

# Ready or not.... ...the New Condo Act!

A presentation for



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**GOWLING WLG**

- **Dec. 3/2015:** Adoption of Bill 106
- **2016-2017:** Drafting & circulation of Regulations
- **Sept. 1/2017:** Launch of CAO
- **Nov. 1/2017:**
  - Implementation of most changes to *Condo Act*
  - CMRAO and CM's licencing
  - Condo Tribunal
- **Feb. 1/2018:** Expected implementation of balance of changes to the *Condo Act*

## **The CAO:**

- Authority established to administer the provisions of the Condo Act and the Condo Tribunal
- It will provide:
  - Services and protections to owners
  - Easy to use information
  - Online dispute resolution
  - Directors training

## Easy to use information

- *Condo Guide (to come)*
- *Information on [website](#)*
- *Q&A on [common issues](#) – example on [noise](#)*
  - *[Legislation overview](#)*
  - *[Solutions](#)*
  - *Next steps*
  - *Mediation, arbitration, legal steps*

## Template letter

(Your condo corporation's name)  
(Your condo corporation's address for service)  
(Your condo corporation's email address (optional))

**Select today's date**

**RE: Notice of Issue**

Dear Board or Manager,

Please accept this letter as a formal notification of an issue that I would like to bring to your attention. Specifically, the issue is (describe the issue).

This issue began on (select a date).

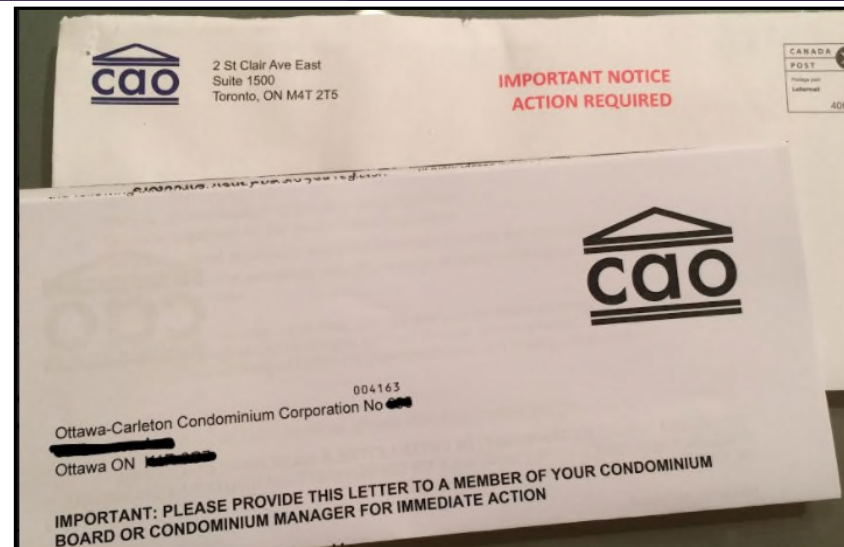
I would like to work with you to find a solution. Please contact me at your earliest convenience so we can discuss this issue. You can contact me by (choose a communication method).

Thank you for your assistance.

Sincerely,

## Mandatory registration

- Purpose of registration
- Letter with unique code
- If not received: [info@condoauthorityontario.ca](mailto:info@condoauthorityontario.ca)
- Deadline to register: Dec. 31, 2017
- Who should do it?



## Information required to register

- Unique invitation code
- Type of condominium corporation
- Corporation's address of service
- Number of units and voting units
- Info on condo directors (optional)
- Info on condo manager (optional)

