

# real estate

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

### *Engagement via Transparency*

My previous articles have identified that: i) a condominium corporation's board of directors constitutes a fourth level of government in Canada, and ii) the preferred form of government for a condominium corporation is a direct democracy whereby condominium owners are engaged in the development of their condominium corporation's governance/policy initiatives.

Since our provincial Condominium Act Review process began in September 2012, I have attended three provincially sponsored public sessions (Toronto, Mississauga and Scarborough) where discussions were held with regard to the revamping of our province's Condominium Act. The turnouts have been less than spectacular and a prevalent belief among concerned parties is that many of the current condominium problems are directly attributed to owners' apathy.

In Toronto, it is common for larger condominium corporations to experience difficulties in obtaining quorums (normally 25%) required to have their annual general meetings. In my view, this is simply not acceptable.

Owner apathy, in my opinion, is a result of past experiences. The steady flow of negative government behavior (at all levels) including politicking, self-interest, deceit, and lack of public engagement has resulted in many people feeling disillusioned. The current level of apathy amongst condominium owners needs to change.

My belief is that condominium owner apathy can be eliminated with engagement via a direct democracy Condo-Government. The effectiveness of a direct democracy Condo-Government improves as owners become increasingly engaged through their understanding of and involvement in their condominium corporation operations. Increased owner engagement via increased transparency will inevitably reduce owners' apathy, which in turn reinforces the benefits of engagement - it becomes a win-win cycle for all.

However, engagement can only occur if there is true transparency. I have identified three (3) requisite components for true condominium owner transparency:

#### **1) Access**

All owners must have access to all pertinent records of the condominium corporation. Access should be considered an absolute right. Every owner must be able to inspect and review whatever relevant

documentation they wish, as every owner is a stakeholder in their condominium corporation. It is important to note that there are few privacy exceptions that are clearly defined in the Condominium Act, which would remain in effect.

## **2) Communication**

The board of directors' has the responsibility (via condominium management) to keep the owners regularly apprised of the on-goings of the condominium corporation. There should be no secrets. The more open and engaging the board is, the greater likelihood unsettling rumors and mistruths will dissipate.

## **3) Understandable**

The information obtained or shared must be understandable to ALL condominium owners. Comprehension is key to transparency. For example, the delivery of an incomprehensive Reserve Fund Study would not qualify as being transparent. All information must be presented in an easily understood manner.

FORE!

Tom

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

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