

# **CONDOMINIUM ACT REVIEW STAGE 3 ROUNDTABLES**

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**SUMMARY**

## PROCESS OVERVIEW

Stage Three of the Condo Act review was launched on September 24, 2013, with the publication of the *Stage Two Solutions Report*, which contains over 100 expert recommendations to modernize the Condominium Act. The public had 45 days to provide feedback on the report and the government received over 1,000 comments on the expert recommendations.

As a capstone to Stage Three of the public engagement process, the Ministry of Consumer Services, (now known as the Ministry of Government and Consumer Services) and the Public Policy Forum held roundtable sessions across Ontario to give condo residents and stakeholders the opportunity to review and validate the expert recommendations. From December 2013 to January 2014, 70 condo residents and other stakeholders participated in five sessions:

- December 9: Ottawa
- December 10: Mississauga
- December 12: Toronto
- January 16: London
- January 23: Scarborough

Ministry staff reached out directly to residents in each of the areas who had written to the Ministry through ONCONDO. The Ministry also invited participants to attend the roundtable through Facebook and Twitter. All individuals that expressed interest in attending the roundtable were included, with the exception of the Scarborough roundtable, where all individuals who expressed interest were included or placed on a waitlist. To ensure productive dialogue among the participants, the preferred size of the roundtables was 10-15 participants.

The roundtable discussions focused on the over-arching recommendation from stage two of the review: the establishment of a Condo Office. At the roundtables, participants were given an overview of the Condo Act review process and stage two recommendations before breaking off into small groups for in-depth discussions on the expert proposal for a Condo Office. In these focus group discussions, participants were asked to reflect upon which Condo Office features – education and awareness, dispute resolution, a condo registry, and manager licensing – they valued the most and assess the potential ways to fund the office.

## SUMMARY OF COMMENTS

Participants were generally in support of the Condo Office and the services it would provide. In particular, residents supported increased information and education for owners and boards. Residents also emphasized the importance of timely and cost-effective dispute resolution services.

There was general consensus among roundtable participants that a funding model with multiple sources of revenue, including unit and user fees, was most appropriate for financing the office. Residents thought that manager licensing should be self-funded. Some participants suggested other revenue streams for the office, including condo developer, condo buyer, and municipal fees.

Some participants voiced concern that the office might be ineffective or overly bureaucratic. Others expressed that the office would require sufficient enforcement powers to meet the needs of the condo

owners and boards. Others stated the office should be equitable in its funding approach by ensuring all members of the condo community pay their fair share. Some participants also expressed that the Condo Office must be accessible from a variety of platforms (e.g. phone, online, in person) to condo owners from across the province, including rural regions.

## OTTAWA ROUNDTABLE

### OVERVIEW

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**Date and Time:** December 9, 2013, 6:30PM – 9:00PM

**Number of Attendees:** 11

### SUMMARY

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**Residents supported the following:**

- A Condo Office that provides easily accessible information and support for condo owners
- A funding model with multiple revenue streams, including unit fees and user fees
- Mandatory education and training for managers and board members

**Residents had concerns about the following:**

- Condo Office needs to provide effective services and not be an additional “layer of bureaucracy”
- Condo Office funding should be fair across the entire condo sector (e.g. owners, managers, etc.)
- Initially there may be a high demand to access the Condo Office, which may strain resources

### FOCUS GROUP FEEDBACK - CONDO OFFICE

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**Education and Awareness**

- **Value:** Residents valued training for board members and a one-window source of information for owners
- **Funding:** Residents supported a funding model with multiple sources of revenue, including user fees and unit fees

**Dispute Resolution**

- **Value:** Residents valued the ability to resolve disputes quickly and in a cost-effective manner
- **Funding:** Residents were undecided, but favoured user fees that increase the more the service is used

**Condo Registry**

- **Value:** Residents valued having a single authority for condo information
- **Funding:** Residents were undecided, but favoured a funding model with multiple sources of revenue, including user fees and unit fees

