

# Good to know

By Jacqueline Simoneau

*Your mind's made up and you've decided to buy a condominium unit. But to be sure you make the right choice and avoid problems later on, read the fine print—and do your homework.*



## Buying your first **condo**

**A**ccording to the Société d'habitation du Québec (SHQ), divided co-ownership is Quebec's fastest-growing home-ownership trend. But before taking the plunge, it's vital to understand how it all works.

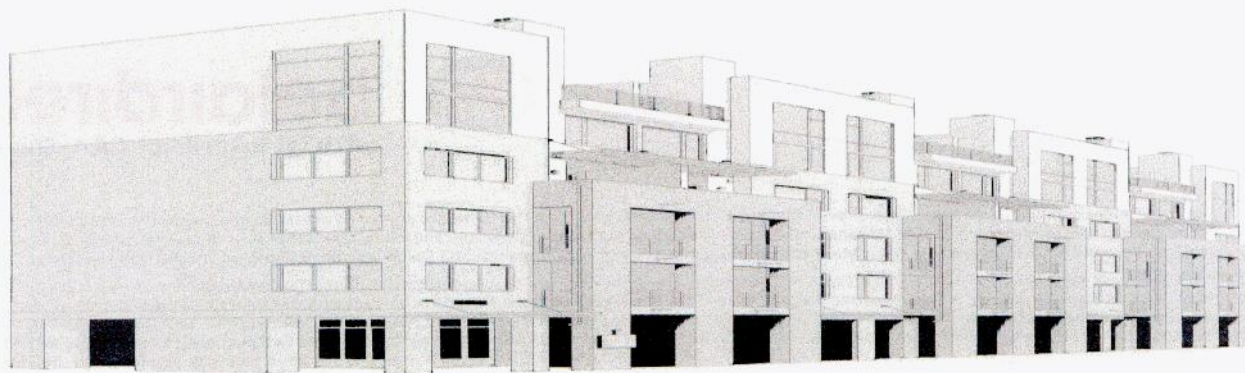
Divided co-ownership means that the building is split up into fractions, one of which becomes yours at the time of purchase. Each fraction includes a "private portion" (in other words, a housing unit of which you are the exclusive owner) and a share of the building's common areas

(entrance hall, stairs, hallways, laundry room, elevators, swimming pool, etc.) which, undivided, belong to all co-owners. As a member of this group, you're given a share corresponding to the relative value of your fraction, calculated according to specific guidelines, including the size and location of your private portion. This share determines not only the number of votes to which you are entitled at annual general meetings of co-owners, but also the amount of your contribution to the common expenses (your condo fees). A board of directors, elected by co-owners, oversees a property-management

syndicate hired to maintain the efficient running of the condominium.

Not everyone is necessarily suited for condo living. It's a definite yes if you enjoy being surrounded by people, because you'll be living in close proximity with other co-owners. But unlike living in your own house, you won't always have as much freedom to do as you please. Co-owners must agree on the best use of the common areas like the swimming pool, patio, gym, reception lounge (for family gatherings, for example) not to mention what is appropriate behaviour (poolside, for example).

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You'll also have to abide by condominium bylaws. If features like barbecues, pets and hardwood floors have been disallowed, then you must respect the wishes of the majority because these decisions are made collectively. It's important, therefore, to attend the annual general meetings of co-owners so that you can express your views and discuss them. Furthermore, certain renovations you may be considering for your own unit—replacing the floor coverings, for example—are subject to approval by the board of directors.

On the plus side, you can say goodbye to building-maintenance work (unless you live in a small building where co-owners share the job among themselves). You'll also have peace of mind to travel abroad leaving your unit vacant as long as you wish. Some luxury buildings even boast a security guard or doorman. Also, depending on the type of condominium, there can be access to special services and amenities, like a convenience store on the premises. Finally, a co-ownership unit is generally more affordable than a single-family home. The living space is often smaller: 52 percent of condos have four rooms or less.

## DO YOUR HOMEWORK

Buying a condominium unit is every bit as complicated as buying



a house. Below are some practical tips.

**Assess your needs.** Don't buy on impulse, especially if the asking price is beyond your means. In addition to mortgage payments, there are monthly fees that can increase over time. So be clear about what kind of living space you want: Do you prefer living in a large high-rise or a small apartment

building? The former generally offers a range of practical services (concierge, gym, hair salon, etc.), but monthly fees reflect such services. Small buildings offer a sense of community, although disputes and differences of opinion risk being blown out of proportion, souring relationships. Also, small condominiums often lack adequate reserve funds, and it's not uncommon to see major non-routine repairs ►

## USEFUL INFO

- All contractors must hold a building permit issued by the Régie du bâtiment du Québec (RBQ). Ask to see it.
- Run a check on the contractor or developer at the Association provinciale des constructeurs d'habitations du Québec (APCHQ) or the Association de la construction du Québec (ACQ).
- Study the APCHQ guarantee plans.

