



# Condo Connection

Wilson, Blanchard Management Inc. – *Condominium Management with Experience and Integrity*

An **Associa**® Company

The WB Condo Connection highlights Ontario condominium related articles and educational items that may be of interest to Boards of Directors and condo owners. It is published online and available on our website ([www.wilsonblanchard.com](http://www.wilsonblanchard.com)) as well as in hard copy format to each of the members of our Boards of Directors.

We hope you enjoy this edition and we welcome your comments, suggestions, or article topic requests by email to [newsletter.editor@wilsonblanchard.com](mailto:newsletter.editor@wilsonblanchard.com) or by mail to: Editor – WB Condo Connection, 101-701 Main St. W., Hamilton, ON, L8S 1A2

## Inside This Issue

How Legalizing Marijuana May Affect Your Condo	1
Ten Things to Consider Before Buying a Condo	2
Retirement Announcement	4
Organizational Promotions	4

## How Legalizing Marijuana May Affect Your Condo

By: Jeff Lack, BAcc, CPA, CGA, Director of Internal Operations, Hamilton

As you are no doubt aware, legal marijuana is coming to Canada. The exact date that legislation will come into effect is still unknown, but is expected to be sometime later this summer, 2018. These significant changes raise the question of how the new legislation will affect condominiums and how the use of marijuana will be controlled.

### Concerns

Not only will adults be allowed to possess and consume marijuana in their homes, they will also be allowed to grow it. The maximum amount of marijuana a person may possess and how much they may grow will be regulated; it appears those amounts will be 30 grams of dried cannabis and 4 plants per household.

The two biggest concerns for condominiums relate to odours and mould as a result of users both smoking and growing marijuana. Like cigarette smoke, the smell of marijuana smoke may cause interference with the use and enjoyment of the property for some owners. In other cases, smoke may also adversely affect existing medical conditions such as asthma.

The growth of marijuana plants is often associated with high levels of moisture/humidity, which makes resultant mould and potential damage to the unit and common elements a concern.

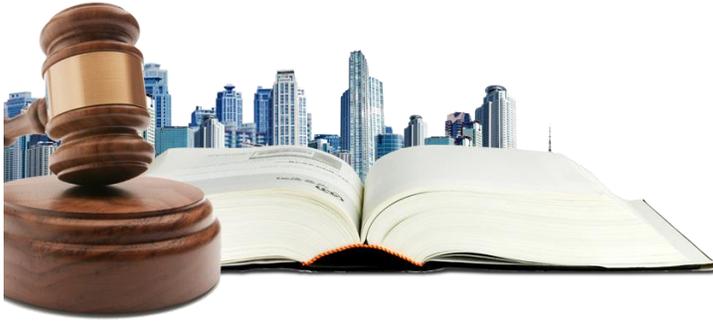


There are also dangers regarding the improper use of heating equipment to dry marijuana leaves, leading to an increased risk of fire.

Lastly, if electricity and water are shared expenses, the increased cost of utilities used by owners cultivating marijuana could become a concern and additional cost for other owners.

### What Can a Condo Corporation Do?

Most declarations allow the condominium corporation to recover the cost of repairs for damage to the units or common elements from an owner responsible for the damage. This may alleviate the costs of damage such as mould, but does not eliminate the risks. (It's worth noting that changes to the Condo Act regulations related to chargebacks are also still pending).



In addition, most condos have nuisance provisions that ensure the “use and enjoyment of all owners” is not negatively affected by another owner. However, these provisions are often difficult to address as they can be subjective.

Beyond these descriptions in the declaration, many condominiums are passing new rules to directly address these concerns. Some buildings are prohibiting smoking and growing of marijuana completely, while others are identifying restrictions such as allowing owners to smoke in their units or on their balconies *only*, or allowing the consumption of edible marijuana as an alternative to smoking/vaping.

It is important to note that if a new rule addressing marijuana consumption is in consideration, it should be passed prior to the cannabis legislation coming in to effect - i.e. while it is still illegal for all owners to possess or grow marijuana. Attempting to pass a rule after the fact may mean that all existing owners would need to be “grandfathered” and would be allowed to continue using and growing marijuana until they move out.