**Manager Licensing**

- **Value:** Residents valued equally minimum education and insurance requirements, and licensing for condo managers
- **Funding:** Residents felt strongly that manager regulation should be funded through licensing fees

### ADDITIONAL FEEDBACK

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- Condo Office should be funded by a variety of stakeholders
- Three hours of mandatory board training may not be sufficient to provide training on all subjects
- Individuals permitted to conduct a reserve fund study should hold a designation of “qualified expert”

- Consider permitting the reserve fund to be used for long-term periodic maintenance (e.g. a pool)
- Some recommendations may increase the administrative burden on managers and boards

## MISSISSAUGA ROUNDTABLE

### OVERVIEW

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**Date and Time:** December 10, 2013, 6:30PM – 9:00PM

**Number of Attendees:** 12

### SUMMARY

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#### **Residents supported the following:**

- General support among the participants for the proposed Condo Office and the services it would provide
- General consensus that a funding model with multiple sources of revenue was the best approach for funding most services
- Condo Office filing requirements would increase transparency and accountability of condo corporations

#### **Residents had concerns about the following:**

- Condo Office should be accountable and have enforcement mechanisms for boards and owners
- Owners and boards should have recourse to higher authority (e.g. divisional court) after dispute resolution by the Condo Office
- Responsibility for the Condo Office funding should be equitable

### FOCUS GROUP FEEDBACK – CONDO OFFICE

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#### **Education and Awareness**

- **Value:** Residents valued education for board members and owners, and a one-window source of information
- **Funding:** Residents supported a funding model with multiple sources of revenue, including unit and user fees

#### **Dispute Resolution**

- **Value:** Residents valued the ability to resolve disputes quickly and in a cost-effective manner
- **Funding:** Residents supported a funding model with multiple sources of revenue, including unit, user, developer and manager fees

#### **Condo Registry**

- **Value:** Residents valued filing requirements to document basic corporation information
- **Funding:** Residents supported a funding model with multiple sources of revenue, including unit, user, developer, and municipal fees

#### **Manager Licensing**

- **Value:** Residents valued licensing and regulatory oversight
- **Funding:** Residents assumed manager regulation would be funded through licensing fees

### ADDITIONAL FEEDBACK

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- The importance of having a Condo Office to help deal with owner apathy “cannot be over emphasized”

- Proxies should be sent to neutral third-party prior to a meeting, to limit vote tampering and fraud
- Common health and safety issues like smoking should be addressed
- Condo guide should be translated into multiple languages, based on demographics of Ontario condo community

## TORONTO ROUNDTABLE

### OVERVIEW

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**Date and Time:** December 12, 2013, 6:30PM – 9:00PM

**Number of Attendees:** 17

### SUMMARY

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**Residents supported the following:**

- A Condo Office that provides effective and affordable dispute resolution
- A funding model with multiple sources of revenue, including a reasonable monthly unit fee
- Increased information and education for condo owners and board members

**Residents had concerns about the following:**

- To be effective, the Condo Office needs an enforcement mechanism
- Condo Office information needs to be accessible from a variety of platforms (phone, online, etc.)
- New requirements for directors cannot be too onerous

### FOCUS GROUP FEEDBACK – CONDO OFFICE

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**Education and Awareness**

- **Value:** Residents valued increased information for owners and education for board members
- **Funding:** Residents supported a funding model with multiple sources of revenue, including unit fees and user fees

**Dispute Resolution**

- **Value:** Residents valued the ability to resolve disputes quickly and in a cost-effective manner
- **Funding:** Residents supported a funding model with multiple sources of revenue, including user fees (majority of revenue) and unit fees

**Condo Registry**

- **Value:** Residents valued the filing requirements to document basic condo corporation information
- **Funding:** Residents were undecided, but favoured a funding model composed of user, unit, and developer fees, in addition to government funding

**Manager Licensing**

- **Value:** Residents valued independent licensing and mandatory education for condo managers
- **Funding:** Residents assumed manager regulation would be funded through licensing fees

