

## CHART 2: UNDERSTANDING CONDOMINIUMS AND CO-OWNERSHIPS

Condominiums and co-ownerships are legal structures that define both the exclusive rights and the shared rights of individuals who purchase a unit/percentage interest in buildings created as one of these types of legal entity.

### IMPORTANT FEATURES OF CONDOMINIUMS AND CO-OWNERSHIPS FOR THE PURCHASER

Condominium	Co-Ownership
Purchaser acquires ownership of an individual unit by a Deed.	Purchaser acquires ownership of a percentage interest in the co-ownership corporation by a Deed.
Purchaser acquires ownership to individual unit by a Deed pursuant to provisions of the <i>Condominium Act, 1998</i> .	Purchaser acquires exclusive right to occupy a specific unit through a registered Co-ownership Agreement and the provisions of the Co-ownership Agreement.
Purchaser acquires a percentage interest in the common areas of the building, represented by the size of the subject unit.	Purchaser acquires ownership of a percentage interest in the building commensurate with the percentage interest of the purchaser as represented by the size of the subject unit.
Purchaser becomes a member of the condominium corporation which: (a) manages the affairs of the building according to the <i>Condominium Act, 1998</i> , and more particularly the Declaration, the By-laws, and the Rules and regulations; and, (b) represents the interests of the owners.	Purchaser becomes a member of the co-ownership corporation which: (a) manages the affairs of the building according to the Co-ownership Agreement, the Corporation's By-laws and/or private contracts, and the Rules and regulations; and, (b) represents the interest of the members.
Purchaser can individually finance her/his own unit. Large number of lending institutions finance purchases of condominiums and/or grant loans on these types of properties.	Purchaser can individually finance her/his own unit, using their shares and/or interest in the unit. A limited number of lending institutions finance these types of purchases of interests and/or grant mortgages on these types of properties.
Owner receives an individual property tax bill.	Owner pays for their percentage share of property taxes as a part of their monthly common expenses. The co-ownership building is assessed and taxed as one structure. Owner does not receive an individual tax bill.
Owner is assessed for percentage share	Owner is assessed for percentage share (based on

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### Condominium

(based on the size of unit in comparison to the whole building) of common expenses.

The *Condominium Act, 1998* requires a reserve monetary fund to be established for maintenance of building. Must comply with the provisions of the Act and generally with the Reserve Fund Study. Study must be updated every 3 years.

Owner can participate in management decisions by sitting on the Board of Directors and voting as a member of the condominium corporation at Annual General Meetings.

Owner is subject to the Declaration, By-laws, Rules and regulations of the condominium corporation.

Owner does not need consent of the Board of Directors of the condominium corporation to sell his/her unit.

Owner does not need the consent of the Board of Directors to rent or mortgage his/her unit.

Owner of a unit should be subject to receipt of a Status Certificate which identifies any outstanding or pending payments, special assessments, or legal actions, re: the unit or corporation, amongst other items together with all other documents required to be included.

Condominium corporations must have yearly audited Financial Reports issued to all owners and are almost always managed by a professional management company, but may be self-managed.

### Co-Ownership

the size of unit in comparison to the whole building) of the common expenses.

No legislation requiring a Capital Reserve Fund, but Co-ownership Agreement may require a Capital Reserve Fund to be established for maintenance of building. No legislation exists requiring or outlining requirements for a Reserve Fund Study. No legislation exists requiring compliance with the recommendations of a Reserve Fund Study.

Owner can participate in management decisions by sitting on the Board of Directors and voting as a member at Annual General Meetings.

Owner is subject to the Co-ownership Agreement, By-laws, Rules, regulations, and other contractual documentation of the co-ownership corporation..

Owner does not generally need consent of the Board of Directors or co-ownership corporation to sell, rent or mortgage his/her unit. (There is the odd exception).

Purchase of unit should be subject to receipt of an Estoppel Certificate which identifies any outstanding or pending payments, special assessments, or legal actions, re: the unit or corporation, amongst other items together with all other documents included.

Co-ownerships may (but are not required to have) yearly audited Financial Reports issued to all owners, and are either managed by a professional management company or self-managed.

These materials have been prepared to provide information of a general nature only. If you are interested in a Condominium and/or Co-ownership, you should ensure that your Real Estate Agent and your Solicitor are knowledgeable about these types of ownership. The *Real Estate and Business Brokers Act* and the common law respecting the duties and obligations of Real Estate sales persons apply equally to the sale/purchase of both Condominiums and Co-ownerships. The above information cannot be copied without permission of the writer/solicitor.