

Toronto Condo News

★ *What Condo Dwellers are Reading* ★

December 2016



Medical Marijuana

Implications for Condo Dwellers

With the use of medical marijuana expected to increase condo corporations should give consideration as to how its use can harm, endanger or inconvenience condo residents.

Use and growing of medical marijuana presents dangers for condo corporations and owners that need to be considered.

Marijuana growing requires water, heat and intense light. It creates increased risk of fire and mould. Smoke and offensive odours can migrate to common areas or other suites in a building.

One Toronto condo corporation noticed a spike in water use after a new owner moved in. The owner was legally producing marijuana for medical purposes and had one

From the Editor

As 2016 comes to a close I'd like to personally thank all our readers and advertisers who have helped us grow.

Over the past couple of years Toronto Condo News has nearly doubled in size and content. Our reach has expanded from 120 condo buildings in the GTA to over 800!

Toronto Condo News is what condo dwellers, condo directors and property managers read to learn about condo living and condo management.

Condo Archives now contain 500+ articles on condo-related topics. It is utilized by condo directors, condo residents and condominium managers to answer condo-related questions.

Condo Resource Guide is Toronto's #1 source for finding condo-experienced professionals for any aspect of condo operations and condo living.

Plans are underway to expand our condo community resources in 2017 and to reach even more condo directors and residents, and condominium managers. It will be an interesting year.

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.... and more

Toronto Condo News is published monthly.

Toronto Condo News is delivered to condo residents, board members and management in nearly 800 condo buildings throughout Toronto and the GTA.

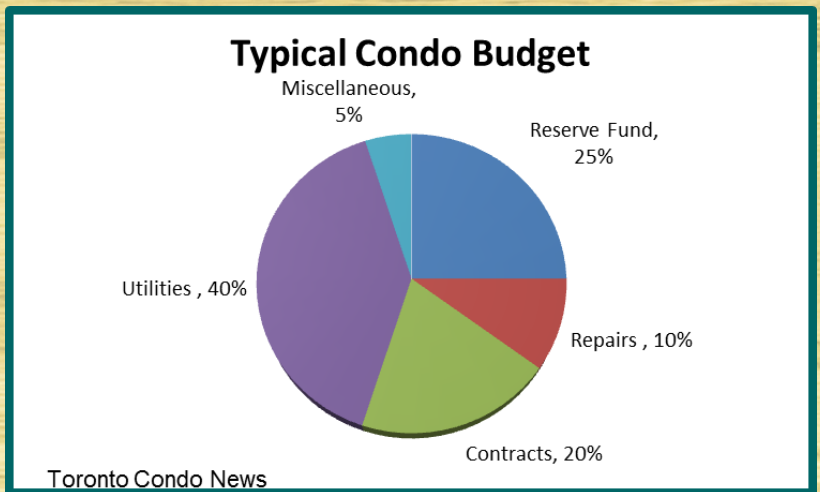
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How to Reduce Condo Fees

Condo corporations manage annual budgets in the millions of dollars. Condo boards seeking to reduce condo fees must tackle those areas where significant money is spent to impact on these fees.

The accompanying graph shows how a typical condo budget can be viewed.



Utilities, accounting for an estimated 40% of a condo budget, present substantial opportunities for cost reduction. With electricity being the most dominant expenditure in this largest of categories, reducing electricity consumption should be a primary goal.

Contracts, accounting for an estimated 20% of the condo budget, can include property management, security and concierge, cleaning and cable. With the exception of cable, other expenditures represent manpower. Finding ways to reduce staffing provide a direct and significant savings to the condo corporation. This can often be achieved by changing the way the corporation is managed and services are delivered without compromising on services provided to residents.

Reserve funds, accounting for an estimated 25% of the condo budget, are for anticipated future repair and replacement. Cutting back on these costs is unwise as it rarely provides long-term value.

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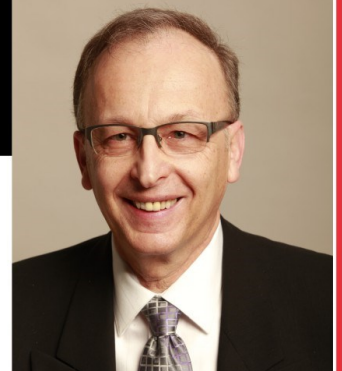
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Condo Life

Medical Marijuana *continued*

Proximity to Starbucks and Real Estate Prices



Starbucks has been successful partially because of its ability to choose its locations. The company looks for areas where consumers are prepared to pay more for a quality product. This means areas with discretionary income.

