

# real estate

## **Condo-Ology®: A former front line condo manager's perspective**

*The importance of the well-informed and engaged condominium owner*

The majority of condominium stakeholders and individuals feel many of today's condominium issues are a direct result of owners' apathy. This position is further supported by the lack of participation (in person or by proxy) at Annual General Meetings.

There are a few stakeholders who are suggesting a future owner should be required to take a course prior to a purchase, as you may imagine, this requirement would be practically impossible to administer. On the other hand, if future owners clearly knew what to expect with condo ownership it may eliminate individuals who are not suited for condo ownership/life style.

The below is an excerpt from my submission to the Condo Act Review – First Stage.

*“It is my experience that far too many current owners are ignorant of various restrictions they must live by as put forth under the guidelines in their condominium corporation's documentation. The bottom line is that some owners (and even directors) are ill suited for a condominium lifestyle.*

*Regulators set regulations to ensure that the consumer or client is adequately apprised of the various risks and obligations before making a commitment. For example, under regulations set by the Investment Industry Regulatory Organization of Canada, before accepting the funds, the financial money manager must review a form known as 'Knowing Your Client' with the client. This document spells out the various obligations, pitfalls and possible risks etc. Once completed, the form must be signed by both the money manager and the client, acknowledging this review process has been completed.*

*With condominium purchases, there are no regulations to force the new purchaser to understand their responsibilities and possible repercussion of condominium ownership. There are no mandatory forms signed by the purchaser acknowledging their understanding of condominium ownership.*

*Who should take the role of the money manager in the condominium setting?*

*I believe most good real estate lawyers are already doing this as part of their review of the condominium documents with the new purchasers, but I think that ultimately it should be the responsibility of the condominium manager. A professional condominium manager is closer to the situation, and therefore should have local (specific) knowledge of the condominium corporation, which the lawyer may be unaware. However, even more importantly, the purchaser will meet face to face with their future manager, similar to a trusting relationship they might have with their money manager.”*

While the above may assist those contemplating condominium ownership, it does not encourage current owners to become more knowledgeable and engaged with their condominium corporations. As mentioned in a previous article, our area is fortunate to have smaller condominium corporations, it is easier for the board and manager to engage current owners than it would be with a much larger condominium corporation.

Condominium ownership is not totally carefree; owners must have an understanding of their corporations operations (operational and financial) including the various requirements/obligations of the board, manager and all owners. Owners are the ultimate benefactors of a long-term successful condominium operation and all owners must do their part to understand condominium ownership/lifestyle.

Superior boards and managers must encourage owners' engagement and below are a few suggestions to have well-informed and engaged condominium owners:

- 1) Annual General Meetings should have an annual pre-set date.
- 2) Regular communication
- 3) Minutes, should be posted, if possible, or emailed to those wishing a copy
- 4) All corporations' information must be available in an understandable manner
- 5) Easily understood full reserve fund studies should be emailed to all owners
- 6) Encourage suggestions etc.

The higher percentage of well-informed engaged condominium owners is directly related to the on-going success ('The Reputation') of a particular condominium corporation.

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Tom LePage is a Condominium Consultant and is a 25-year plus Member of the Real Institute of Canada, Institute of Real Estate Management and the Association of Condominium Managers of Ontario in which he has earned several real estate and condominium management designations.

Tom is locally best known as being on the incredible development team for Lighthouse Point Yacht and Tennis Club led by the visionary Rupert Bronson from start to finish (1987 – 2008). Tom, through his company was Lighthouse Point Community's Condominium Management and Grounds Maintenance Provider from 1989 to 2010

All Tom's published articles as well as useful links can be found on his web site [www.condominiumconsulting.net](http://www.condominiumconsulting.net) , Tom can be reached at tom@lepage.biz.