

CONDOMINIUM ACT REVIEW STAGE TWO PUBLIC SUBMISSIONS

SUMMARY

Condo Act Review Stage Two Public Submissions Summary

This document summarizes public submissions received during stage two of the Condo Act review.

Submissions summarized in the document include any public comments or input received by the Ministry of Consumer Services (now known as the Ministry of Government and Consumer Services), from winter to summer 2013. These included submissions providing feedback on the Stage One Findings Report and other recommendations to amend the Condo Act received through:

1. The oncondo@ontario.ca email account
2. Regular mail

Submissions were divided into six themes:

1. Governance
2. Dispute Resolution
3. Finance
4. Consumer Protection for Buyers
5. Condominium Management
6. Other

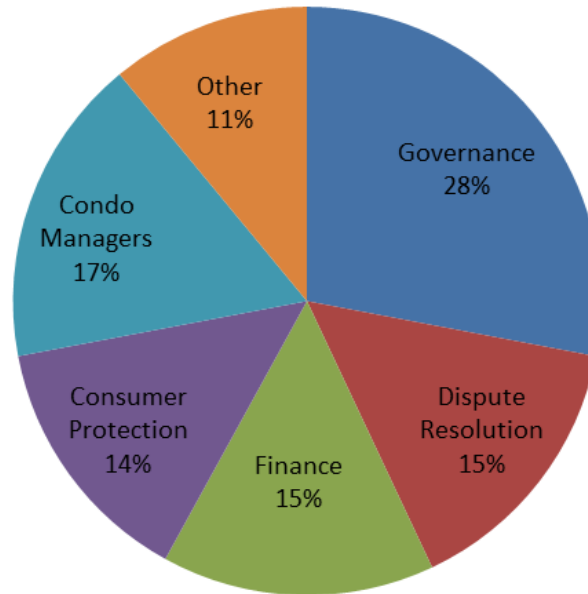
All comments have been paraphrased.

Stage Two Public Submissions Overview

Condo Act Review Stage Two Public Feedback	
Input Source	Number
ONCONDO/Mail Submissions	238
ONCONDO/Mail Inquiries	193
Total:	431

Themes Covered by Public Submissions

(Individual submissions often cover several themes)



Governance

THEME: Governance	
Issue	Comments (Paraphrased)
Access to records	<p>Recommendation: increase transparency by enhancing owner access to corporate records. Respondents were concerned that boards often withhold corporate documents from owners leading to mistrust, and disputes. Specific recommendations include:</p> <ul style="list-style-type: none"> • Subsection 55 of the Act should be amended to state clearly that owners have access to corporate records within 30 days, except those exempted in the Act. • Clarify what is meant by section 55 “for purposes reasonably associated with purposes of the Condominium Act” as this clause can be abused by boards and managers to deny access to records. Clear timelines should be outlined. • Given most records are maintained electronically, there should be no charge or delay in retrieving records.
Board/management communication	<p>Recommendation: consider mandating boards to increase the frequency and mechanisms of communication with owners. Respondents were concerned that boards and managers communicate with owners too infrequently, leading to mistrust, disputes and owner apathy. Specific recommendations include:</p> <ul style="list-style-type: none"> • Board communication must be more frequent than just the AGM. • Minutes should be posted on a bulletin board or emailed to owners within 15 days of the meeting. • Board meetings should be public. • Major decisions should go to an ownership vote at AGMs or special meetings. • Encourage paperless communication to reduce costs and allow for easier methods of communication. • Mail out date for notice of meetings needs to be more clearly defined in the Act.
Proxies	<p>Recommendations:</p> <ul style="list-style-type: none"> • An updated, standardized proxy form should be required (e.g. type written proxies to ensure they cannot be altered). • The alternate proxy listed on the form should not be a candidate nor a current board member as this could be abused. • Limit the number of proxies one individual may hold to prevent voting fraud/abuse (e.g. limit of 5). • Proxies should be delivered to a secure, third party other than the board or manager prior to the AGM. • An option should be added on the proxy that allows for agreement to terminate contracts with lawyers or managers. • Others argued that extending the voting period over a couple of days may diminish the need for proxies.

