

Changes to Alberta's Condominium Property Act Needed



Issue

The *Condominium Property Act*, while comprehensive, does not possess adequate teeth to achieve compliance. Condominium documents are often unavailable when units change hands, leaving buyers and sellers to make decisions related to a purchase or sale of a unit without adequate review of pertinent materials. Even when condominium documents are provided, they are often outdated, incorrect and/or incomplete, leaving both the consumer and Alberta REALTORS® vulnerable to liability.

While the *Act* prescribes certain actions, it does not provide for policing of those requirements, nor is there an effective remedy to encourage compliance. The Alberta Real Estate Association and its members would like to work proactively and cooperatively with the provincial government and other stakeholders to address this issue in a manner that protects the public's interests.

Who's Affected

8,897 Condominium Boards

321,490 active titled units (as per Land Titles Office statistics, November 8, 2008.)

Concerns

Condominium ownership is a complex transaction that involves more due diligence than single family ownership. Our concerns include:

- Lack of due diligence: consumers are unable to get needed documents in a timely manner from condominium boards/management companies.
- Inconsistent fees: fees for documents range from reported lows of \$50 to highs of several hundreds of dollars.
- No remedy: the *Act* provides no remedy for non-compliant condominium boards or management companies.
- Incomplete information at transaction time: buyers are often unaware of decisions that oblige them to special assessments or increased fees because this information is not communicated in a timely manner to the owners who, as a result, are unable to communicate the information to the buyer when they purchase the unit.
- Lack of control over property: When new construction is halted prior to completion, the *Act* does not allow for the occupying owners to have any control over their own property; the "board," per se, rests with the developer.

Proposed Solutions

- Schedule a forum for discussion and dialogue between industry, government and other stakeholders to clarify the issues with the *Act* as it stands and to assess resulting implications.
- Facilitate the use of an electronic database (such as SPIN II) to improve timeliness of document delivery, accuracy and completeness of condominium documents.
- Establish guidelines and resources to facilitate adherence to the *Act* by all condominium boards.

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The Alberta Real Estate Association (AREA) represents the interests of 10 Real Estate Boards, more than 10,000 licensed REALTORS® and the consumers they serve.