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## TOP 10 CONDOMINIUM BUYING TIPS

A condominium is a form of ownership where you own your unit together with common elements that are owned and managed for the benefit of all owners within the condominium. A condominium can be an apartment suite, townhouse or in some instances vacant land. Here are our Top 10 tips for condo buyers:

- 1. STATUS CERTIFICATE REVIEW** We always make condo offers conditional upon review of this key document and there is a fee associated with this of about \$100; it is money well spent. The status certificate is not a single document; it provides for the overall budget and reserve fund of the condo including if there are any legal proceedings or special assessments pending. In addition, it provides the Declaration, By-Laws, insurance, management contract, rules and regulations and minutes of the last annual general meeting. The real purpose of this review is to understand more than just the financial health of the condo but to provide you an outline of rules and regulations that apply to all owners (ex. are pets allowed).
- 2. UNDERSTANDING EXCLUSIVE USE AND COMMON AREAS** When you purchase a condominium you are purchasing the right to use common areas such as the hallways, amenities and lobby areas. In addition to these common areas, you may either own your parking space by title or have exclusive use. Some condos have a party room and guest suites, which can be booked on a per fee basis to cover any clean up associated with use. Where you park, what storage you have and where your bicycles may go is important for you to know. Who replaces the roof or windows? This question is less common in apartment condominiums where exterior maintenance items are more practically handled by the corporation; however a townhouse condo corporation may or may not take care of exterior items. The details are all outlined within the status certificate.
- 3. GET THE FULL TOUR** Meet the building manager and be sure you get the full tour of the building from all common areas to details of access for moving day (if it is an apartment condo you will need to pre-book the elevator for moving day).
- 4. COMMON WALLS** There are various forms of construction of condominiums and each have their pros and cons. With any resale condominium, you see the finished product but what you don't see is the separation and in particular, the sound separation methods installed to mitigate sound transmission between units. This can include insulation around the pipes, wall separation and floor separation. Make an additional visit during a more active time of day for other owners and ask about sound transmission factors.
- 5. RENOVATION PLANS** Prudently most condominiums have guidelines with respect to changes to the interior of the condominium unit. This can impact future plans for wall removal or design modifications. If you are contemplating renovations, it is important to understand the restrictions that are in place that may limit your ability to modify your condo unit.
- 6. BUILDING INSPECTIONS** It is advisable to have a home inspection of the condominium you are purchasing inspected to better understand the condition of your condominium unit.
- 7. BUDGETING** Condo fees are designed to provide for ongoing maintenance of common areas as well as budgeting for major future expenses like window or roof replacement. A portion of the condo fees pays for insurance, while this will not eliminate the need for additional home owners insurance, it will likely reduce your insurance premium costs. It is important to add condo fees to your budget.



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### HERE IS A BRIEF OUTLINE...

- All newly built condos are automatically subject to a "10 Day Cooling Off Period" from the time the buyer receives a copy of the status certificate. Unlike a resale condo, there are no fees for these documents however; the budget is a proposed budget as there is no operational history to rely on.
- A new condominium (unless exempted) is subject to Tarion Registration, with further details outlined in the contract that apply to the Tarion program. There is likely an additional fee for the units enrolment based on price. The Tarion form will have a Schedule "B" that should, as a requirement of Tarion, include a summary of all potential additional costs included in the contract.
- When you move in to a newly built condominium it is important to note that the condo is likely unregistered. A condo cannot be registered until it is fully built and high rise condos are typically finished floor by floor. Until the condo is registered, your occupancy will be known as an interim occupancy. Your full deposits prearranged in your purchase agreement will be due but you will not yet own your unit as title is not able to be assigned. During this period you will pay an interim occupancy fees, which is based upon the interest on the unpaid balance of your purchase price (interest rate is set by Condominium Act), the estimated monthly condo fees and estimate of property taxes. This fee is paid monthly until the condominium is registered.
- A new condominium purchase may be subject to a predetermined condition occurring, this can be everything from zoning approval, site plan approval and or other third party factors. These conditions can impact delays in construction and in some instances require significant changes to the proposed condominium. Any experienced real estate agent will tell you that in pre-construction condos, it is best to gauge the actual closing date based on completion of any major development condition and relative to actual construction schedule at a time when closing can be better defined. Tarion provides for rights for extension and various guidelines where if interim occupancy has not been met by a preset timeline that the Agreement can be terminated.

- 8. OVERALL ASSESSMENT** A condominium is managed by an appointed management company and overseen by a board of directors, whom are unit owners within the condo. The point here is the overall condition of the condominium; maintenance and state of presentation are a reflection of the make up of the condominium.
- 9. NEW CONDO PRE-CONSTRUCTION CONDO** If you are purchasing a pre-construction or newly finished condo pending final registration, there are several additional points of consideration.
- 10. LIFESTYLE ADVANTAGE** Condominium living provides for a more carefree lifestyle where typically maintenance of grounds and amenities are controlled by others. It can make it easier for going away for periods of time for travel or just meet your lifestyle needs. Review location, amenities and housing style in context of your lifestyle needs. As a final note keep in mind that if you do plan on going away for short periods to travel and are thinking of renting your unit short-term (i.e. Airbnb) that this may be restricted. Always check the Status Certificate documents and rules and regulations.



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