

Amendments to the *Condominium Act* (the Act) and the Regulations are effective on and after May 23, 2023.

Changes to the Act will improve governance of condominiums, enhance consumer protection, and better align legislation with current practices in the condominium industry. Accordingly, any related Condominium Regulations were also amended to remain consistent with changes made to the Act.

The key changes are outlined below with an *explanatory note* that provides further details.

## 1. Condominium Corporation Management

- Corporations will not purchase property, except for no consideration (\$0), until a board of directors has been elected in accordance with the Act – [Section 14C](#).

*Since mortgages on common elements are the responsibility of all condo owners, this change will protect corporations from carrying mortgages acquired before the first elected board of directors is established.*

- Reserve-fund studies will be conducted every five years instead of every ten years – [Section 31 \(1F\) of the Act](#) and [Clause 78 \(a\) of the Regulations](#).

*More frequent reserve fund studies are required, every five years instead of ten, which will help corporations plan for future capital repairs. As a result, the requirement for five-year updates will be repealed from the regulations.*

- Estoppel certificates will certify that the reserve-fund is managed in accordance with the reserve-fund study – [Section 31A](#).

*This was added to ensure transparency of information provided to unit owners and/or purchasers so that they will know if the reserve fund complies with the most recent reserve fund study and to have a full understanding of the financial state of the corporation.*

- Corporations must file a copy of the financial statement and auditor's report (as applicable), within 90 days after the annual general meeting - [Section 26 \(10\)](#)

*This will allow corporations a reasonable time after their AGM to send in their financial statements as well as any other filings, such as updates to directors and officers, which can be submitted at the same time.*

## 2. Creation of the Initial Board of Directors - [Section 14B \(2\)](#)

- The general meeting to elect the first board of directors will be held one year after the date the developer sells the first unit, or forty-five days from the date the developer ceases to own 50% of units, whichever is earlier.

*A challenge to condominium corporation management, is the timing of the turn-over meeting, where the first elected board of directors is established. This change will ensure that the election of the first board must occur no later than one year after the sale of the first condo unit, regardless of whether a developer owns 50% of the units.*

### 3. Changes to and Clarification of Voting Percentages and Procedures

- Eliminate the existing potential conflict between voting percentages required to make substantial and unsubstantial changes to the common elements and increase the voting percentage required to make non-substantial changes from a majority vote to an affirmative vote of at least 66 2/3% - [Section 32 \(1\)](#).

*Clarified the voting threshold required for non-substantial changes which aligns with other jurisdictions in Canada and other matters outlined in the Act requiring the consent of owners.*

- Allow ballots to be submitted by fax or e-mail if the declaration and by-laws permit it – [Section 37 \(1A\)](#)

*This change allows corporations to modernize voting methods and will expand options for unit owners to participate in voting when they are unable to be present in person.*

- In several places in the Act, references to “a vote of” a certain percentage of owners was changed to ‘an affirmative vote’.

*This was changed to clarify that it isn’t sufficient for a certain percentage of members to simply cast their votes on a proposal, but that they must vote in favor of the proposal in order for it to be successful.*

### 4. Disclosure

- Developers will indicate in promotional materials that properties are condominiums – [Section 44A](#) .

*It is not always clear that a development is a condominium particularly in bare land and subdivision style communities where developers may use other language, such as "cottage country" or "community living", to describe these styles of condominium developments. This change will ensure that potential buyers are aware that the development is clearly a condominium property.*

- Owners who rent units under the *Residential Tenancies Act* will provide the name and addresses of tenants to the corporation – [Section 44BA](#).

*This change will create transparency by requiring unit owners to disclose any tenants under property rental agreements to their boards and will also protect renter privacy where the board will only be provided with the renter’s names and addresses, as opposed to copies of their rental agreements.*

### RELATED LEGISLATIVE LINKS

- [Condominium Act](#)
- [Condominium Regulations](#)