The Starbucks Effect refers to areas near a Starbucks that appreciate in value faster than homes farther away.

Starbucks follows home

Continued page 4

Medical Marijuana *continued from page 1*

hundred plants under cultivation. At first the corporation suspected a water leak but found nothing. They eventually found an electrical upgrade in the owner's suite that led to discovery of the "grow op". Installation of a water meter for the suite confirmed it was the source of excessive water use. The owner was subsequently required to reimburse the condo corporation nearly \$20,000 and required to pay for future water use.

The intent of condo fees is to apportion common expenses among unit owners as close as possible to the percentage of use made by each unit owner. Excessive usage by one owner should be the responsibility of that owner and not included in common expenses. It was for this reason that the condo corporation was reimbursed for the excessive water use.

There is a health risk in that second-hand smoke contains toxins.

Marijuana is a desirable target for burglars.

Condo corporations have a number of options for protecting property and residents:



- ⇒ Prohibit use and growing of marijuana in condo buildings.
- ⇒ Prohibit all tobacco products in condo buildings inclusive of marijuana.
- ⇒ Adjust condo fees so that users of medical marijuana, and possibly smokers, pay a premium. This could compensate for higher utility use plus increased safety, security and structural measures necessary for protecting against identifiable risks of medical marijuana, tobacco and tobacco-type products.
- ⇒ Install individual suite water meters where a legal "grow op" exists and charge for additional water use beyond average suite use.
- ⇒ Require users of medical marijuana to install a smoke filtration system to protect against odours or smoke migrating beyond the suite.

Health Canada lists 14 licensed producers of medical marijuana in Ontario.



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Condo Building Management

Religious Beliefs and Patriotism may Conflict with Condo Rules

[Starbucks Proximity](#)
[continued from page 3](#)



price trends. The company claims to help improve a neighbourhood into a “good” neighbourhood faster and to help make it better.

In San Francisco, home values increased 198.2% over 16 years. Homes not near a Starbucks appreciated by 184.9% over the same period.



Religious beliefs and patriotism can conflict with condo rules.

Real Christmas trees are often prohibited due to fire hazard concerns and the cost of cleaning common areas. Christmas wreaths may also be prohibited for similar reasons.

Other common decorations that may be contentious include:

- Christmas decorations
- Crosses
- Mezuzah on outer doorpost - a small ritual item that contains biblical text on parchment – as prescribed in Jewish Law
- Sukkah on balconies - a temporary hut used for religious purposes
- National flags which are a popular decoration during international sporting events. The exception to

this is displaying the Canadian flag which is encouraged in the National Flag Act of Canada.



It is common for condo corporations to have a rule prohibiting the placement or fixing of items outside of condo suites. This may be combined with a requirement that board approval must be received before anything is placed on the common elements.

Issues tend to arise when items are displayed on the outside of doors to condo suites, balconies and exterior windows; all of which are part of common elements.

Condo boards need to establish rules that are practical and reasonable. Consistency in enforcement helps ensure there is no mistaken impression of bias.

Rules against placement of items in common areas and/or within condo suites may be appropriate for reasons that include consistency, maintaining property values or safety.

[Informed Condo Owners & Directors lead to better Condo Communities](#)

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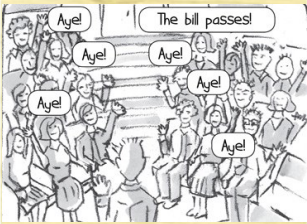


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Condo Building Management

Quorum



Quorum is the minimum number of individuals that must be present at a meeting to make proceedings of that meeting valid.

For a condo corporation meeting requiring owner attendance, a quorum is the minimum percentage of owners who must be present in person or through a proxy for the meeting to be valid. In Ontario it is 25% of all units in a condo corporation.