THEME: Governance	
Issue	Comments (Paraphrased)
Board training/ qualifications	<p>Recommendation: consider imposing mandatory training/qualification requirements on newly-elected board members. Respondents were concerned that some board members are ill prepared to fulfill the duties of a board member and required additional training/qualification. Specific recommendations include:</p> <ul style="list-style-type: none"> • Require newly-elected board members to complete a pre-approved training course within a given amount of time (e.g. 6 months), as well as obtain continuing education to upgrade their skills. • Specific recommendations for training include: ethics, the condo declaration, the Act, managing the corporation, etc. • Require directors to undergo a police-check to prevent criminal activity.
Penalties/enforcement	<p>Recommendation: consider penalties/fines for individual board members in breach of their duties. Respondents were concerned that there are limited consequences for board members in breach of their duties. Specific recommendations include:</p> <ul style="list-style-type: none"> • Board members sanctioned for mismanagement should face a monetary penalty proportional to the damages occurred and payable to the victims (e.g. corporation, individual owners, etc.). • Some respondents argued that fines were too harsh, and that disciplinary action should be considered.
Quorum/owner- apathy	<p>Recommendation: consider best practices to enhance owner engagement in the affairs of their corporation. Respondents were concerned that some owners are disengaged from the affairs of their corporation, leading to gaps in communication, understanding and at times, an inability to achieve quorum. Specific recommendations include:</p> <ul style="list-style-type: none"> • Legislatively mandate owners to vote at the AGM – penalty could be an additional fee on their monthly condo fee. • The government provide free educational seminars for owners who wish to learn about condominium governance. • The government produce a guide which outlines owner’s rights and responsibilities. • Re-write the Act to make it more plain-language and accessible to owners. • Lower quorum requirements for all meetings to ensure the operation of the corporation is not affected.
Condominium community	<p>Recommendation: consider ways to increase the sense of community within a condominium corporation. Respondents were concerned that some condominiums do not maintain an inclusive environment, and actually foster an “us vs. them” mentality. Specific recommendations include:</p> <ul style="list-style-type: none"> • Increased communication and transparency (see above). • Develop a community contract that owners must read before purchasing a condominium. • Prevent boards from using communications (e.g. newsletter) to promote personal interests.

THEME: Governance	
Issue	Comments (Paraphrased)
Family members on board	Recommendation: consider preventing multiple family members from serving on the board to prevent favouritism.
Unit entry	Recommendation: consider clarifying in the Act what is reasonable notice for entry into a unit to avoid confusion and mistrust.

Dispute Resolution

THEME: Dispute Resolution	
Issue Identified	Comments (Paraphrased)
Costly and time-consuming dispute resolution process	<p>Recommendation: streamline the current dispute resolution process.</p> <p>Many of the respondents maintained that the current dispute resolution system is not accessible to the majority of owners given its complexity, time and prohibitively expensive process. Specifically, respondents noted:</p> <ul style="list-style-type: none"> • If a decision is made in favour of an owner, the owners' legal expenses should be covered by the corporation. • A less expensive process is needed for minor disputes prior to legal action.
Need for more streamlined and cost-effective dispute resolution process	<p>Recommendation: Establish a dispute resolution oversight body.</p> <p>Many respondents suggested that a dispute resolution body is needed to provide a more streamlined and user-friendly process. Several respondents noted a power imbalance between boards and owners in resolving disputes which they feel could be resolved with greater support from an oversight body. Building on the Stage One Findings Report, respondents suggested the following options:</p> <ol style="list-style-type: none"> 1. Tribunal 2. Dispute Resolution Office (DRO) 3. Ombudsperson. <p>General Considerations for all Models:</p> <ul style="list-style-type: none"> • Respondent did not indicate a particular preference between the three options, but many were in favour of a body that enforces a mandatory dispute resolution process that is impartial, inexpensive and can impose judgements prior to court. Support was raised for a body similar to Landlord Tenant Board.

