

Ontario attempts protection for buyers of condominiums

Since 1973 when Ontario housing costs soared, the concept of condominium living has come into its own. This shared-cost style of living is fast becoming the practical alternative for families who want the luxury of home ownership but find the price of single-family dwellings beyond their reach.

The first Ontario condominium corporation was registered in 1967. Since then, the number of corporations has grown to 1,000, representing some 100,000 actual condominium units. And this is only the beginning. By the year 2000, some developers predict, as many as half of all Ontario residents living in non-rental dwellings will be residing in condominiums.

This boom hasn't been without its share of growing pains. In recent years condominium living has been attacked from all sides with problems ranging from inferior construction to prolonged rental periods and widespread owner apathy. As a result, public confidence in this style of living is at an all-time low at present. New condominium legislation introduced recently by the Ontario government,

however, promises to turn this around.

Tabled June 1 by consumer and commercial relations minister, Larry Grossman, The Condominium Act 1978 offers as its number one priority owner and buyer protection.

The bill gives new purchasers 10 days to consider their intended purchase, provides for improved corporate management, reduces the possibility of bankruptcy and sees the creation of a non-government, non-profit regulatory body called Condominium Ontario. It also promises to reduce the jungle of paperwork which now confronts prospective purchasers.

Because condominium construction moved so fast and the concept is still relatively new to Ontario, we became aware that current legislation does not adequately deal with many of the problems that have emerged over the years," explained Mr. Grossman.

The present legislation, he said, was designed as a method of property registration, not as consumer protection statute. To overcome this, the consumer



ministry established the Ontario Residential Condominium Study Group in November of 1976 to make recommendations. This group met with condominium

responsibilities of corporations have been clarified and the processes for setting corporation by-laws, rules and regulations overhauled.

"The new Act now obligates each corporation to assess contributions to a reserve fund to pay for major repairs and replacement of common elements," explained Mr. Grossman. "Every month unit owners will have to contribute to this fund."

The change in by-law setting was made, in part, to reduce the problem of owner apathy. At present, a new by-law needs a two-thirds vote of all unit owners. Under the new bill, a meeting would require a 50-per cent owner quorum, either present or by proxy, with a by-law change needing a two-thirds meeting vote.

"We felt the rule requiring two-thirds of all unit owners was too restricting," Mr. Grossman explained. "It was just too difficult to get that many owners out and the management function bogged down."

The new bill obliges the corporation to obtain and maintain adequate insurance coverage on the entire property, makes the appointment of auditors mandatory and spells out their duties.

Dispute settlements will be mediated by hearing officers drawn from local condominium corporations, the condominium community in general and any other group interested in providing manpower. At present disputes are resolved through the courts, which can be costly and time-consuming.

The board of directors of Condominium Ontario will draw half of its membership from the ranks of unit owners. The rest will be drawn from areas of the industry and from professional ranks. This is "consistent with our government's philosophy of industry self-regulation," said Mr. Grossman. "And although the study group recommended the establishment of a government regulatory agency, we decided against it."

Citing the consumer ministry's commitment to less, not more, intervention into the marketplace as a

prime reason, Mr. Grossman added: "We felt also that a group directly involved in condominiums could better deal with the everyday difficulties than some remote government organization. And the study group's hearings proved that this is already taking place effectively through local and regional owner associations."