For a condo board meeting with five (5) directors and a quorum of three (3), per its legal documents, a minimum

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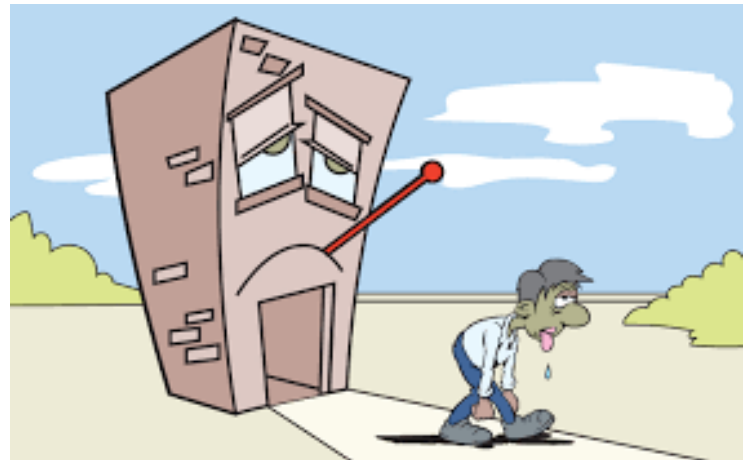


Sick Building Syndrome

Sick Building Syndrome is a way to describe buildings where a significant number of people experience health problems. Illnesses appear related to how much time is spent in a specific building but no illness or cause can be identified.

The first occurrence of Sick Building Syndrome was in 1977 when a strain of bacteria was found breeding in the cooling tower of a Philadelphia hotel air conditioning system. Thirty-four people died from this outbreak – a severe form of pneumonia – and over 200 individuals required treatment. It became known as Legionnaires Disease after delegates to a conference staying at the hotel.

Sick Building Syndrome is used to describe a building where many occupants experience health and comfort problems without being able



to identify a specific cause. The identified common factor tends to be time spent in the building. It may relate to exposure to contaminants in the building. This may result from poor air quality relating to



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Condo Building Management

Quorum *continued from page 6*

of three board members would have to be in attendance at a board meeting for proceedings to be valid.

When quorum is not met, a meeting is stopped while an attempt is made to obtain quorum. If unable to obtain quorum the meeting must be adjourned. No vote can be taken and no business can be transacted without quorum.

When a condo corporation is unable to find enough residents to serve as board members to meet quorum it is unable to transact business.



"We can always achieve quorum by proposing a large special assessment."



Sick Building Syndrome *continued*

Sick Building Syndrome *continued from page 6*

temperature, humidity or ventilation. Lighting has also been found to cause such problems as have chemicals and poor maintenance.

Some building materials may release gases that affect indoor air quality.

Maintaining a healthy building requires cleanliness and routine maintenance. Do not allow water leaks to persist. Regularly replace filters. Ventilation and humidity need to be adequately controlled. Check the HVAC system for mould growth or pest infestations. When Sick Building Syndrome symptoms persist it may be necessary to measure humidity, temperature, carbon dioxide level and air movement in affected areas of a building. These can be



compared against general building standards or unaffected areas of a building.

Symptoms of Sick Building Syndrome

- ⇒ General unwell feeling when in a building
- ⇒ Unidentifiable odours
- ⇒ Headaches, fatigue, rashes or other physical symptoms
- ⇒ Flu like symptoms
- ⇒ Allergies
- ⇒ Eye or nasal irritation
- ⇒ Symptoms experienced by 15% - 20% or more of building occupants when in the building

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Security, Safety & Fraud

Democratic Decision Making for Condo Owners



Victoria, BC has more than 100,000 condo units – a smaller number than Toronto but nevertheless substantial.

One company has designed a course to educate Victoria condo owners on how to best handle their democratic rights.

The company

Continued page 9

The Technology behind Condo Security

At one time condo security was limited to posted and lit exits and stripes on exit doors that glow in the dark.

Today there is a range of options for helping to get residents out of a building when emergencies occur and keeping “undesirables” out of the building.

Regardless of the security options in place, the overriding goal is to provide security services at minimal

