

real estate

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

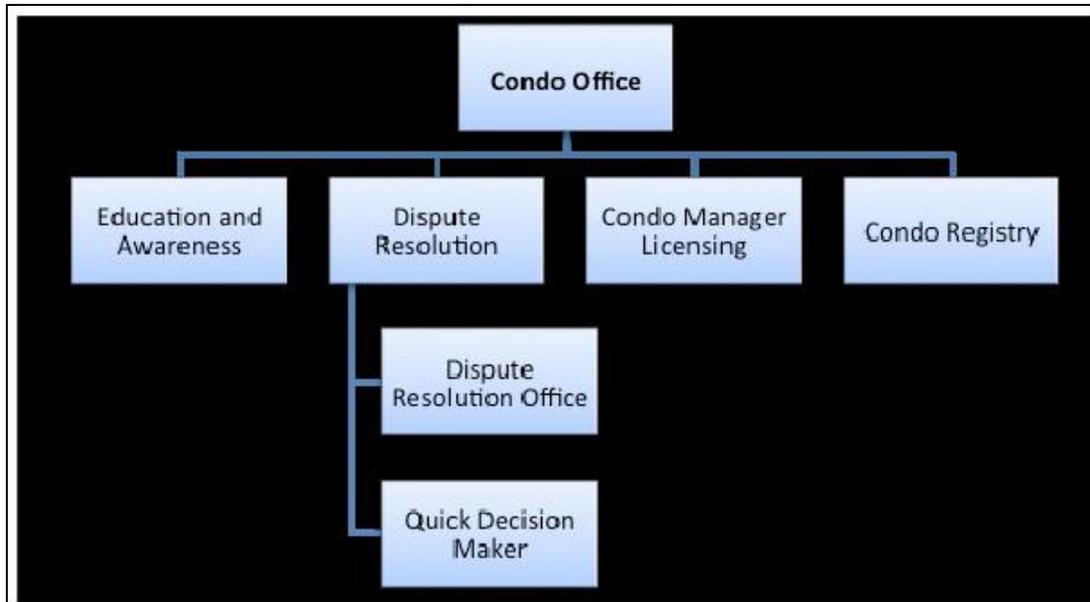
Condominium Act Review (Stage Two) has Recommended a Provincial Condo Office

A significant recommendation has been issued as part of Ontario's Condominium Act Review that would result in the creation of a provincial 'Condo Office'. The Condo Office would have four main functions: 1) education and awareness, 2) dispute resolution, 3) licensing of condominium managers, and 4) the creation and maintenance of a condominium registry. This new organization would report to a board of directors and operate at arm's length from the government, but with authority delegated by government.

According to the recommendations put forth in Ontario's Condominium Act Review Stage Two, the Condo Office may be responsible for, but not limited to, the following tasks:

- Provide information and advice on relevant issues to members of the community;
- Incorporate a new licensing authority for condominium managers;
- Promote improved education for condo owners, directors and managers
- House and administer new dispute resolution services;
- Collect and provide statistical data on condo disputes; and,
- Create and administer an authoritative registry of Ontario condo corporations.

The following flow chart is reproduced from the Ontario's Condominium Act Review Stage Two Report. This chart shows the proposed functions of the Condo Office.



The Condo Office recommendation included a funding model which would comprise a combination of membership and licensing fees, potential fines and penalties, and a levy on each condominium unit in Ontario of approximately \$1.00 to \$3.00 per month to be collected and remitted by each condominium corporation.

I agree that the establishment of a Condo Office is necessary for the wellbeing of condominium ownership. In saying this, I believe that responsible oversight is needed to ensure that the Condo Office does not become an overly bureaucratic and costly organization. Furthermore, the Condo Office needs to be professionally controlled by condominium owners or a third-party organization that represents the best interest of condominium owners, and not by the dependent companies that service condominium corporations.

The Condo Office recommendation in the Ontario's Condominium Act Review Stage Two report identified the possibility of non-government organization taking responsibility for implementing the Condo Office. The report cited examples such as the Canadian Condominium Institute or the Association of Condominium Managers of Ontario as a basis for governance of the Condo Office. Given their dependent relationship with condominium owners, these two organizations have conflicts of interest that should negate their involvement as the custodian of the new Condo Office.

Similar to the organizational structure found in other Provinces and States, I believe the Condo Office (or its equivalent) should fall under the umbrella/jurisdiction of an independent regulatory body that oversees a large percentage of the real estate industry. In Ontario, the appropriate regulatory body would be the Real Estate Council of Ontario (RECO). RECO is the logical choice for several reasons. Firstly, RECO is an established non-profit corporation that is experienced in

administrating regulations on behalf the Ministry of Consumers Services. Currently, RECO monitors and records the activities of 50,000 plus realtors and transparently reports complaints, and enforces compliance and discipline of all members. Lastly, RECO has experience in working with other Associations and has an established qualified and professional in-house staff.

The complete Stage Two Solution Report as well as a survey for comments can be found at www.ppforum.ca.

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