review because they may impact costs and how you interact with certain spaces in your condo community. These should be referenced in the Disclosure Statement you receive, if applicable.



APPENDIX B: RESALE CONDO CHECKLIST

How to use this Checklist

This checklist provides a series of questions that you as a buyer should ask yourself before and during the purchasing process of a resale condo unit. You should strongly consider the factors below and how your answers to these questions might impact your decision about purchasing a condo unit and if condo living is meant for you. If you need an explanation or more information about what certain documents are, some hyperlinks have been provided to specific areas of this Guide. Alternatively, you can use the table of contents to find the information that you are looking for. To access a printer friendly version of this checklist to inform the purchase process, please visit the [CAO's website](#).



Important Questions to Ask Yourself



Do I have qualified professionals to help me?

Finding the right lawyer and real estate agent to assist you in buying a condo unit is important. When looking to find these professionals there are some factors to consider as a buyer:

- > Make sure that these professionals understand your specific needs and timelines as a buyer
- > Before choosing any professional, make sure you do your homework including looking at reviews and making sure they are licensed and are in good standing and have the required experience



Have I requested and reviewed a status certificate?

Condo corporations cannot charge more than \$100 inclusive of taxes for these and must provide them within 10 days of payment. The status certificate will contain copies of the governing documents, budget for the current fiscal year, a statement on the most recent reserve fund study, information about condo fees, proof of insurance for each current policy, if any special assessments have or will be levied, if the corporation is party to any litigation and more. Status certificates reflect this information as of the day they are issued, so it can be important to make sure the status certificate you review is current.

 Have I reviewed the corporation's legal proceedings?

In addition to reviewing the information regarding any outstanding judgements and legal proceedings contained in a status certificate, buyers are also encouraged to use resources such as:

- > The CAT's [Tribunal Decisions and Orders](#) page
- > [Canadian Legal Information Institute](#) (CanLII)

These resources can help buyers be more informed about the legal proceedings that a condo corporation has been engaged in. While these will not necessarily disclose all legal proceedings, they can provide insight into the types of disputes occurring in the condo corporation.

 Have I considered all the financial implications of purchasing the unit?

In addition to the purchase price, have you considered the additional costs of buying a condo unit?

- > Closing costs (lawyer fees, land transfer tax, other administrative fees)
- > The condo fees that you will be expected to pay can be found in the status certificate.

Depending on your specific circumstances (e.g., first time buyer) there may be certain incentives or financial options available to you. It is recommended to consult with a financial advisor, financial institution, or realtor before looking to purchase.

 Have I considered all the longer-term costs associated with owning a condo unit?

There are additional costs associated with owning a condo unit that you should be aware of, including:

- > Increasing condo fees
- > Potential special assessments
- > Property taxes
- > Interest and mortgage rates

 Have I reviewed the governing documents (declaration, by-laws and rules)?

All residents in the condo corporation must abide by the declaration, by-laws and rules. Make sure to review these before you buy to be sure that you agree with how this corporation regulates itself. For example, you want to ensure the condo allows your pet, if you have one.

 Does the condo corporation have the amenities I want?

What amenities currently exist or will be offered by the condo corporation? Are you planning on using some or all the amenities? Remember your common expenses fees will be used to pay for these spaces, even if you don't use them.

✓ **Does the location of the condo corporation make sense for me?**

Choosing a condo unit that suits your needs is an important aspect of deciding where you want to live. You should consider some of the following:

- > How long will it take to commute to work?
- > How accessible are stores, healthcare services, and other service providers?
- > Which public schools are zoned to the condominium?
- > What are or will be the transportation or infrastructure options (sidewalks, highways, public transportation) available?
- > How will the daily activities in the neighbourhood impact your lifestyle, including any construction or revitalization projects?
- > Where is the unit located in connection to community facilities like a gym or garbage and recycling area? Consider both convenience and potential noise for your lifestyle.

Additionally, location may impact the amount of noise that you experience. Choosing a condo unit in a densely built urban area may lead you to experience much more noise than a condo unit that is in a sub-urban or rural area.