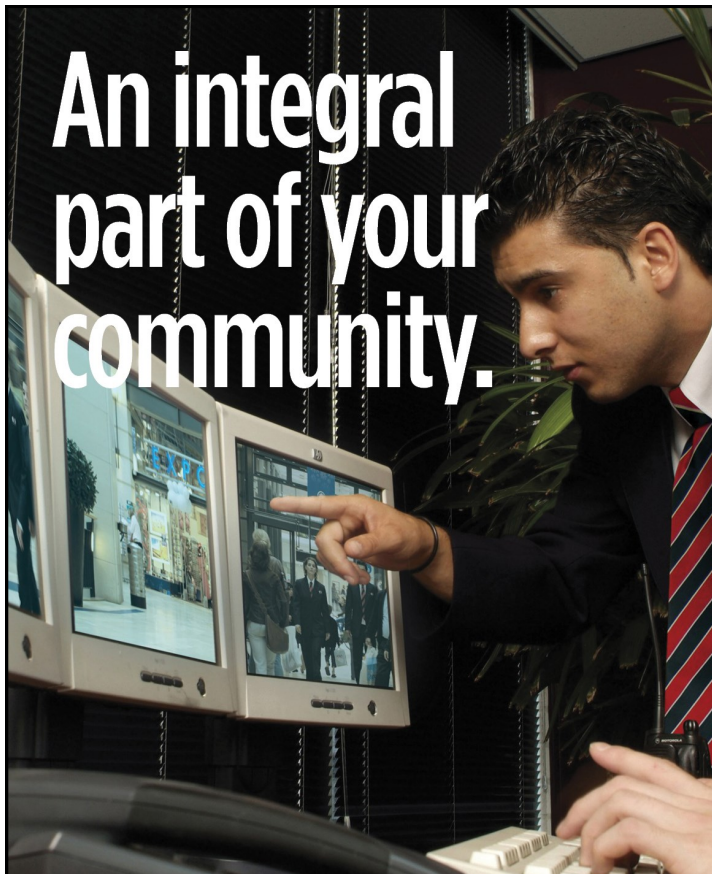


cost while preserving quality of life and ensuring a minimum of inconvenience.

Condo residents tend to be most concerned about access control. That is, controlling who can access the building and their suite. This protection involves both controlled access to a building and monitoring of the outer area.

Continued page 9

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Security, Safety & Fraud

Decision Making

continued from page 8

describes condo corporations - strata councils in British Columbia - as "run by elected volunteers with little or no training ... yet ... can issue fines and has the power to put a lien on your home if you flout their decisions."



Condo living democracy is described as condo corporations "run by untrained volunteers who are frequently unprepared for the task." This can result in flawed governance where problems can range "from shouted anarchy at meetings to

Continued page 10

The Technology behind Condo Security *continued*

Condo Security

continued from page 8

Watergate, the 1972 hotel break-in culminating in impeachment of President Richard Nixon in the USA, is an example of what happens when access control fails. Security systems in a hotel failed when a piece of duct tape was used to prevent a door from closing and locking. That hotel employed a combination of security measures including a security guard who noticed that something was wrong and notified authorities. Since this day, it has been recognized that the best security measures require a combination of security personnel and technology.



Another reality is that it is expensive to employ security personnel without technology to protect a condo building. Securing a single high-rise condo building requires at least two full-time security personnel at all times. This could cost upwards of



\$300,000 per year which is more than most condo corporations are willing to pay. The lower cost option is to employ fewer people along with a range of assistive technologies.

For most condo corporations effective use of technology is to complement rather than replace security staff.

Older Security Technologies Ineffective

Earlier generations of security cameras, with video recordings, intended to deter "undesirables" were not as effective as hoped. Their prime purpose was to capture events for later review. They were effective at helping solve crimes after they occurred but did little to proactively prevent crime.

Intercom systems were implemented thus allowing residents to buzz guests into a building without seeing them. It didn't take long until criminals realized they could buzz a number of suites and someone would let them into the building.

One cost saving approach has been to use fake cameras as a deterrent to criminal activity. As mentioned earlier video cameras, real or fake, are ineffective at preventing crime.

Continued page 10

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Security, Safety & Fraud

Decision Making

continued from page 9

abusive bullying by the President, members of Council or rogue members.”

The course explains how to best participate in condo meetings and represent your rights. It explains the costs of avoidance in terms of fines, special levies, neglected repairs or reduced property value.

The course shows condo owners how to effectively make their case on issues such as noise complaints, budget decisions and maintenance standards.

[Click here for more information.](#)



The Technology behind Condo Security *continued*

Condo Security

continued from page 9

Proponents of this approach fail to understand the criminal mindset. This approach can create unnecessary problems after a crime occurs and residents learn security cameras they thought were helping to protect their property are fake.

Today we have real-time video images, dramatically improved image quality, electronic access doors and 24 hour security staff.

These newer technologies, combined with security personnel, can provide effective security for condo buildings at lower cost than relying solely on people.

Technology aids in security but is not foolproof. It is not a substitute for security staff. Furthermore, security technology solutions require regular maintenance and periodic replacement. Security technologies can be circumvented by someone with adequate desire or motivation.

Effectively used, security technology systems ensure that building visitors can only go so far into a building before someone is alerted.

Virtual Doorman

Using the Internet to provide concierge services with staff not physically present in the building is one way to utilize technology.



A virtual doorman can be used to provide coverage for a lobby area while security personnel are tending to duties away from the main desk. This technology can also be used to provide limited security services during time periods where a physical security presence may not be necessary.