### ADDITIONAL FEEDBACK

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- Consider phased implementation and funding of the Condo Office

- Government should provide seed money to fund Condo Office in its first few years
- Additional revenue streams to consider: developer fees, fines, government
- More needs to be done to prevent fraud

## LONDON ROUNDTABLE

### OVERVIEW

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**Date and Time:** January 16, 2014, 6:30PM – 9:00PM

**Number of Attendees:** 15

### SUMMARY

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#### Residents supported the following:

- General support for a Condo Office that provides increased information to owners and boards, as well as efficient and affordable dispute resolution services
- General consensus that a funding model with multiple revenue sources, including unit and user fees, is an appropriate option for most Condo Office services
- General consensus that sector data from condo registry would be very valuable for owners

#### Residents had concerns about the following:

- Ensuring Condo Office is cost-effective so that owners are getting the most value for their money
- Security of personal and corporate information that is collected for the condo registry
- Degree of accessibility and responsiveness of Condo Office for condo owners and boards who live outside the Greater Toronto Area

### FOCUS GROUP FEEDBACK – CONDO OFFICE

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#### Education and Awareness

- **Value:** Residents valued increased information and education for owners and boards
- **Funding:** Residents were divided between unit fees and a funding model with multiple sources of revenue

#### Dispute Resolution

- **Value:** Residents valued quick and cost-effective resolution of disputes
- **Funding:** Residents were divided between user fees and a funding model with multiple sources of revenue

#### Condo Registry

- **Value:** Residents valued the collection of condo data for owner and board benefit
- **Funding:** Residents supported nominal user fees to access condo registry data

#### Manager Licensing

- **Value:** Residents valued independent oversight and mandatory education for condo managers
- **Funding:** Residents assumed manager regulation would be funded through licensing fees

### ADDITIONAL FEEDBACK

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- The interests of condo owners outside of the Greater Toronto Area need to be represented in the new legislation and proposed Condo Office
- The Condo Act needs to be flexible enough to allow corporations to govern themselves as they see fit
- Protecting owners' investments should be a key priority for the Condo Act
- Condo Office should charge corporations for the provision of director education

- Important that condo registry data is put into a useable and searchable format for condo owner and board benefit

## SCARBOROUGH ROUNDTABLE

### OVERVIEW

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**Date and Time:** January 23, 2014, 6:30PM – 9:00PM

**Number of Attendees:** 15

### SUMMARY

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#### Residents supported the following:

- General support for a Condo Office with one-window access to info, education, and dispute resolution services
- General consensus for funding model composed of multiple revenue streams, with an emphasis on user fees
- Support for mandatory education for directors, especially on community engagement issues

#### Residents had concerns about the following:

- Condo Office enforcement mechanisms need to be considered, including ability to impose fines
- Licensing of condo managers should be independent, with consequences for non-compliance by managers
- Value to owners and boards of condo registry is unclear

### FOCUS GROUP FEEDBACK – CONDO OFFICE

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#### Education and Awareness

- **Value:** Residents valued a one-window source of info and education for owners and boards
- **Funding:** Residents were divided between unit fees and a funding model with multiple sources of revenue

#### Dispute Resolution

- **Value:** Residents valued quick settlement of disputes, and a single authority for access to justice and fairness
- **Funding:** Residents were divided between user fees and a funding model with multiple sources of revenue

#### Condo Registry

- **Value:** Residents valued filing requirements to document basic corporation information, and collection of data for owner and buyer benefit
- **Funding:** A funding model composed of multiple revenue streams, including user, unit and other fees (e.g. condo purchaser fee)

#### Manager Licensing

- **Value:** Residents valued independent licensing and regulatory oversight of condo managers
- **Funding:** Residents assumed manager regulation would be funded through licensing fees

### ADDITIONAL FEEDBACK

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- The new Act should include greater rights for owners
- The new Act should do more to address conflict of interest for board members and condo managers through disclosure requirements
- Educational requirements should apply to both current and new directors