✓ **What kind of condo corporation do I want to live in?**

There are various kinds of condo units that are available to purchase, including those that are townhouses and in low-rise buildings. It is important to consider the privacy that is offered by the unit, the communal aspect of living in close proximity and sharing common elements. Buyers should consider what kind of condo corporation is best suited for them.

✓ **Do I have adequate insurance coverage?**

Speak with a licensed insurance agent or broker, explaining the needs that you have, the types of coverage you are interested in, and the cost of carrying these policies. Remember! You can talk to multiple insurance providers or bundle insurance policies together to try to reduce the cost.

✓ **Does the condo corporation have a healthy reserve fund?**

Condo corporations are required by law to keep a reserve fund, which they must use only to make major repairs and replacement to the common elements and assets like hallways, elevators, piping. Buyers should understand how the corporation plans to address those repairs and replacements and what the amount of funding in the reserve fund is. Condo owners are ultimately responsible for the corporation's financial and physical health and are advised to review the status certificate for this information.

✓ **Have I reviewed any shared facilities agreements?**

If your condo corporation is party to any shared facilities agreements, they are important to review because they may impact costs and how you interact with certain spaces in your desired condo community. These should be included in the status certificate you receive, if applicable.

✓ **Have I reviewed the repair and maintenance responsibilities?**

Repair and maintenance responsibilities vary by condo corporation, as they depend on the Condo Act and the governing documents. The condo corporation is generally responsible for repairs and maintenance to the common elements as well as repairs to standard unit elements. Owners are generally responsible for maintaining their units including upkeep and repair after normal wear and tear.

However, the Condo Act allows condo corporations to alter these responsibilities in the declaration. Review your corporation's governing documents for clarification on the repair and maintenance responsibilities, including unit boundaries and standard unit definition.

✓ **Do I still have coverage under the New Home Warranty Plan?**

A re-sale condo unit that you purchase may still have warranty coverage. The longest statutory warranty coverage is for seven years, with a maximum coverage of \$300,000. To find out if your home is still covered you can visit [Tarion's website](#) or contact them by calling (toll free) 1-877-982-7466 or emailing CustomerService@Tarion.com.



GLOSSARY OF KEY TERMS

Addendum to the Agreement of Purchase and Sale: Must be attached to the purchase agreement. Contains the delayed occupancy warranty provided by the developer as well as an official Statement of Critical Dates outlining when the unit will be ready for occupancy along with conditions for extension of Critical Dates and early termination. The Addendum to the Agreement of Purchase and Sale prevails over the purchase agreement and any other attachments if inconsistencies are found.

Agreement of Purchase and Sale (Purchase Agreement): The Agreement of Purchase and Sale contains important information about your rights and obligations as a condo buyer, the builder's rights and obligations as the seller (as applicable), the unit, and the condo construction project.

Annual General Meeting (AGM): Annual owners' meeting where the board of directors presents to the owners on the financial health of the condo corporation and other business.

Board Meetings: Meetings attended by board members to manage the affairs of the condo corporation.

By-laws: By-laws are part of the condo corporation governing documents. By-laws govern how a condo corporation operates. By-laws can cover topics such as the size of your condo board, the process for electing directors, and the format of board meetings. By-laws must be consistent with the declaration and the Condo Act as well as reasonable.

Chargebacks: Charges that are added to the amount of a unit owner's common expense fees. This may happen, for example, due to a condo corporation handling an owner's maintenance obligations or where a condo corporation incurs certain court costs in a legal proceeding against an owner to enforce compliance.

Common Elements: All condo property except the units and assets.

Common Elements Condominium Corporation: A condo corporation that creates common elements but does not divide the land into units. Owners purchase land tied to part of a common element condo corporation in which they also have an ownership interest (such as a shared road, ski hill or golf course) and pay common expense fees.

Common Expenses: The amount of money that an owner contributes in the proportions specified in the declaration, also known as condo fees or maintenance fees. These go towards paying expenses (operating and reserve), including for, among other things, the maintenance and upkeep of the condo corporation's common elements.

Common Terms for “Developer”: For ease of reference, this Guide uses the term developer when referring to the legal obligations that declarants, vendors, and builders have during the pre-construction purchasing process.

Condo Corporation: A legal entity that comes into existence when a declaration and description are registered with the Land Registry Office. All units and common elements are part of a condominium corporation, and condominium corporations are governed by boards of directors on behalf of owners.