THEME: Dispute Resolution	
Issue Identified	Comments (Paraphrased)
	<ul style="list-style-type: none"> • A small number of concerns were raised that an oversight body would only add layers of bureaucracy and paperwork without the ability to enforce judgements. • Funding – Most respondents believed that regardless of the model, that it should be publically funded. Other suggestions included a small user fee, or funded by condominium corporations through an annual contribution based on the size of the corporation. • Some respondents agreed with the findings report, there should be recognition of the importance of the community – winners and losers will often still have to live together.
Enforcement of declaration and by-laws	<p>Recommendation: Ensure that legislation, rules and by-laws are easily enforceable.</p> <p>Enforcement against cases of non-compliance with the Condominium Act is too difficult and costly as it often requires legal action. Building on the ideas put forward in the Stage One Findings Report, respondents suggested:</p> <ul style="list-style-type: none"> • A government-administered oversight body that can impose a financial penalty or suspend the operations of boards, condominium managers, or developers that contravene the Condominium Act. • Expedite court orders for cases of clear non-compliance with the Condominium Act to quickly achieve resolution of the issue. • Automatic financial penalties against board members or condominium managers that fail to comply with the Condominium Act. • Increase the financial penalty for obstruction of access to corporation records from \$500 to \$1,000 (s. 55(8)).
Need for alternative dispute resolution (ADR)	<p>Recommendation: support Alternative Dispute Resolution which the disputing parties can use to if they choose.</p> <p>Some respondents suggest that the majority of minor disputes between owners and boards can be resolved collaboration and discussion rather than a formal process imposed by an oversight body. Suggestions included:</p> <ul style="list-style-type: none"> • Certified community-based mediators that operate independently, but are approved by the government. • Prior to a formal dispute resolution process, disputing parties should be required to have a preliminary meeting with an ADR professional.
Condominium corporation lawyers	<p>Recommendation: restrict the type/frequency of communication allowed between a corporation’s lawyers and individual owners.</p> <p>Some respondents felt that condominium corporation lawyers intimidated owners to stop pursuing legitimate grievances against the corporation.</p>
Small claims court appeals	<p>Recommendation: Ensure that decisions made by the Small Claims court are available to appeal.</p>

THEME: Dispute Resolution	
Issue Identified	Comments (Paraphrased)
	Few respondents were concerned that the monetary requirement of \$2,500 for a Small Claims Court appeal is too onerous given that the award for a judgement under S. 55(8) of the Condominium Act for obstruction of access to corporate records is only \$500.
Third-party monitoring of board elections/ AGM	Recommendation: government officials should monitor board elections and AGMS for all condominium corporations. An opinion that was not considered in the Findings Report was for the government to play an active role in monitoring the governance of condominium corporations.
Disputes involving developers	Recommendation: provide recourse outside the courts for boards/owners that have a grievance with a developer. An opinion that was not considered in the Findings Report is that the condominium dispute resolution process should be extended beyond boards and owners to include developers because legal action and/or Tarion cases can be time-consuming and costly.