## **Assessment Fees**

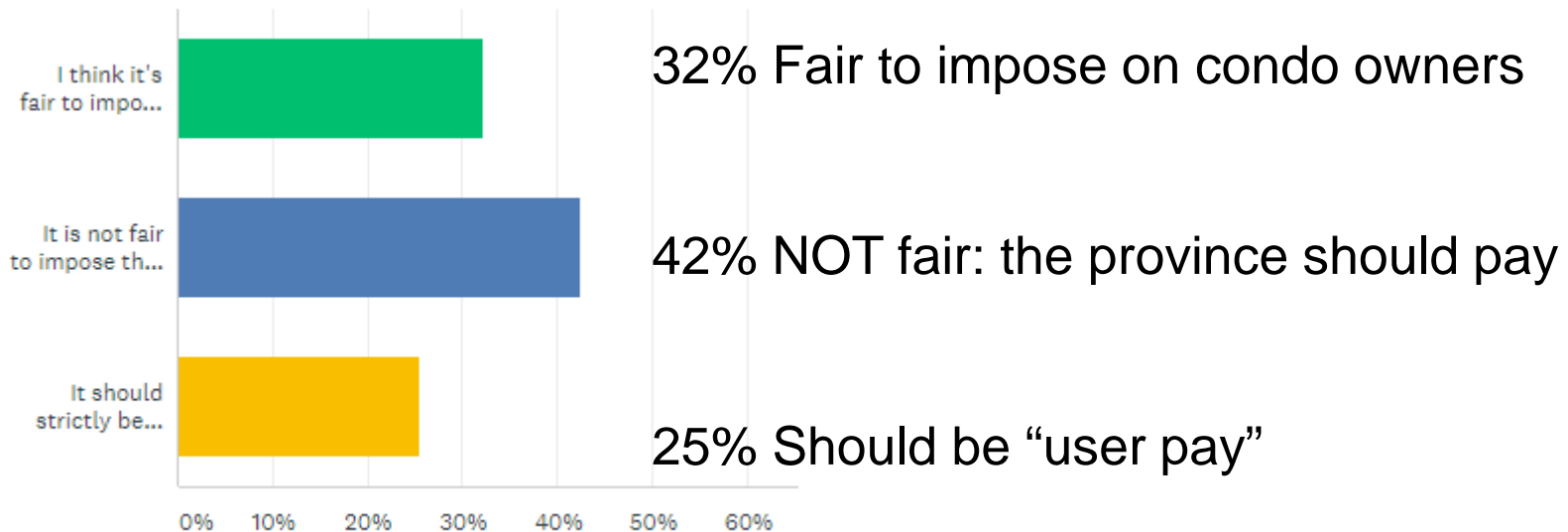
- Set by the CAO; Paid by owners; Collected by Corporations
- \$1/month per voting unit
- Is a common expenses (percentage)
- **Fee is effective:** Sept. 1, 2017
- **Fee is Due:** Dec. 31, 2017  
(for Sept 1 to March 31)



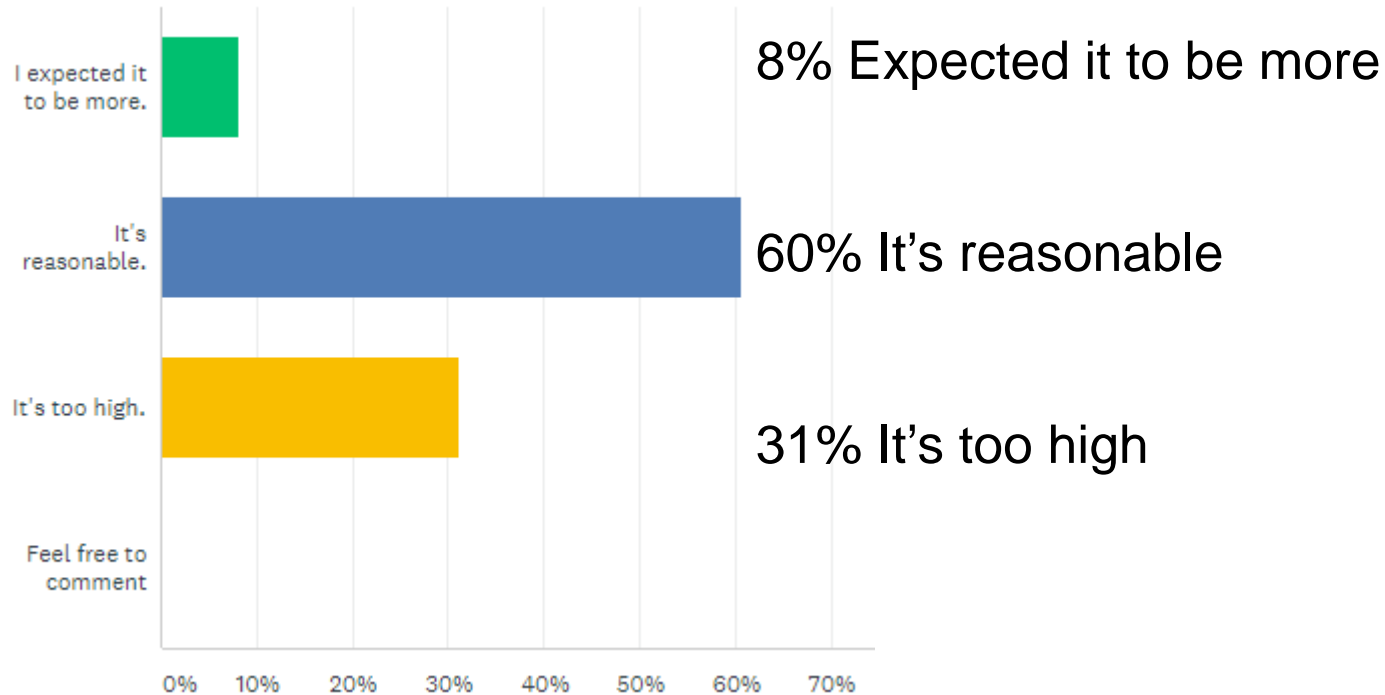
## Other Fees

- **\$1/unit per month**
- **\$25** to access CAT's online dispute resolution
- **\$50** for a Tribunal's mediator
- **\$125** to submit the dispute to the Tribunal.

