



The Condominium Act Primer

CONDOMINIUM OWNERS

URL: <https://www.novascotia.ca/condominium-owners-your-rights-and-responsibilities>

Condominium owners: your rights and responsibilities

The Condominium Act sets out your rights and responsibilities as a condominium owner. The act and regulations also explain how condominiums are run, how ownership works and the costs involved in ownership.

By law, condominium owners have certain rights and responsibilities as set out in the Condominium Act and regulations, as well as the declaration and by-laws for the condominium corporation they are members of.

A condominium unit is the part of a condominium property that's individually owned and occupied. Its precise boundaries are set out in the declaration and description. Before you buy a condominium, you and your legal advisor should read the declaration and description carefully.

Your rights

As the condominium unit owner you have the right to:

- be the exclusive owner of the unit
- vote in matters concerning the condominium corporation
- access common areas (subject to the declaration, by-laws, and rules and regulations)

Your responsibilities

As the condominium unit owner you need to:

- maintain the unit
- pay common elements expenses
- participate in governing the condominium corporation

How condominiums are run

Condominiums are managed by a board of directors. Members of the condominium corporation are the owners of the units. Some of the condominium corporation's duties include:

- managing and maintaining the common elements
- establishing a fund for the payment of common expenses
- getting a reserve fund study done
- ensuring the appropriate fees are contributed to the established reserve fund to replace major capital items, like the roof or elevators
- preparing the annual budget
- assessing and collecting owners' contributions to common elements
- paying common expenses
- adequately insuring its liability to repair the units and common elements
- holding annual meetings of owners
- appointing an auditor (where there are 10 or more units) and filing an auditor's report and financial statements with the Registrar of Condominiums
- making sure that the owners comply with the Condominium Act, the declaration and the by-laws
- keeping adequate records

Contact

[Registrar of Condominiums](#)

Related legislation

- [Condominium Act \(PDF\)](#)
- [Condominium Regulations](#)

Board of directors

A board of directors manages each condominium corporation. The board of directors is made up of unit owners that are elected by the owners. There needs to be at least 3 directors, but a greater number may be required by the declaration (or, in older corporations, the by-laws). The declaration (or by-laws) may also set out required qualifications, method of election and term of office. In general, the board is responsible for the upkeep and maintenance of the buildings and other business matters, usually by supervising the actions of a property manager.

Ownership

The division of ownership is set out in the condominium corporation's declaration. Basically, an owner owns a unit and a specified percentage of interest in common elements, as set out in the declaration.

The contents of the declaration and description of any 2 condominium corporations are not the same. Areas designated as common elements in 1 condominium corporation might belong to an individual unit in another.

In some condominiums, the common elements begin at the exterior wall of the individual units. In others, the exterior wall of the individual unit is considered part of the unit. Such small distinctions can mean a lot when it comes to a question of payment for items such as window-washing services or repairs to the exterior brick of a condominium townhouse.

Operating a condominium corporation

The declarant (developer) stops managing the affairs of the property once the unit owners elect a board of directors to manage the condominium corporation.

The unit owners must elect a board of directors at a general meeting of all unit owners. The election needs to take place at the earlier of the following:

- 1 year after the declarant (developer) sells the first unit
- 45 days after the declarant (developer) no longer owns more than 50% of the units

The unit owners (through the elected board of directors) take over responsibility for the condominium corporation and run it according to the declaration and by-laws. When the unit owners take over, the developer needs to provide the condominium corporation with:

- condominium corporation seal and minute book containing copies of the declaration and by-laws
- copies of any agreements entered into by or for the condominium corporation
- any warranties or guaranties for equipment
- all survey, architectural and structural plans for the project
- financial statements, the reserve fund study and the reserve fund account for the condominium
- a list of all units sold, unsold or rented in the property

The board of directors is responsible for:

- making sure the requirements of the declaration and by-laws are satisfied
- overseeing the management of the corporation
- making sure the corporation's bills are paid

The board needs to hold an annual meeting of the owners to re-elect the board of directors for the corporation. It may meet more often to address regular business needs and emergencies.

Reserve fund study

A reserve fund study is an assessment of the components of a building's common elements. The study determines a funding plan to meet the costs of repair and maintenance of the components over time. Part K of the regulations made under the act deals with reserve fund studies, including:

- what a study needs to contain
- who is qualified to conduct it
- components of a reserve fund study
- time period to be covered
- definitions of terms used
- other information to be provided as part of the study

Small condominiums of less than 10 units are not required by the act to have a reserve fund study completed by a person qualified to conduct these studies under the act. However, some smaller condominium corporations voluntarily have a study done as part of their planning process. The act requires that such condominium corporations keep a reserve fund balance of 100% of their annual budget or a greater amount as stipulated (set out) in the condominium corporation's by-laws.