Under the recently amended regulations to the *Condominium Act, 1998*, a rule may be passed by the board of directors and notice must be sent to the owners, with the rule becoming effective if the owners do not requisition a meeting within 30 days. If they do requisition a meeting, the rule does not become effective until an owners’ meeting is held and the owners do not vote against it.

### A Note Regarding the Use of Medical Marijuana

Condominiums have a duty to accommodate a person’s disability and medical needs which may include allowing the use of marijuana even if against the condo rules. If a condominium is unsure of their responsibility in this regard, it is recommended they seek legal advice to ensure there are no violations of the Ontario Human Rights Code.

## Ten Things to Consider Before Buying a Condo

By: Jeff Lack, BAcc, CPA, CGA, Director of Internal Operations, Hamilton



Purchasing real estate can be an anxious, stressful, and confusing process. Condominiums with their extra rules, fees, and structures can be an even more intimidating proposition. Here are a few things you should consider when purchasing a condominium:

### 1. Know What Types of Condos Are Available

Did you know there are different “kinds” of condos in Ontario? For example, a “standard” condo will cover more maintenance items than a “common element” condo, but will likely have higher common element fees. What about building structure? Have you considered freehold, townhome and low-rise condominiums? Not every condominium is a high-rise apartment building type structure.

### 2. Understand the Costs

Moving in to a condominium can come with great benefits from security services and recreation facilities, to maintenance items like repairs and landscaping service, but there is an associated cost to this by way of monthly common element fees. These fees vary widely from condo to condo, from a couple of hundred dollars a month to a thousand dollars or more. Unlike mortgages - which are paid off – common element fees are ongoing for the life of the property ownership.

### 3. Consider Inflationary Pressures

Mortgage payments can be fixed for a time period such as a 5-year fixed-rate term to make it easier to budget cash flows; however, common element fees remain variable. The extent of Corporation coverage varies dependent on the specific wording within the property’s Declaration, but condo fees cover maintenance and repair of the common elements, and the many contractual services (plus reserve fund contributions – more on that later) required. As costs of these items rise, so too will common element fees as part of the annual budget.

...Cont’d on page 3

#### 4. Consider the Benefits

On the plus side, those condo fees are shared amongst all owners, so it is possible that you may be able to get additional features in a condominium that you simply couldn't afford in a single-family home. Maybe you really want a pool but wouldn't be able to afford that in a house – a condominium with a shared pool in a recreation centre may be the answer. Also, some condominium features can help you save money in other areas of life – do you really need to pay for a separate gym membership if your condominium has a workout room? Who needs to buy a snow-blower when your home has underground parking?

#### 5. Know the Rules BEFORE Buying

Condominiums have been referred to as the fourth level of government (behind federal, provincial and municipal), and like other governments, there are rules. It is important to understand them *fully* before you move in. For example, all too often people buy a condo and bring their 100-lb dog through the lobby on moving day only to be told that the building has a strict policy on dogs over a specific weight limit. The number of vehicles you own should also be taken into factor; many owners have a misconception that they can use the Visitor Parking spaces for their own personal use – this is not the case. Owner vehicles can be parked in their own designated spaces only and many properties have clamped down on owners who insist on parking their vehicles in guest parking areas, by enlisting the assistance of parking control services.

#### 6. What is a Reserve Fund?

Do you know what a Reserve Fund is? The short answer is a savings fund for future major repairs and replacements. All Ontario condominiums are required to have a Reserve Fund account, which means owners are required to contribute to it as part of their monthly common element fees. The more important question to ask before buying a condominium is whether the reserve fund is adequately funded. This is where you should enlist expert advice in helping to make your decision (i.e. a real estate agent and a lawyer who specialize in condominium properties).

#### 7. Are There Extra Expenses Anticipated?

Condominium corporations are not-for-profit entities in Ontario, which means they operate on a very lean budget – they typically have very little cash for day-to-day operations outside the reserve fund. If major unanticipated expenses occur, there is only one source of income for the corporation – the owners. Luckily for prospective purchasers, corporations must disclose any potential special assessments (fees charged over-and-above monthly

common element fees) in a status certificate, which is a document all buyers should obtain prior to closing the deal.

