



Condominium Act Reforms

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Toronto has seen an explosion in the growth of condominiums in recent years. Recent census data shows that 44 percent of people living in Toronto do so in an apartment of some kind, outranking the percentage of people in detached homes. With land being at a premium in the Greater Toronto Area, the percentage of people living in condominiums is growing faster than detached houses. Along with the increased percentage of condominium dwellers, comes a greater number of condominium-related disputes. These disputes frequently hit headlines, and can range in topic from property managers defrauding condominium corporations to condo boards withholding financial information from condominium owners. A common thread in these disputes is the victimization of condominium owners.

In response to this growing incidence of condo disputes, the government of Ontario decided to reform the *Condominium Act*, 1998, and in the spring of 2015 tabled Bill 106, called the *Protecting Condominiums Owners Act*, 2015, which will not repeal the current Act governing condominiums, but will make many amendments to existing Acts, introduce many regulations, establish new administrative authorities, and introduce one new piece of legislation, the *Condominium Management Services Act*, 2015 dealing with the mandatory licensing of property managers. On December 3, 2015, the *Protecting Condominium Owners Act*, 2015 received Royal Assent. However, legislation does not become law until its regulations have been passed, and not all parts of the new Act have been proclaimed. The regulations turned out to be more complicated to draft than anticipated and therefore, the government decided to phase in the reforms to the Act.

The first phase of changes to the *Condominium Act*, 1998 began on November 1st, 2017 and include the following changes, among others:

- Information Certificates are to be sent to owners periodically and contain information currently included in status certificates such as the names of directors and officers;
- If a director has not completed their training, they are disqualified;



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- For meetings of owners, boards must send out a preliminary notice of meeting at least 20 days prior the actual notice of a meeting. The preliminary notice must contain information such as a deadline for submitting a director's candidacy if the meeting involves electing a director; and
- A form for proxies is now required, which will help reduce tampering and misinformation. (To clarify, if a condo owner is unable to attend meetings but still wants to participate in the decision-making process they may complete a proxy form. This gives another person who plans to attend the meeting (i.e. the proxy) the power to vote on the owner's behalf.)

The first phase of changes also creates two new, separate Administrative Authorities, which are not-for-profit organizations that operate at arms-length from government. The two new Administrative Authorities are the Condominium Authority of Ontario and the Condominium Management Regulatory Authority of Ontario. The Condominium Authority of Ontario, which has already opened its doors, will administer condo owner education; develop and operate the mandatory director training courses; and effective April 1, 2018 operate and maintain for the public an electronic registry containing information on every condominium corporation in the province. The Condominium Management Regulatory Authority of Ontario will administer the licensing of condo managers.

Notably, the Condominium Authority of Ontario will administer a new tribunal called the Condominium Authority Tribunal, which has developed the first online dispute resolutions system in Ontario. This online dispute resolutions system has been established as an inexpensive and efficient way of resolving condominium disputes. For example, the filing fee to start a case with this Tribunal is only 25 dollars. If this online dispute resolutions system is effective, it may be a form of dispute resolution that other agencies and adjudicators may adopt. This first phase of reforms brings significant changes to condominium law in Ontario, even though the reforms have only just begun since the majority of the amendments to the *Condominium Act*, 1998 are still not in force.