A virtual doorman could ask people loitering near an entranceway to move on or contact police when there is a security concern. Technology can allow a virtual doorman to grant building access to guests and delivery staff, or to contact building residents.

For condo buildings with school age children, a virtual doorman could grant building access to those who may have forgotten their key or fob. Another child friendly feature of

Continued page 11



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Security, Safety & Fraud

The Face of Condo Fraud



A California condo manager has become the face of condo fraud.

The condo manager has been charged with conspiring to defraud homeowners between 2007 and 2013.

The alleged crimes were discovered after she was fired from a 990-unit condominium association. Nearly 150 false invoices for uncompleted construction work were uncovered.

It is alleged that she conspired with the owner of a painting

Continued page 12

The Technology behind Condo Security *continued*

Condo Security *continued from page 10*

this technology is that parents can be notified that a child has arrived at home once they swipe their electronic card upon entering the building.

Smart Technology Door Access Devices

Condo buildings have many access points. Each door may be unlocked, locked or accessible by use of a key or electronic access device.

Exiting through a door is generally allowed without security. Entry generally requires a key or electronic access device unless a door is unlocked. Some electronic access devices include apps which allow the device to be “stored” on a mobile phone. Electronic access devices can be combined with software to record which device is being used and at



which entrance.

All technologies fail to provide security if they are provided to anyone other than registered building residents. Lost or stolen access devices need to be reported, cancelled and replaced.

Smart Internet Enabled Cameras

Internet enabled cameras do more than take pictures and video.

When buzzed from the lobby or parking area, residents can switch to a television channel to see who is at the door before letting them into the building. These cameras can be set up to “follow” visitors as they travel throughout a building until the time they leave the building

One final comment on condo building security relates to suite access. Condo suites within each building have a unique set of keys. In the event of an emergency building management requires access to each suite. They require a key for each suite while ensuring this key is not accessible to unauthorized employees or contractors. It is essential that management tightly control access to these keys and maintain a record of anyone accessing condo suites using them.

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Condo Education

Condo Fraud

continued from page 11



company by preparing and paying invoices for work. Her co-conspirator would deposit cheques in an account. They shared the proceeds.

The condominium association has an annual budget of nearly \$5 million. The condo manager had been employed by the association for more than a decade and received approximately \$200,000 a year.

The board became aware of suspicious activity on a bank

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Filing Condo Insurance Claims A Tactical Approach to Condo Corporation Insurance Claims

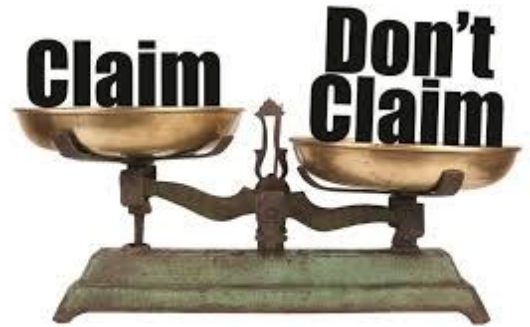
It can be difficult for a condo corporation to decide when it is appropriate to file an insurance claim.

There are times when it is more economical to pay for repair work as an operational or reserve fund expenditure rather than filing an insurance claim. Understanding when this makes sense is useful.

Insurance companies exist to make money. As a condo corporation's claim history and/or payouts increase, that corporation is deemed riskier and more likely to be subject to a risk premium. When an

account becomes a loss to an insurer, that account could lose their insurance coverage.

Claim history is an important component of cost when it comes to insurance. Where there is a history of many or large value claims, a condo corporation can pay higher premiums or possibly be dropped from its insurance policy. Factors affecting this decision include cause of loss and amount of the deductible.



Continued page 13

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Condo Education

Filing Condo Insurance Claims *continued* A Tactical Approach to Condo Corporation Insurance Claims

Condo Fraud *continued from page 12*



statement from the debit card issued to the condo manager. Withdrawals had been made at casinos. There were also personal purchases that included clothing.

The condo manager had initiated a board policy that prevented board members from communicating with vendors or contractors. At times she claimed harassment when her actions were questioned. The condo manager filed a lawsuit against two residents in 2004 after being accused of taking “kickbacks” from a contractor.



Insurance Claims *continued from page 12*

When damage is caused by an uncovered loss, or the damaged item is not covered, there is no claim to file. Any filing of a claim would become part of the claim history and not result in a payout by the insurance company.