Finance

THEME: Finance	
Issue Identified	Comments (Paraphrased)
Permitted use of reserve funds	Recommendation: consider clarifying the permitted use and management of reserve funds. Respondents raised a number of concerns regarding the permitted use and management of reserve funds under section 93(2) of the <i>Condominium Act</i> . Specific recommendations included: <ul style="list-style-type: none"> • Permit the use of reserve funds for green technology upgrades that do not fall within the category of “major repair and replacement” under section 93(2) of the <i>Condominium Act</i> (e.g. energy efficient lighting). • Reserve fund expenditures above a certain amount (e.g. \$75,000) should require approval from a majority of owners. • Ensure that reserve funds are not used for work that is anticipated to be needed every year (e.g. tree pruning). • Minimum limit on reserve fund expenditures (e.g. \$5,000) to ensure clear threshold for major repair and replacement.
Reserve fund study	Recommendation: consider standardizing the process auditors must use when conducting a reserve fund study. Respondents raised concerns that the lack of a standardized reserve fund study can create large differences in the adequacy of reserve fund contributions between condominium corporations. Specific recommendations: <ul style="list-style-type: none"> • Establish a standard procedure for auditors to follow when conducting a reserve fund study. • Require a neutral third-party to present the findings of the auditor to prevent collusion between boards and auditors.

THEME: Finance	
Issue Identified	Comments (Paraphrased)
Disclosure of financial information to owners	<p>Recommendation: consider strengthening disclosure requirements for financial documents.</p> <p>Respondents have raised concern that owners are sometimes given incomplete financial documents that do little to explain the financial situation of the corporation. Specific recommendations included:</p> <ul style="list-style-type: none"> • The full reserve fund report should be made available to unit owners. • Owners should be consulted on all expenditures, including from the reserve fund, prior to the work being completed. • More detailed quarterly updates for unit owners (e.g. greater clarity for terms such as “petty cash”). • Greater explanation to owners for the reasons behind the valuation of condo fees. • Streamline access to financial records (e.g. password-protected website).
Sub-metering	<p>Recommendation: consider requiring all condominium units to be sub-metered.</p> <p>Respondents have raised concerns that in mixed-use buildings, residential units effectively subsidize the increased energy usage of commercial units (e.g. stores, restaurants, etc.). Specific recommendations include:</p> <ul style="list-style-type: none"> • Require all condominium units (both new builds and existing units) to have sub-meters installed for common utilities (e.g. water, hydro, etc.). This could be phased in over as pre-determined amount of time (e.g. 5 years). • Require commercial unit owners only to be sub-metered at their own cost.
Capital fund	<p>Recommendation: consider requiring condominium corporations to maintain a capital account which would allow for upgrade expenditures (e.g. automated systems, green technology improvements, etc.) that is separate from the reserve fund.</p> <p>Respondents also noted that there is a need for corporations to have the flexibility to use monies for upgrades or improvements and that the current restrictions on the use of reserve fund monies prohibit this activity.</p>
Reserve fund adequacy	<p>Recommendation: consider defining the term “adequate” to ensure that reserve funds are properly funded.</p> <p>Respondents were concerned that the term “adequate” in section 94(1) leaves too much discretion to the auditor in deciding what the appropriate level of reserve fund contributions should be. Specific recommendations included:</p> <ul style="list-style-type: none"> • The requirement that the declarant fund 10% of a corporation’s first year reserve fund under section 93(5) of the <i>Condominium Act</i> is inadequate and they should be required to contribute more.
Permitted use of excess or surplus funds	<p>Recommendation: consider permitting other uses for surpluses in the operating budget other than a mandatory contribution to the reserve fund.</p> <p>Respondents were concerned that the requirement under section 84(2) of the <i>Condominium Act</i> for surpluses to be paid into the reserve fund leaves the corporation with limited flexibility in its usage of the funds. Specific recommendations included:</p> <ul style="list-style-type: none"> • Ensure that a maximum of 25% of a corporation’s operating budget may be surplus to ensure that boards do not create a large pool for repair and replacement in the future without addressing current repair needs. • Expand the usage of surplus funds, possibly to include green technology improvements.