Condo Manager: An individual licensed by the Condominium Management Regulatory Authority of Ontario who is hired by a condo corporation to oversee a condo corporation's day-to-day operations. Condo managers are accountable to the board of directors of the condo corporation.

Condominium Act, 1998 (Condo Act): Condominium Act, 1998 is provincial legislation that governs aspects of condo ownership, living, governance and operations in Ontario.

Condominium Authority Tribunal (CAT): an online tribunal administered by the Condominium Authority of Ontario that is authorized to resolve certain disputes primarily between condo corporations and owners.

Condominium Management Services Act, 2015 (CMSA): The CMSA provides a framework for regulating condo managers and condo management providers and requires that they be licensed to provide condo management services in Ontario.

Cooling Off Period: 10-day period within which buyers of pre-construction condos have the right to rescind, or cancel, a purchase agreement they have signed, for any reason whatsoever. Begins on the later of the date the buyer received the Disclosure Statement, a copy of CAO Condo Buyers' Guide, and the copy of the Agreement of Purchase and Sale.

Declarant vs. Vendor vs. Builder: Declarants are individuals or business entities that own the land upon which the condo corporation will be constructed. The word vendor appears in the agreement of purchase and sale and is the person or company that will sell the condo unit that is being purchased. A builder will construct the unit and together with the vendor, provide the required warranties associated with the new home. **It is possible that the same individual or entity may be all three or both the vendor and builder.**

Declaration: Governing document that contains important information about the condo corporation, such as the percentage that the unit owner must contribute to the common expenses and a breakdown of the responsibilities for repairing and maintaining the units and common elements.

Delayed Occupancy: When a unit buyer is unable to take possession of the new residential unit by the firm or outside occupancy dates contained in the Addendum to Agreement of Purchase and Sale.

Description: The description defines the units and the common elements and specifies the boundaries between them.

Developer-Controlled Board: A condo corporation board including directors appointed by the declarant (the developer).

Directors: The individuals who are appointed or elected to manage the affairs of the condo corporation. Directors are responsible for making important decisions and serve for terms of up to three years.

Director Training: Training program provided by the Condominium Authority of Ontario. All condo directors appointed, elected, or re-elected on or after November 1, 2017, are required to complete the training program within six months of their appointment, election, or re-election. Directors do not have to take the training if they have completed the program within the previous seven years.

Disclosure Statement: A document that your developer must provide when you purchase your unit from them or someone benefiting them, and which includes important information about your unit and the condo corporation (proposed or registered).

Exclusive Use Common Elements: Common elements that specific unit owners/occupiers have exclusive use of, such as a balcony connected directly to a single unit.

Governing Documents: A condo corporation's declaration, by-laws, and rules. These governing documents together with the Condo Act outline how the condominium is intended to operate and what owners and residents are allowed to do.

Information Certificates: Information Certificates help to ensure that owners receive ongoing information about their condo corporation throughout the year. There are three types: Periodic Information Certificates, Information Certificate Updates, and New Owner Information Certificates.

Information Certificate Update (ICU):

Information certificates which include information on certain key changes before the next scheduled Periodic Information Certificate (such as changes in the directors or officers of the condo corporation). These are to be distributed within 30 days of the change.

Interim Occupancy: When a buyer takes occupancy of their unit before the condo corporation has been registered with the Land Registry Office and before ownership is transferred to the buyer. The duration of the interim occupancy is called the interim occupancy period, and during that period the buyer is required to pay occupancy fees. The buyer can move into the unit during this period but is not required to.

Interim Occupancy Fee: The amount that a buyer is required to pay the developer during the interim occupancy period.

New Owner Information Certificate (NOIC):

Information certificates which are sent to new owners within 30 days after the new owner provides written notice stating their name and the unit that they own in the condo corporation.

Notices: Notices are documents containing information that an individual is entitled to receive as a unit owner. Notices will be delivered to you in either hardcopy or digitally.

Owners' Meetings: Meetings which all owners are invited to. Includes annual general meetings, owner-requisitioned meetings, turn-over meetings, and meetings called by the board regarding the transaction of any condo business.