## Survey on Fees



## Survey on Fees



- *Administered/accredited by CAO*
- *Mandatory for all directors*
- *6 months to take the training*
- *Valid for 7 years*
- *Existing directors are grandfathered...*
- *Paid by the Corporation*
- *Effective Nov. 1, 2017*

## ***CAO's pilot training modules:***

- [The Fundamentals of Condo living](#)
- *The legal framework governing condos*
- *The role and responsibilities of directors*
- *Effective leadership in creating a strong condo community*

# *New Director's Disclosure Obligations*

## Directors qualifications:

- An individual
- 18 or over
- Not an undischarged bankrupt
- Capable of managing property
- Has a lien on the unit for more than 90 days
- **Must complete the required training**
- **Must comply with the disclosure obligations**

# *New Director's Disclosure Obligations*

Directors disclosure obligations:

- Legal action involving the corporation
- Convicted of offences under this act (10 yrs)
- Material interest in contract or transaction
- Arrears for 60 days or more
- By-laws can impose further disclosure obligations

## **Timing of disclosure**

- In advance of the meeting
- At the meeting of owners
- The same apply to directors appointed by the board
- Expected effective date: Nov. 1, 2017
- Existing directors (and those elected/appointed within 40 days) are grandfathered



- CM licencing will be mandatory!
- Exempt from licencing requirements:
  - Directors (unpaid for CM services)
  - Self-managed corporations
  - List of professionals ...
- Licence requirement effective *Nov. 1<sup>st</sup>, 2017*
- CM will have until January 29, 2018 to apply

- **3 types of licences:**
  - **General Licence (\$607/year)**  
(2+ yr and completed educational requirement)
  - **Transitional General Licence (\$607/year)**  
(2+ yr without educational requirement)
  - **Limited Licence (\$379/year)**  
(Less than 2 years of experience)
- Each application: \$150
- Fees for providers \$799 + \$350 per licensee

# *Calling an AGM under the new Act*

- **Advance notice** required **35 days** before AGM
- Give at least 15 days to respond
- **Notice of AGM** **15 days** before AGM
- **Effective:** Nov. 1<sup>st</sup> 2017
- Only for meetings held more than 40 days after implementation of s. 47

# *Adopting & Circulating a budget*

- New section about Annual budgets (s.83.1)
  - Preparation : 30 days before the new FY
  - Circulation to owners: 15 days after adoption
  - Cannot implement it until circulated
- Amendments are possible – with notice
- Cannot exceed budget for certain expenses (without prior notice)

# *New Provisions on Chargebacks to owners*

- No fines, penalty, other amount
- Unless to indemnify or compensate the corporation for an actual loss
- For *prescribed* additional amount to common expenses:
  - Notice to owners within 15 days
  - Owners has 30 days to pay or contest
  - No payment required during adjudication

## Returns to the CAO

- **Initial Return:** within 90 days of registration
- **Turn-over Return:** within 90 days
- **Transitional Return:** A one-time return will be required to be filed by all corporations in existence within **90 days** of effective date;
- **Annual Return:** Filed each year between January 1st and March 31st.
- **Notice of change:** 30 days when change

## Information Certificate to owners

- Form provided by the province
- Twice a year (not every 3 months) – more often if the bylaw provides so
- Within 30 days of an update
- For new owners (30 days)
- In English or French
- Implementation date: early 2018?

## Method of delivery

- Standard delivery
- Posting on website
  1. if notice is sent to owners (form to come)
  2. Is accessible for at least 30 days
  3. Can be downloaded, printed, viewed, retrieved



# Electronic service of documents on owners

- Various methods to switch to electronic service:
  - NOW: Owners advise now corporation in writing of their change of address to electronic service
  - FUTURE:
    - Sign the “Agreement to electronic delivery” (form to come)
    - Pass a resolution and get consent in writing

**QUESTIONS?**



# Impact on our management Fees

- Additional costs to managers
  - Cost of licencing
  - Cost of ongoing training
  - Additional staffing required
  - Increase work load
  - Increase in minimum wage
- Discussion

# Speaker's Info

## Thanks! / Merci!



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