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From the desk of Angela Zelvenschi, Broker:

Buying a condominium in the GTA is a good choice for many people. It offers an affordable housing option for first-time buyers, low maintenance requirements and possible access to amenities such as a fitness facility or a pool. Condominiums are often built in densely populated, urban areas giving owners the convenience of being close to work, shopping and cultural events. However, it is also important to be aware of certain aspects of condominium living.

Ownership

First, it is essential to understand that the term "condominium" actually refers to the form of legal ownership rather than the type of building. A condominium can be a high-rise or a low-rise building, a townhouse complex, or even houses. Condominiums are made up of units and common areas. Ownership of the unit is basically limited to the space within the walls. The unit boundary can be at the backside of the interior drywall of the unit's dividing walls or at the centre line of the unit's walls. The boundaries of your condominium unit are an important consideration at the time of purchase- particularly if you are planning to do renovations. You may find that there are restrictions regarding major renovations such as installing new flooring, cupboards, plumbing, recessed lighting, etc. The unit typically includes any equipment, systems, finishes, etc. that are contained in the individual unit. Ownership of common areas such as hallways, elevators, and gardens is shared amongst the unit owners, as is the cost of maintenance.

The operation of the condominium is governed by provincial legislation and the condominium corporation's own declaration, by-laws and rules. Once a condominium corporation has been registered, a Board of Directors, elected by, and generally made up of, the individual condominium owners, takes responsibility for the management of the corporation's business affairs. Each unit owner has voting rights at meetings. Your voting rights will generally be in proportion to your unit factor, according to the Canadian Mortgage and Housing Corporation.

Maintenance Fees, Rules and Regulations

Board meetings are opportunities to discuss how maintenance fees are being allocated and offer your input into new rules and regulations. It is wise to participate in these meetings or at the very least, read over a copy of the minutes of the meetings thoroughly. This way you won't be surprised to find that the Board of Directors has elected to purchase a new hot tub instead of upgrading the plumbing for example! Keeping up to date on the rules can also help you avoid tension with your neighbours and possibly save you from incurring fines and other expenses.

Sometimes changes can come at the most inopportune time - like when you're on an extended vacation. If, for example, your Board of Directors decides to pressure wash the garage and needs all the cars to be removed, you may return to find your car very dirty or worse, towed and collecting fines at your local tow-truck lot. If they change your security system while you are away, you may discover that all doors and gates are closed to you. If



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your cheque for monthly maintenance fees bounces during your vacation, you may return to find a lien on your property. In such a case, you will likely be required to pay the legal fees involved in removing the lien. Emergencies such as a burst pipe or a broken alarm may necessitate entry into your suite. In all of these cases, it's important to plan ahead and give a representative on the Board a way to contact you on vacation as well as the name and number of a local contact who can act on your behalf.

Repairs

The low-maintenance lifestyle and amenities of condominium living are very appealing. No more mowing the grass or taking the garbage out to the curb. The cost of such services is built into a monthly maintenance fee. The Board must allocate a certain percentage of that fee to be put aside for emergencies as well as for regular upkeep (e.g., replacing the roof and pool heaters). Despite this cushion of extra funds, the cost of some projects may result in additional 'assessments' for condominium owners. Ideally, owners should be prepared for this possibility and manage their financial planning accordingly.

Buying a Condominium

If you are considering purchasing a condominium, it is very important to read over Board meeting minutes to ascertain whether the building is well maintained and financially sound. The condominium must have a contingency fund to cover unexpected repairs. Also take a look around the building. Are the carpets looking worn? Do the walls need a paint job? These are clues to the state of the building upkeep, which will be a factor when you decide to sell your suite.

Be sure to read the rules and regulations for the condominium carefully to avoid unexpected surprises. If you own a RV or a boat, it may not have occurred to you that the building may not allow them, even in outdoor parking spots. If you like to barbeque, check to see if they are allowed on patios and balconies. Many buildings will have restrictions on the type and number of pets allowed. Condominium rules also regulate the outdoor appearance of your unit; you may not be allowed to have a satellite dish on a balcony or affixed to an outdoor wall.

Although condominiums can have a long list of rules and regulations, most of them were created to ensure that all of the residents are able to enjoy a certain level of comfort, privacy and security. Exercising your right to vote at Board meetings will provide you with some measure of control over the management of the condominium. Keeping abreast of changes will also help you avoid tension with neighbours and unexpected problems and charges. For some people, that's a small price to pay for all of the benefits that condominium living can offer.

If you have any questions about your new home purchase, please contact me right now:

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