THEME: Finance	
Issue Identified	Comments (Paraphrased)
Major repair and replacement	Recommendation: consider defining the meaning of “major repair and replacement” under section 93(2) of the <i>Condominium Act</i> as some corporations and auditors treat routine annual maintenance (e.g. landscaping) as a reserve expense.
Pooled reserve fund investments	Recommendation: consider allowing corporations to pool their reserve fund investments to receive a better rate of return. Some respondents felt that corporations should have greater flexibility in how they can invest their reserve funds, including the possibility of pooling their funds with other condominium corporations.
Regulation of auditors	Recommendation: consider having certain restrictions on the condominium corporation’s selection of an auditor beyond the approved list of auditors. Respondents raised concerns that their current auditor has a conflict of interest, or is not providing a thorough reserve fund study. Specific recommendations included: <ul style="list-style-type: none"> • Require boards to use a different auditor every third reserve fund study to bring in a new perspective. • Prohibit auditors living in a condominium corporation to audit that corporation. • Allow owners to appoint an auditor without the current auditor being present under section 70(1) of the Act.
Regulation of insurance agents	Recommendation: consider requiring insurance professionals dealing with condominiums to receive training regarding the unique aspects of condominium insurance. Specific recommendations included: <ul style="list-style-type: none"> • Require insurance brokers, agents and underwriters working in condominium insurance to demonstrate an understanding of the Condominium Act through an accredited program (e.g. certificate or diploma).

Consumer Protection

THEME: Consumer Protection for Buyers	
Issue Identified	Comments (Paraphrased)
Complexity of disclosure documents	Recommendation: purchasers receive “smart” or plain-language disclosure documents A number of respondents maintained that the current disclosure requirements - both for new buildings and re-sale condos – are too complex for many owners to understand the key purchase requirements. Many respondents agreed with the suggestions in the Stage One Findings Report, including: <ul style="list-style-type: none"> • A disclosure checklist that summarizes the key provisions of the disclosure statement and/or status certificate and relevant attachments (declaration, bylaws, rules, budget, etc.). • An updated, plain-language template for disclosure statements and status certificates. Suggestions not found in the Stage One Findings Report include:

THEME: Consumer Protection for Buyers	
Issue Identified	Comments (Paraphrased)
	<ul style="list-style-type: none"> • Mandatory training for condominium real estate agents regarding the condominium purchase process. • Mandatory info package for new owners to sign indicating understanding of the corporation’s bylaws, rules, etc. • The <i>Condominium Act</i> should be written in plain-language and easily understood by the average owner.
Deferred costs	<p>Recommendation: prohibit developers from deferring costs beyond the first year budget, or require plain-language disclosure of deferred costs.</p> <p>Several respondents agreed with the concerns raised in the Stage One Findings Report that developers are using deferred costs to “bury” important aspects of the condominium’s budget in the disclosure documents to artificially lower advertised condo fees. Suggested amendments include:</p> <ul style="list-style-type: none"> • Do not allow the developer to include long-term cost provisions in the declaration where the corporation must buy or lease back parts of the common elements from the builder (i.e. heating system, guest suite, etc.). • Require all costs for a new condominium corporation to be disclosed in the first year budget or disclosure summary. <p>Considerations:</p> <ul style="list-style-type: none"> • A small number of the respondents suggested that prohibiting deferred costs would be a departure from standard business practices. They argue that deferred costs are necessary given the demand for increasingly complex, multi-phased projects (e.g. a pool or gym) and are already captured in the disclosure statement.
Re-sale condominiums excluded from 10-day cooling-off period	<p>Recommendation: extend the right to a 10-day cooling-off period to all condominium purchasers. Suggested amendments include:</p> <ul style="list-style-type: none"> • Extend 10-day cooling-off period to re-sale condominium purchasers • 10-day cooling-off period should apply upon full not conditional purchase.
Subsidization	<p>Recommendation: require sub-metering in mixed commercial/residential use buildings.</p> <p>Some respondents agreed with the Findings Report that residential units unfairly subsidize units that use more utilities. Suggested amendments include:</p> <ul style="list-style-type: none"> • Sub-metering for all units to prevent the “freeloading” of utility costs by units with heavy usage. <p>Considerations:</p> <ul style="list-style-type: none"> • A small number of respondents raised concerns that sub-metering could: 1) Lead to sub-metering in strictly residential properties at a high cost, and 2) Restrict developer opportunities to pursue energy-efficient utility improvements that are designed to service the entire building.
Tarion warranties	<p>Recommendation: consider extending the length and scope of Tarion warranties.</p> <p>Some respondents argued that Tarion warranties do not provide coverage to some condominium owners that are in need (eg. re-sale buyers). Suggested amendments include:</p>