Owner-Requisitioned Meetings: Meetings requested by the owners to discuss/vote on a specific topic, such as the removal of a director or voting on a rule proposed by the board of directors.

Parcel of Tied Land (POTL): Property that is tied to a shared property interest in a common elements condo corporation. Purchasing a POTL means you are buying a share in a common elements condo.

Periodic Information Certificate (PIC): Information certificates which focus on the condo corporation's board, finances, insurance, reserve fund, legal proceedings, and other matters.

Phased Condominium Corporation: A condominium that is built and registered in phases. Once the construction is complete, it becomes a standard condominium.

Proxy: If an owner cannot attend an owners' meeting, they can appoint anyone to attend and act on their behalf at the meeting. This individual is known as a proxy and can attend and potentially vote at the meeting based on the instructions provided by the owner or other proxy giver.

Proxy Form: A legally required form that allows an individual known as a proxy to be appointed to attend a meeting on behalf of an owner or other proxy giver who cannot attend. The required proxy form can be found on the [CAO's website](#).

Quorum (Board Meetings): The law requires that a majority of directors be present at a board meeting, regardless of any vacancy on the board. Without quorum, the board of directors cannot meet to conduct business of the condo corporation.

Quorum (Owners' Meetings): The law requires that a minimum number of owners be present at an owners' meeting either in person, by proxy, or electronically or telephonically. Without quorum, voting cannot take place, however discussion on relevant business is still permitted.

Records: The Condo Act requires all condo corporations keep adequate records. Current owners, purchasers and mortgagees are entitled to request access to, or copies of, their condominium corporation's records with some restrictions.

Reserve Fund: A fund condo corporations save and use to handle the larger financial burdens, for major repair or replacements of common elements and assets as needed.

Reserve Fund Study: Determines how much money needs to be in the reserve fund to ensure the major repairs/replacements can be paid for in the future. The reserve fund study must be prepared by a specialist, like an engineer. The board of directors approves the study, then informs owners of the results of the study.

Rules: Rules are part of the condo corporation's governing documents. Rules exist for the protection of those living in the condo corporation as well as the protection of the assets of the condo corporation itself, and to prevent unreasonable interference with the use and enjoyment of the units, common elements, and assets of the condo corporation. Rules must be consistent with the Condo Act and the declaration and by-laws of the condo corporation as well as be reasonable.

Special Assessment: An extra one-time charge added on top of an owner's common expense fees.

Standard Condominium Corporation: The most common type of condo corporation in Ontario, where the condo corporation is made up of units and common elements.

Statement of Critical Dates: The Statement of Critical Dates can be found in the Addendum to Agreement of Purchase and Sale. The Statement contains the dates you can expect to take occupancy of your unit, as well as other important information.

Status Certificate: A document that anyone can request from a condo corporation and which contains important information about the unit and condo corporation.

Tarion Warranty Information Sheet: Must be attached to the purchase agreement. Outlines key information about the warranty buyers are entitled to if the unit has defects. It also includes information about Tarion, deposit protection, delayed occupancy coverage, warranty exclusions, construction performance guidelines, common elements warranties and pre-delivery inspections of the unit.

Turn-Over Date: This is the date when the turn-over meeting will be held by the developer-controlled board and important documents will begin to be transferred to the newly elected board of directors.



Turn-Over Meeting: The meeting held by the developer-controlled board within 42 days of the developer ceasing to own a majority of the units. At this meeting, the owners will elect a new board and the developer-controlled board will turn over several items to the new owner-elected board.

Unit: A condo unit is the property owned by one or more owners. There are different types of units including residential, commercial, storage, parking spaces and others. The specific details and boundaries of a condo corporation's units can be found in a corporation's declaration and description.

Vacant Land Condominium Corporation:

A type of condo corporation in which the units may be vacant lots at the time of purchase, and the condo corporation may resemble a subdivision. Common elements are often things such as roadways, sewer systems, and amenities such as parks or recreation facilities.

CAO Contact

[Message us](#) through our website or call Monday-Friday 9:00 a.m. - 5:00 p.m.

CAO Local – 416-901-9356

CAO Toll Free – 844-880-5341

TTY (telephone device for the hearing impaired)

[Bell Relay Service](#)

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