A condo corporation deductible is likely to be at least \$5,000, and possibly much higher. When a claim is below or even slightly above the deductible, it may be best not to file the claim. There is little to no benefit to doing so as adding to the corporation’s claim history

can be costly.

There are risks when deciding not to file a claim. Should a smaller claim

escalate to something more substantial, late reporting could impact on coverage. One way to mitigate this risk is for the condo corporation to increase their deductible in return for paying a lower premium. A prudent condo corporation would then set these funds aside for use in paying for damage repairs.

This approach transfers responsibility for certain insurance claims from the condo corporation to individual owners or residents. While individual suite repair costs may increase, there tends to be an overall benefit to condo owners.



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Condo Boards

The First Condo Board Meeting New Condo Corporations

Lets Talk Money



Money is as sensitive a topic for individuals as it is for condo boards.

In a family income earners pool their resources to pay bills. Then things come up. There are unplanned dinners, clothing purchases and social events. Many of these expenditures take place without discussion or consideration of the overall budget. At the end of the month there may not be enough income to pay for all expenses.

Condo board management is similar.

Continued page 15

New condo corporations go through a transition period after the declarant (developer) hands over control of the corporation to an owner-elected condo board.

When this happens, the condo board has some priorities in addition to its regular duties.

Performance Audit

This is an inspection performed by an engineer to determine if there are structural deficiencies. The performance audit is mandatory if building deficiencies are to be covered by a Tarion warranty. Identified structural deficiencies may be covered under a Tarion warranty and result in a claim for payment or repair.

Reserve Fund Study

This planning document identifies anticipated current and future cash requirements for repair and replacement of building assets. This first reserve fund study is required by end of the first year after registration and is completed by an engineer.



First Year Budget Deficit

The first year budget, upon which condo fees are based, should be compared against actual expenditures. If condo fees were unreasonably low or expenditures poorly estimated there may be a budget deficit. The Condo Act makes the “declarant” responsible for this deficit which can be recovered by the condo corporation. This requires that the declarant be informed of the deficit within 30 days of receipt of audited financial statements. The declarant then has 30 days to accept and pay the deficit. Disputes are mediated or subject to binding arbitration.

Agreements

Agreements entered into by the declarant can be terminated by the condo board.

What is Toronto saying about Toronto Condo News?

“Great publication.

I look forward to the issues and I save them on my iPad for future reference.”

“I think it is important for all condo owners to know this information.”

“I really appreciate your excellent choice of stories; they are uncannily right on the mark as to the interests of condo owners and directors.”

Toronto Condo News

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Condo Education

How Many Condo Corporations are There?

Money

continued from page 14

There is a budget estimating expenditures for the year that should be adhered to. Things change. Some estimates are too low. Some expenses are omitted from the budget. Residents make deserving requests that are approved but not budgeted.

At the end of the year, the condo corporation may find they do not have enough money to pay the bills.

What happens? In all likelihood, condo fees are raised the next year to cover this deficit.

A board should understand their fiduciary duty. They should strive to keep the condo corporation in the black by not approving expenditures without first considering the availability of funds.



Ontario has more than 10,000 condo corporations and 750,000 condo units in Ontario according to Marie-France Lalonde, Ontario Minister of Government and Consumer Services. These figures are confusing in light of available data.

In 2009 it was [reported](#) that there were 1,941 condo corporations in Toronto and 8,788 in Ontario. In 2012 a Toronto Star article reported there were 6,750 condo corporations in Ontario which is a 23% decline.

According to the Ontario Land Registry Office, there are now about 2,500 condo corporations in Toronto. If accurate, this is growth – 28% over a seven year period or about 4% per year on average - in the number of Toronto condo corporations between 2009

and 2016.

Available data is confusing when it comes to growth or decline in condo living.

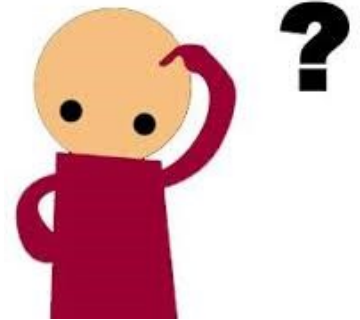
On the street, growth appears to be steady and dramatic.

Something is amiss. It makes little sense that the number of condo corporations in Ontario declined by 20%+ over a three year period then started increasing only since 2012. For those living in Toronto and surrounding areas, growth in condo buildings – and condo corporations – has been continuous for at least 20 years.