THEME: Consumer Protection for Buyers	
Issue Identified	Comments (Paraphrased)
	<ul style="list-style-type: none"> • Extend Tarion warranties to all condominium purchasers, including re-sale condominium buyers. • Require builders to repair building deficiencies for up to three after initial construction.
Interim occupancy	<p>Recommendation: ensure that interim occupancy owners have functional use of the condominium. Some respondents noted that a condominium’s functional usage can be severely diminished prior to final construction. Suggested amendments include:</p> <ul style="list-style-type: none"> • Require that the builder finish all common elements prior to interim occupancy. • The builder should be responsible for regular cleaning during interim occupancy.
Commercial leasing by developer	<p>Recommendation: ensure lease agreements are in the best interest of the condominium corporation, not the developer. Some respondents were concerned that lease agreements where the developer maintains ownership of a portion of the building and leases it for commercial purposes can have negative effects on the community (e.g. noise, parking). Suggested amendments include:</p> <ul style="list-style-type: none"> • Require full, plain-language disclosure of shared-facility agreements. • Prevent developers from leasing portions of the building that diminish quality of life (e.g. noise, parking).
Unit boundaries	<p>Recommendation: Establish a standard unit description to clarify insurance and warranty coverage. Some respondents were concerned that it is difficult for some owner’s to determine where their unit boundaries end in cases of repair and maintenance. Suggested amendments include:</p> <ul style="list-style-type: none"> • Description of a standard unit in the Act, and categorize “upgrades” (e.g. finishings) for ease of understanding. • Provide building plans in the status certificate to ensure new owners understand the boundaries of their unit.
Damage to common elements	<p>Recommendation: require owners to notify the board or condominium manager of damages immediately. Some respondents were concerned that boards have no recourse for prolonged and unnecessary damages to the common elements. A small number of respondents were concerned that some damages are years old and owners did not report them until they were much larger and more costly.</p>
Condominium conversions	<p>Recommendation: clearer requirements for the certification of condominium conversions. Some respondents were concerned that architects cannot verify the building plans for old condominium conversions. A small number of respondents were concerned that certification of the build quality of condominium conversions cannot be completed because their original building plans often no longer exist.</p>
Permit drawings	<p>Recommendation: require full disclosure of permit drawings to owners and municipalities. Some respondents were concerned that permit drawings are often not disclosed or inspected upon completion of a building. Suggested amendments include:</p>

THEME: Consumer Protection for Buyers	
Issue Identified	Comments (Paraphrased)
	<ul style="list-style-type: none"> • Include permit drawings as part of the disclosure package to owners. • Ensure that inspections are made of the final building to permit specifications. • Ensure that municipalities consider permit drawings, as boards are sometimes held liable for builder's faulty construction after-the-fact.
Telecommunications infrastructure	<p>Recommendation: Make changes that would make it easier for boards to allow for the installation of optical fiber cable in existing condominiums to preserve the value of the units of the existing unit owners and ensure that the units are receiving state of the art telecommunications services.</p> <p>Some respondents were concerned that telecommunications infrastructure is often lacking in condominiums. Suggested amendments include:</p> <ul style="list-style-type: none"> • Permit boards to enter into an agreement for the installation of an additional communication system that services the units of the corporation at no cost to the unit owners without a by-law.
Rental units	<p>Recommendation: restrict the number of units in a condominium that can be rented, or disclose the number of rentals in the status certificate.</p> <p>Some respondents were concerned that large numbers of rental units in a condominium can lead to a group of residents that are not invested in the well-being of the condominium, leading to the building serving more as a "hotel" than a community of like-minded residents. Suggested amendments include:</p> <ul style="list-style-type: none"> • Disclosure of the number of rented units in the status certificate, or plain-language disclosure summary. • Limit the number of units that can be rented in a condominium. • Require background checks for renters, personal references and emergency contact information from renters.