#### 8. The Status Certificate

In addition to potential special assessments, the status certificate will outline a myriad of other items of interest to prospective purchasers, including any litigation that the corporation may be involved in, and whether the fees for the specific unit being purchased are paid up-to-date. Arrears of condo fees are attached to the real estate unit not the owner, so any unpaid fees transfer to the new owner with the real estate sale.



#### 9. If You're Purchasing as an Investment, Know What You Can (And Can't) Do

Many condominiums are now adding restrictions on what a property can, and can't, be used for. Residential condos generally cannot be used for commercial purposes (this is not new) even if that is something as simple as a "home office". However, many have now added restrictions specifically related to short-term rental arrangements.

#### 10. Obtain Professional Advice

For many, buying real estate is the single largest purchase they will ever make – protect yourself by ensuring you are fully informed of all the relevant facts before closing on the purchase, including obtaining a status certificate and having it reviewed in depth by a lawyer.

Are you looking for an easy way to stay up-to-date on news from Wilson, Blanchard Management and information related to Condominiums in Ontario? It's simple – follow us on social media! There are lots of options to fit your social media preferences.



## Retirement Announcement



We would like to congratulate Karen Reynolds on her recent retirement from the condominium industry on May 31, 2018. Karen retired from WB as the Chief Operating Officer and also held the positions of Director of Property Management and Property Manager during her 20 years with Wilson, Blanchard.



Karen has been instrumental in the growth of WB, always with a pragmatic approach, building the trust of our clients. Karen has been involved in condominium management since 1988 and an RCM since 1997, also earning the designations of ACCI, FCCI, CMOC and IHM. She was very active in the condo industry as Past President of CCI-Golden Horseshoe Chapter, Treasurer and Director of the ACMO Board of Directors, ACMO Manager of the Year in 2014, ACMO President's Award in 2012 and a speaker and contributor to many condo conferences, seminars and publications over the years.

Congratulations, Karen, on all of your success and achievements! You will be sorely missed by your Wilson, Blanchard family and the condominium community. Enjoy your well-deserved time off.

## Organizational Promotions

Wilson, Blanchard Management is pleased to announce the following promotions:

### Brad Wells, Senior Vice President, Hamilton Office



Brad has been promoted to the position of Senior Vice President and will be reporting directly to the President. Brad will be working closely with the Executive Committee overseeing all business functions of the company.

### Mike Mullen, Vice President, Hamilton Office



Mike has been promoted to the position of Vice President, Hamilton Office. Mike will be reporting to the Senior Vice President and the President, and will continue his responsibilities as a Director in the Hamilton office and with Developer Relations for the company.

### Melissa Kirkaldie, Director of Property Management, Waterloo Regional Office



Melissa has been promoted to the position of Director of Property Management, Waterloo Regional Office. Melissa is replacing Brad in this role and will be reporting to the Senior Vice President.

101-701 Main Street West  
Hamilton, ON  
L8S 1A2

**Phone:**

905-540-8800

**Fax:**

905-540-4450

**Email:**

[info@wilsonblanchard.com](mailto:info@wilsonblanchard.com)

206-16 Four Seasons Place  
Toronto, ON  
M9B 6E5

**Phone:**

416-642-2807

**Fax:**

416-642-2810

**Email:**

[toinfo@wilsonblanchard.com](mailto:toinfo@wilsonblanchard.com)

200-149 Ainslie Street North  
Cambridge, ON  
N1R 3P4

**Phone:**

519-620-8778

**Fax:**

519-620-8558

**Email:**

[kwinfo@wilsonblanchard.com](mailto:kwinfo@wilsonblanchard.com)

**Newsletter Editor Email:**

[newsletter.editor@wilsonblanchard.com](mailto:newsletter.editor@wilsonblanchard.com)

Visit us at:

[www.wilsonblanchard.com](http://www.wilsonblanchard.com)