

## PUBLICATION

### Recent Changes in Condominium Law

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Heather Bonnycastle, Q.C., and Laurie Kiedrowski, head of our Condominium Law Group, explain key changes to Condominium industry as a result of recently proclaimed amendments to the *Condominium Property Act*. The Government has labelled the new regulations as "Stage One Buyer Protection Regulations" and pertains primarily, to Developers and new condominium purchases.

#### ACT PARTIALLY PASSED

- The *Condominium Amendment Act* was passed in December, 2014 but never proclaimed
- On October 12, 2017, certain sections of the Act have now been proclaimed along with a number of Regulations to come into effect on two different dates: January 1, 2018 and April 1, 2018
- Many of the sections of the Act proclaimed and new Regulations deal with Developers and new condominium purchases. The government labelled this as "Stage One Buyer Protection Regulations"

#### CHANGES FOR CONDOMINIUM CORPORATIONS

1. Expand standard of care required of a Board member.
2. Removal or vacating of office of a member of the Board has been codified.
3. At least, fourteen (14) days' notice required for AGM's and EGM's and provide Financial Statements, Annual
4. Report on the Reserve Fund and Annual Budget.
5. Owners representing fifteen (15%) percent of unit factors for a project may call for a Special General Meeting.
6. File Change of Board Members as soon as possible (not within 30 days of date of AGM).
7. Board meetings can be by electronic means.
8. Can grant exclusive use rights by lease, bylaw, licence or another instrument.
9. Board must provide Owner with notice as to any changes to insurance policy within 30 days of receiving the insurance certificate.
10. The amended Act will recognize the concepts of "Managed Property".

#### CHANGES FOR DEVELOPERS THAT AFFECT MANAGERS AND BOARDS

1. Developers must pay fees on any units they own on the same basis as other owners.

2. Owners Board can cancel certain Developer contracts within first year of taking over.
3. Budgets must be produced in a more comprehensive fashion.
4. If actual expenses exceed projected expenses by more than 15%, the developer will need to compensate the corporation, provided they were not reasonably foreseeable.
5. For corporations in place but not turned over to the owner elected Board developers have 90 days from January 1st until March 31st, 2018 to appoint the interim Board.
6. Interim Boards are required to make reasonable efforts to pursue remedies or claims under warranties or insurance policies on behalf of the corporation.
7. Turnover meetings are to be within 90 days of owners receiving title to units that hold at least 50% of the corporation's unit factors. This does not affect the developer's obligation to apply for certificates, approvals, or permits that the developer is required to obtain by law.
8. The developer and the interim Board will have to turn over specified documents to the corporation and the elected Board.
9. There are new options to the Government to ensure that developers are complying with the *Condominium Property Act* and the Regulation.
10. The government's ability to take action where violation occurs is being enhanced, and they have the ability to issue administrative penalties.
11. All condominium plans must label parking spaces for visitors and for persons with disabilities on the plan itself.

#### FUTURE

1. Do not know when stage 2 & 3 regarding governance, insurance and dispute resolution will be released.
2. Survey to take online at Service Alberta website.
3. Webinars to be held by Service Alberta in late October/ early November.