## RESOURCES

RBQ: 514 873-0976 or 1 800 361-0761.  
[www.rbq.gouv.qc.ca/en](http://www.rbq.gouv.qc.ca/en)

APCHQ: 514 353-9960 or 1 800 468-8160.  
[www.apchq.com](http://www.apchq.com)

ACQ: 514 354-0609 or 1 888 868-3424.  
[www.acq.org](http://www.acq.org)



being postponed or requiring special contributions from co-owners. Other precautions to take before buying: Check out the neighbourhood—a really great apartment in an unsuitable area won't satisfy your needs in the long run; visit the unit at different times of the day to check noise levels; ask a few co-owners about the board of directors and the way the property is managed.

### **Demand to see documents.**

The offer to purchase should be subject to a satisfactory check and approval of certain condominium documents. So make sure to request copies, especially the declaration of co-ownership and the register of co-ownership. Take the time to read them carefully from start to finish, even if it feels like a chore. A lawyer or notary specializing in condominium law can help you understand all the subtleties. The declaration of co-ownership governs the relationships between the co-owners and the syndicate; it includes rules and regulations regarding the use and upkeep of both private and common portions (presence of pets, enjoyment of common areas, use of barbecues, satellite-dish installations, etc.). You'll also find provisions allowing exclusive use of specific

common elements by certain units, such as a balcony or a terrace. The register of co-ownership contains all relevant documents kept by the syndicate: agendas, budgets, expenditures, lawsuits, maintenance logbook, minutes and resolutions of the board of directors and of the general meetings of co-owners, rule amendments, syndicate insurance, and so on.

### **Examine the reserve fund.**

Condominium fees serve two purposes: (a) to pay for building expenditures—general upkeep, daily maintenance, insurance, snow removal, etc.—and (b) to maintain a reserve fund for major and emergency replacements and repairs on common portions (roof, windows, etc.). Unfortunately, the reserve fund is often inadequate, especially as regards small and medium-sized buildings where co-owners prefer to contribute the minimum amount required by law—five percent of the condo fees—to the fund. Condominium developers, too, tend to opt for the five-percent minimum so as not to discourage potential buyers. If emergency repairs are needed and the reserve fund is deficient, then co-owners are required to make special, often substantial, contributions. And if they can't, then the work will be delayed to the physical detriment of the property. So check to see if the reserve fund is sufficiently garnished and if imminent and future repairs are being properly planned.

**Check the surveyor's certificate of location.** It indicates the location of the building, the land, and the private and common portions. The certificate will tell you whether changes have been made to your unit and whether they affect the common portions. If such is the case, check to see if the changes were authorized or approved by the board of directors, failing which you may be required to restore things to the way they were, at your own expense.

### **Make sure that all fees are paid.**

The Quebec Civil Code requires the new buyer to pay, at the time of purchase, all condo fees not yet paid by the seller. So before closing the transaction, make sure there's no outstanding balance in this regard. Forward a statement of condominium fees (*certificat des charges*) to the syndicate, requesting that it confirm, in writing, that the seller has paid all that is due. The syndicate has 15 days to provide this information. After this date, you will no longer be held responsible for any arrears left by the previous co-owner.

### **Get a pre-purchase inspection.**

Have a professional inspect both the condo unit and the common portions to ascertain the general state of the building. If it has been neglected, then you'll know that major repairs are forthcoming. (See the "You asked us" section on this subject on page 56). ▶

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## Good to know

### BUYING A NEW CONDO

New condominiums are generally sold before or during construction. So pay special attention here.

**Do not rely on the unit's dimensions on paper.** The plans usually indicate a unit's rough dimensions; that is, without walls. The actual living space will necessarily be smaller. In fact, it's only after construction has been completed that the surveyor takes measurements to produce the cadastral plan. So it's important to examine the construction plans of the entire building, not just of your unit. Get all key details in writing, including the date for taking possession of the apartment. And make sure the

next construction phases will not block your view.

**Be involved.** In a new condominium project, organization is everything. You must inevitably invest more effort in it than in an existing condominium. Good to know: The developer is generally the first administrator, and remains so until his voting rights fall below 50 percent. At that point, co-owners are convened to elect a new, independent board of directors. Then the co-owners' job begins.

**Beware of legal mortgage.** When a developer declares bankruptcy and fails to pay his bills, the creditors have 30 days following the completion of work to register a legal mortgage

against the co-ownership so as to guarantee and secure payment. This mortgage will be split up into fractions as described earlier, then added to the existing condominium fees. If co-owners refuse to pay, creditors can take legal action against each of them.

### Read the informative note.

The developer of a project of 10 units and more must provide, upon signature of the purchase offer, a note specifying the nature of the construction, the names of developers and builders, a summary of the declaration of co-ownership and an estimated budget (to determine condominium fees). Even if your future building has less than 10 units, request that information. ■