Condominium Management

THEME: Condominium Management	
Issue Identified	Comments (Paraphrased)
Licensing of condominium managers	<p>Recommendation: consider mandatory licensing for condominium managers.</p> <p>There was strong consensus among respondents to require that condominium managers be licensed. Most respondents did not have a preference for the type of licensing, however general comments included:</p>

THEME: Condominium Management	
Issue Identified	Comments (Paraphrased)
	<ul style="list-style-type: none"> • Post a list of licensed managers on an online database to allow boards to validate a potential manager’s credentials. • Establish an arms-length body that has the power to grant and revoke licenses for condo managers. • Use a third-party industry body, such as ACMO, to manage the licensing system. <p>Considerations:</p> <ul style="list-style-type: none"> • A small number of respondents were concerned with what would happen if a condominium could not find a licensed manager? Would self-management be an option, or would a licensed manager be imposed on the corporation? • A small number of respondents were concerned that licensing will force some good managers out of the industry. • A small number of respondents were in favour of licensing, but had concerns that costs would be passed down to owners. • A small number of respondents, while in support of “grandfathering” in a licensing system to accommodate current managers, were concerned there would be a group of unqualified managers that would be able to operate. • Some respondents raised concerns with the possibility of a third-party, industry body such as ACMO regulating condominium managers as they believe it should be a neutral, government body with no affiliation with the industry.
Accreditation for condominium managers	<p>Recommendation: consider mandatory accreditation/training for condominium managers.</p> <p>Respondents noted that to prevent mismanagement due to a lack of proper training, condominium managers should be required to pass an educational program aimed at providing managers with the skills to run a condominium corporation effectively. Specific recommendations included:</p> <ul style="list-style-type: none"> • Examination requirement to test manager knowledge/competency. • Ongoing training and re-certification following initial attainment of a license. <p>Considerations:</p> <ul style="list-style-type: none"> • Although there was no consensus regarding the form the accreditation would take, some respondents favoured either online delivery for its flexibility, or in-class for its more comprehensive in-person education. • Some respondents raised concerns that minimal education or training would be insufficient to properly train condominium managers given the range and complexity of issues they may face. Some respondents suggested aligning them with the Real Estate industry accreditation of 175 hours of education, along with 120 hours of articling.