Illinois is another area having difficulty determining the size of their HOA population. HOAs, or Homeowners' Associations, are a comparable form of management to condo corporations. The state's Community Associations Institute records identify 18,259 condominiums and HOAs in the state during 2016. An independent study by Association Evaluation Inc. found there were more than 50,000 condominiums and HOAs. This study found that 80% were self-managed or managed by developers. It also found that 45% of the HOAs managed fewer than 24 units.

In Illinois there appear to be thousands of unregistered condo associations and HOAs. These are primarily self-managed properties not required to register with the state.

Toronto Condo News has been unable to obtain information on the number of self-managed condo corporations in Toronto.



Condo Life

Building Trust between Condo Owners and the Board



Transparency is important to instilling confidence in condo owners that their money and community are being well managed.

Yet some condo corporations fear transparency. With transparency come misunderstandings, scrutiny and criticism.

Well run condo

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When Seniors Leave their Home

Canada Mortgage and Housing Corporation released a 2013 study about how and when Canada's seniors transition from their homes to special care facilities.

The study makes it clear that most seniors prefer to remain in their home but are typically forced out by factors beyond their control. Primary among these factors is failing health. Other factors include age, income and lack of assistive devices available at home. Those who are single and living alone are more likely to reside in a special care facility.

The study identified three types of moves as people age.

The first move is lifestyle motivated and occurs around the time of retirement. Individuals remain relatively active and do not require additional care or assistance. Amenities and conveniences are important to them during this downsizing phase. Typical is a move from a single family home to a condo building.

The second move is often to be closer to a primary caregiver. These individuals can continue to live on their own but require help.



The third and final move is to an institution.

One way to postpone moving to an institution may be to incorporate specific services in condo buildings or in the nearby community. These services could be health-related plus social services and programs. Easier access to these services would support aging in place and allow seniors to remain out of institutions for a longer period of time.

Today, Ontario relies on Community Care Access Centres (CCACs) to help people access home and community-based health care outside of a hospital. CCACs do not provide services. They co-ordinate access to services – including therapy, nursing and personal support – provided through contractors. Services can be provided in the home or in institutions.

[Click here to access the CMHC study](#)
[Click here to access CCAC](#)

For assistance in seeking in-home assistance or retirement institutions [Condo Resource Guide](#) can help. Look under Home Care or Retirement Homes for companies providing these services.



Condo Boards

The Simple Solution to Most Condo Issues

Building Trust

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corporations have learned that being transparent solves more problems than it creates.



Some tips to improving transparency:

- Be clear on what must remain private and share this with condo residents. This prevents condo owners from feeling information is being withheld from them.
- Sharing legally mandated documents with condo owners is just a start. Full board meeting minutes, committee minutes and other

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In life most solutions to problems are relatively simple.

In condo management the same is true. Virtually all concerns can be easily resolved if people can avoid creating complexity. People tend to create complexity because they are lazy or to avoid change. Both create irrational conflict, confusion and unnecessary cost to condo owners.

Resistance to change is strong even when the change benefits everyone.

Good condo boards understand that resistance to change is often irrational. They learn to avoid personal biases and make decisions based on practical considerations to benefit the condo corporation.

Take two examples.

Electricity costs are skyrocketing. Older condo buildings continue to prefer bulk metering – the status quo – over in-suite sub-metering. There is a wealth of information supporting the financial benefits of in-suite sub-metering. Savings can

amount to thousands of dollars a year for individual suites and hundreds of thousands of dollars a year for condo corporations. Yet resistance is strong. Opposition comes from those with anecdotal stories about the ineffectiveness of in-suite sub-metering, innovative calculations to suggest experts are wrong when they present data from buildings that have implemented sub-metering, and those who fear they are energy hogs who will end up paying their fair share should sub-metering be implemented.



Garbage smells. It should be deposited down a trash chute or in the trash room. Signs are posted telling people where to leave their garbage. Yet people leave trash sitting on the floor, in the trash chute, in parking areas or elsewhere. They discard items in the trash chute that are too large and block the chute, thus requiring unblocking so that the chute is once again usable. For the sake a few seconds or the need to avoid a trip on the elevator, the majority of condo residents suffer from the smell and sight of garbage plus what can be permanent damage to walls and floors.

In place of strict enforcement, some condo corporations resort to costly and time consuming efforts that include locking trash chutes at 10 pm to avoid disrupting residents, paying cleaning staff to deal with trash in parking areas and investing in security cameras. The cost can be tens of thousands of dollars a year and loss of resale value without solving the problem.

All of this is to deal with people who are too lazy to properly discard their trash.