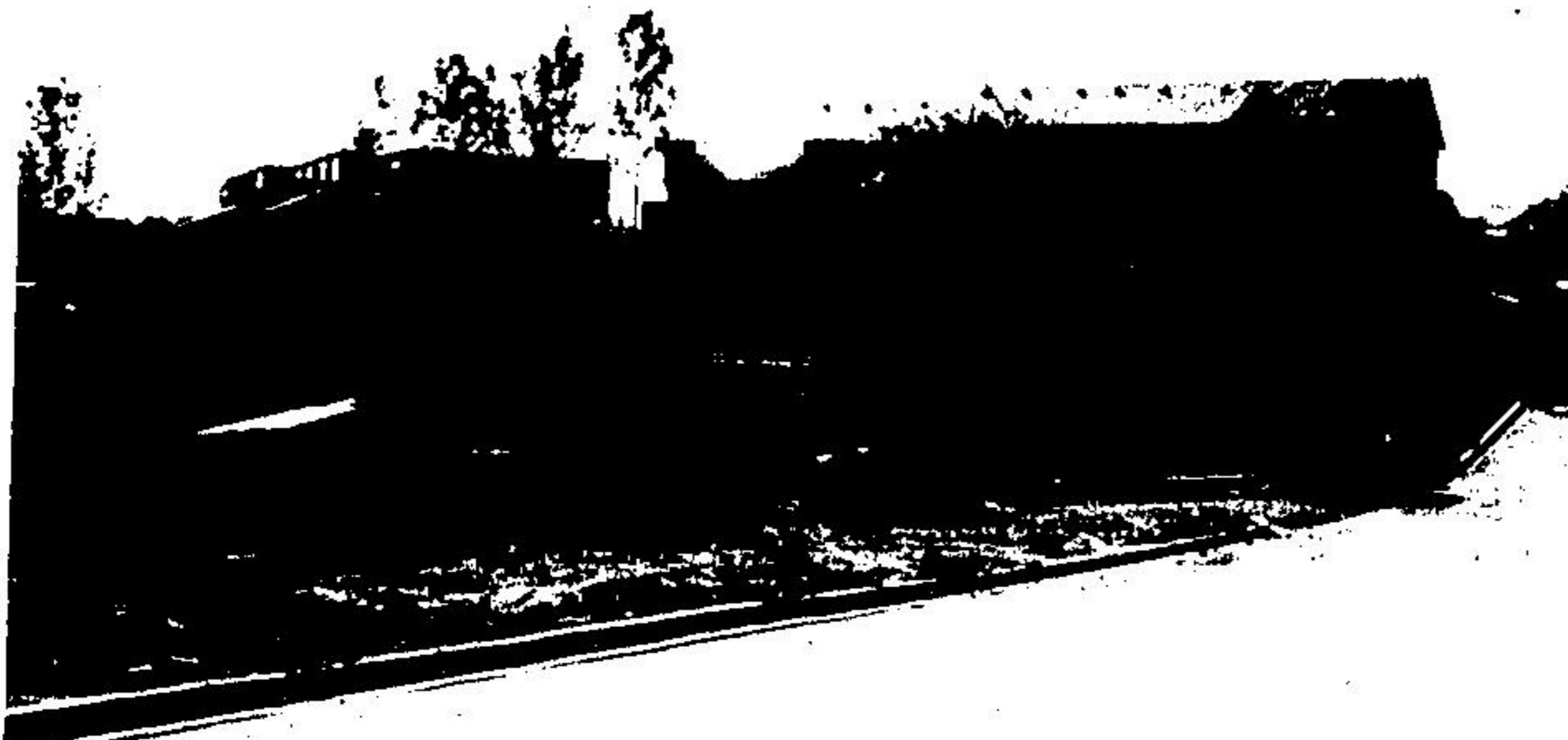
Condominium Ontario will be a non-profit, provincially-chartered corporation without share capital. Its main functions will be:

- to operate an informal and speedy dispute solving mechanism;
- to provide direct advice and assistance to any corporation that requests it;
- to collect financial information from all corporations to ensure sound fiscal management and pinpoint problem areas;
- to provide an educational and information role for property managers and directors of condominium corporations; and
- to answer inquiries from owners, prospective purchasers and corporations.

"The corporation's role in education will be a major one," the consumer minister stressed. "Information officers will be able to provide hands-on assistance to condominium corporations, especially new ones, and will be available for guidance and expert assistance to the regional associations." Activities would include preparing and arranging management courses and the preparation and distribution sheets and publications.

"Ultimately," Mr. Grossman added, "we should end up with a vastly improved information network using all the elements of the condominium community. "This legislation," he concluded, should play a major part in restoring confidence and credibility to the concept of condominium living in this province. The study group proved that while condominiums are a viable housing apparatus, public confidence is low and the industry in general lacked stability.

"The Condominium Act 1978 should restore that stability."



Condominiums now being constructed in River Run

August good time to seed your lawn

Mid-August is one of the best times for seeding lawns, according to gardening specialists.

This advice applies whether you are seeding simply to thicken up an old lawn or to start a new one.

Soil preparation is important for a new lawn. Remove all trash and stones. Break up lumps and add organic matter, such as cow manure, humus, peat moss, or fine "Turface" to heavy clay or poor soil. Make sure that the grade will drain water away from the house. After preparation of the

seed bed, specialists recommend fertilizing with Turf Starter. Apply at 10 lbs. per 1000 sq. ft., and work into the soil to a depth of three to six inches.

Water well to help settle the soil, allow to drain, and while the surface is still workable, rake the soil to a final grade and immediately seed using a spreader. For best results, the CIL spokesmen recommend making a split application at 1/2-rate using a criss-cross pattern. Rake the seed in gently and tamp lightly with the back of the rake. Do

not bury seed more than 1/4 inch.

Spray gently and keep continually damp until the grass is at least one inch high. When grass reaches a height of 2 1/2 to 3 inches, it is ready for the first cutting. After the third cutting, the spokesmen recommend fertilizing.

The same principles used in starting a new lawn from seed also apply to sodding. Prepare and fertilize the seed bed, roll the sod lightly after laying to press it in place, and keep it moist until the grass is growing vigorously.

owners and representatives in nine regions throughout the province and, in the process, assessed more than 280 briefs representing the views of condominium owners and various facets of the industry.

"The new legislation incorporates many of the recommendations the study group made," said the consumer minister, "and is aimed at what were found to be the major areas of concern—owner and buyer protection and the way condominium corporations and owners go about managing condominium affairs."

Under the Act, purchaser protection is provided through tighter standards of disclosure between sellers and purchasers, more clearly defined purchasers' rights during the interim occupancy period, and a time period to allow purchasers to become fully informed of their responsibilities.

A highlight of the new Act allows the purchaser of a new unit a 10-day cooling-off period after delivery of a disclosure statement to rescind a deal.

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