THEME: Condominium Management	
Issue Identified	Comments (Paraphrased)
	<ul style="list-style-type: none"> Some respondents raised the suggestion that existing condominium managers with a certain level of experience should be grandfathered into the new accreditation requirements.
Penalties for mismanagement	<p>Recommendation: consider clear penalties for mismanagement to enforce the Condominium Act. Respondents noted that for a licensing regime to have “teeth”, financial penalties for non-compliance with the Condominium Act could be imposed. Specifically, respondents noted the following:</p> <ul style="list-style-type: none"> The Board of Directors or licensing body should have the authority to impose fines. Impose for fines against managers who fail to provide records within an agreed amount of time. Specific, larger penalties for financial mismanagement. <p>Considerations:</p> <ul style="list-style-type: none"> Respondents made clear that these penalties should be paid solely by the condominium manager/firm, and not be taken from any of the corporation’s funds.
Access to records	<p>Recommendation: consider legislation that would increase the transparency requirements between condominium managers, the board and individual owners. Respondents suggested that a lack of transparency between the condominium manager, board and owners leads to mistrust and mismanagement. Specific recommendations included:</p> <ul style="list-style-type: none"> A 90-day limit for the provision of documents under section 55 of the Condominium Act. Similar to how section 137 of the Condominium Act provides sanctions for the misuse of corporate funds, respondents suggested that the Act should have comparable provisions for the misuse of corporate records.
Bonding/fidelity insurance	<p>Recommendation: consider requiring condominium managers to carry liability insurance to cover cases of mismanagement. Respondents noted concern that given the important responsibilities condominium managers hold (e.g. corporate finances, records, building maintenance, etc.) managers should be required to hold some form of professional liability insurance to ensure that errors in management do not cost the condominium corporation. Specific recommendations included:</p> <ul style="list-style-type: none"> Mandatory fidelity insurance and/or mandatory bonding.
Term limits for management contracts	<p>Recommendation: consider limiting the contract length between a board and condominium manager, as well as the length of contracts the condominium manager can make with service providers (e.g. landscaping, cleaning, snow removal, etc.). Respondents raised concern with the length of contracts both for managers and service providers. Respondents were concerned that long-term contracts lead to kickbacks, uncompetitive costs and below average service. Specific recommendations included:</p>

THEME: Condominium Management	
Issue Identified	Comments (Paraphrased)
	<ul style="list-style-type: none"> • Ensure that all service contracts established by the condominium manager are audited/reviewed to ensure they are competitive and in the best interest of the corporation. • Limit the length of contracts between the board and condominium manager (e.g. 1-3 years). • Ensure that management contracts are opened to public tender to ensure competitiveness.

Other

THEME: Other	
Issue Identified	Comments (Paraphrased)
Second-hand smoke	<p>Recommendation: consider addressing second-hand smoke in condominiums through the <i>Condominium Act</i> or other legislation.</p> <p>Residents and health advocates expressed health concerns and diminished enjoyment of their condo due to second-hand smoke from adjacent units and the common areas. Suggestions include:</p> <ul style="list-style-type: none"> • Prohibit smoking in all condo units and common areas. • Explicitly allow condominiums to establish by-laws or rules banning smoking in all units. • Include second-hand smoke as a violation of section 58 of the <i>Condominium Act</i>
Renters in condominiums	<p>Recommendation: clarify renters' rights between the <i>Residential Tenancies Act</i> and the <i>Condominium Act</i>.</p> <p>Residents noted that rights and obligations of renters in relation to other residents and condominiums owners are unclear. Residents suggested that the <i>Condominium Act</i> and <i>Residential Tenancies Act</i> should clearly articulate renter's rights within a condominium.</p>
Noise	<p>Recommendation: consider amending the <i>Building Code Act</i> to address sound transmission in condominiums.</p> <p>Residents have raised concerns with sound transmission through unit walls and floors (e.g. noise between units, mechanical noise from HVAC and elevating systems).</p>
Property taxes	<p>Recommendation: consider amending the <i>Assessment Act</i> to establish separate property tax requirements for condominium owners.</p> <p>Residents expressed that condominiums should not be subject to the same property tax rates as single family homes because they do not received the same level of municipal services as many are privatized (i.e. garbage collection).</p>
Planning policies	<p>Recommendation: considering requiring that condominium developments take into account urban planning.</p>

THEME: Other	
Issue Identified	Comments (Paraphrased)
	Some respondents have expressed concerns that the current rate of condo development in Ontario is not properly accounting for concerns of congestion, green space or subsidized housing.
Other building code and construction quality issues	<p>Recommendation: consider reviewing the <i>Building Code Act</i> as it relates to condominiums.</p> <p>Respondents raised some concerns with the current building code, including:</p> <ul style="list-style-type: none"> • Public and media concerns about construction quality of external building features and building materials, including durability and energy efficiency of glass facades and concerns about falling glass. • An interest in increasing the energy and resource efficiency of newly constructed buildings and encouraging “green” or sustainable building standards.