Each condo corporation must choose between the common good and catering to individual biases. Quality buildings where individuals prefer to reside choose the common good.



Condo Education

Sharing Your Home using Airbnb *Consider the Risks*

Building Trust

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informational documents should be shared with condo owners whose money is being managed on their behalf.

- Make communications easy. Allow condo residents to contact the management office and board members. For volunteer board members who do not want their personal lives disrupted, establish an e-mail address that is shared with all condo residents. Ensure all communications receive a response.
- Open up board meetings for anyone to attend. Establish rules to ensure that

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Homesharing, or short-term home rentals, existed long before Airbnb. Yet the ease in which it can now be done using Airbnb has turned homesharing into an easy way to make extra money.

In areas that are popular tourist spots, residential properties can be rented for much less than hotel space.

There are significant risks to homesharing. In a single family house these risks are primarily limited to the homeowner. In a condo building all condo residents are forced to take on these risks.

Many condominium documents prohibit short-term rentals. Some condo owners willingly ignore these risks to make a few extra dollars. These owners have chosen to treat the

condo building as a hotel. By accepting money, these owners may be operating a commercial business without insurance, paying taxes or necessary licenses.

Some condo corporations may choose to ignore the risks and thus put all condo owners at risk. This risk is compounded when individuals are inappropriately granted access to common areas and amenities.



What happens when something goes wrong?

Liability – Strangers are being allowed in the building. There is liability if they attack someone or cause damage either to the suite or common areas.

Local Laws and Taxation – Revenue Canada requires tax to be paid on income. There is also HST to collect and submit. There may be licensing and safety requirements to comply with.

Lack of Insurance - Homeowners insurance is unlikely to cover business activities for a property identified as owner-occupied. Renters insurance is unlikely to cover business activities such as subleasing. If something is damaged or someone is injured and insurance coverage is not applicable, who pays? Building insurance costs can increase, or coverage terminated, if an insurer has concerns about short-term tenancies.

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Toronto Condo News

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Diversions

Building Trust

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board business is not disrupted while allowing time for residents to voice concerns. Attendees will have a better understanding of the difficult matters and issues addressed by the board. Attendees who treat a board meeting as an open forum will need to be controlled.

Building trust between condo residents, condo directors and management is integral to good condo management. Building trust ensures fewer problems for managers and board members.



The Big Picture *The Future of Employment*

With home prices increasing so fast over a relatively short period of time, taking a look at how people pay off their mortgages should help to understand where prices are going.

For most, employment is the primary source of income. Paying off large mortgages requires more money – which comes from employment income or savings. And in this area the future does not look good.

Canada tends to follow the US by about ten years. Looking at where the US is going gives clues to the future of employment in Canada.

Increasingly, the nature of employment in the US is changing. More and more people are now employed in



the contingent work force. This includes contractors and temporary employees. Many are not employed on a full-time basis. What contingent workers have in common is no job security, retirement plan or other benefits.

It wasn't supposed to be like this.

In many ways technology is to blame. The US, which is typically quicker at embracing technology, leads Canada in this respect. Technology has certainly



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Quality condo management required!

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Diversions

The Big Picture *continued* The Future of Employment

Conversion of Excess Parking Spaces to Paid Parking

It is not uncommon for condo buildings to have a surplus of parking spaces.

Some condo corporations may wish to convert excess parking spaces to paid parking available to the public as a way to generate revenue for the corporation.

Toronto City Council has decided that 100% residential buildings are not allowed to convert their residential parking spaces.

Residential condo buildings with commercial space can convert unused parking spaces to paid parking available to the public.

Future

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improved productivity. It has created new ways of working and scheduling.

Much of this has turned out to be less desirable for employees. Increased automation has eliminated many jobs. Many of those jobs which remain have moved outside the country. Few employees are benefiting from producing more in less time and at less cost.

Much of the technology used to replace employees, and which was expected to replace jobs lost to technology, is manufactured in other countries. This technology includes software now used to analyze data, measure productivity and track sales. These tasks once required individuals with higher education. Many of these jobs no longer exist.

The Economic Policy Institute reports that productivity in the US rose by nearly 22% from 2000 to 2014. During this same period employee compensation increased by less than 2%. The



remainder went to senior executives, owners and investors.

Employee benefits such as job flexibility have come with a dramatic drop in income. The Government Accountability Office (US) reports that 40% of employed Americans were contingent workers in 2010.

Perhaps this explains why housing prices in most areas of the US remain below what they were prior to 2008.



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