If a building is being converted to a condominium from another use, the declarant (developer) needs to prepare and submit a reserve fund study, regardless of the number of units.

Condominium insurance

Insurance on the entire condominium development is the responsibility of the condominium corporation. The condominium corporation should place "all risks" property insurance coverage on the units and the common property.

It is standard practice that the condominium corporation maintains errors and omissions insurance for the members of the board of directors. Ask to see it. Check the policy for exclusions. You should also find out if the insurance covers the replacement cost of the units and the common property.

Your portion of the cost of the insurance purchased by the condominium corporation is usually included in your monthly condominium fees. Check this with the condominium corporation.

You will need to buy your own insurance for the contents of your individual unit and any improvements made to it. The declaration for your condominium corporation will contain a description of a standard unit, which will let you identify these improvements. You should also have insurance to cover personal and occupiers' liability. Ask your insurance agent for more information.

Before buying

Before you buy a condominium unit, you should get copies of the declaration, by-laws, common elements rules, the Reserve Fund Status Certificate, the Estoppel Certificate and the audited financial statements and review them. Besides the questions common to the purchase of any property, you should know the answers to the following:

- Does the declaration prohibit any particular occupation or use of the units? Common examples include not allowing pets and not allowing business to be conducted from the unit.
- Is the project registered as a condominium corporation? If not, when is registration anticipated?
- How many of the units are sold? Owner occupied? Rented?
- If the unit is presently occupied by a tenant, how much notice to quit is required by the Residential Tenancies Act?
- Has a reserve fund study been conducted? Is the condominium corporation's budget and financial status in keeping with the recommendations of the study?
- What is the reserve fund balance?
- Are any major renovations or repairs anticipated?
- How much are the common elements fees? What expenses do they cover?
- Is the condominium corporation self-managed or managed by a professional management company?

Agreement of purchase and sale

If the agreement concerns a proposed unit or if the declarant (developer) is the vendor, the agreement of purchase and sale should include:

- copy of the survey plans showing the perimeters of the land and buildings
- the shape, boundaries and location of the unit, and the common elements
- copy of the declaration, by-laws, and common elements rules
- other requirements as shown in Section 75(1) of the Condominium Act Regulations

If the unit is incomplete, your agreement should include confirmation of the completion date.

If the unit is not yet registered, specify that your offer is based on the documents (draft declaration and description) forming part of your agreement of purchase and sale and is conditional on registering the unit under the Condominium Act before the closing date.

If the unit is in a phased-registration development, you should receive additional information, including:

- description of the overall plan of the development
- statement that the declarant (developer) is not required to create any other phases
- statement setting out the estimated registration dates of subsequent phases
- statement that sets out (for each anticipated phase) the approximate location of the buildings or structures, the approximate number of units, the proportions of ownership, voting and contributions to common elements expense fees that exist for each unit after the phase is registered, and a schedule of when any common facilities will be available

If you're interested in a resale unit, make sure that your offer is conditional on you receiving an Estoppel Certificate.

Changing your mind after signing an agreement of purchase and sale

Consult your lawyer. If the unit is new and the agreement is between you and the declarant (developer), you are entitled to receive information about the survey, design plans of the condominium, declaration, by-laws and common elements rules and regulations of the corporation.

You have 10 days to change your mind if anything in these documents affects your enjoyment of the property, and you and the vendor are unable or unwilling to rectify (solve) the matter or waive the objection. You need to rescind (withdraw) your offer in writing and it needs to be in the hands of the vendor within the 10-day "cooling off" period. This makes your agreement null and void.

By-laws

By-laws are rules that state how the condominium will be run, how the property will be maintained and how the common elements will be used. By-laws are made (and can be changed) by owners who own 60% of the common elements.

Common elements

Common elements include the property remaining after the boundaries of the units have been defined. They are owned in common with all other unit owners and are for their mutual use and enjoyment (for example, hallways, elevators, mechanical equipment, lawn and swimming pool).

Limited common elements

Also known as "exclusive use common elements," limited common elements are portions of the common property that are designated for the sole use of 1 or more unit owners (for example, balconies, patios, parking (in some cases) and storage lockers).

Description

The description details the layout and location of the whole development. It includes a survey of the land and buildings and detailed architectural drawings of the construction of the buildings and each unit.

Estoppel Certificate

An Estoppel Certificate is a binding statement prepared by the condominium corporation at the request of a unit owner or purchaser. It indicates the standing of common elements fees and reserve fund assessments against the unit, whether they are up to date, paid in advance or in arrears.

The Condominium Act and regulations specify which items need to be included in the certificate. For example, the certificate contains items like the names and addresses of the property manager and the officers of the condominium corporation, the financial standing of the corporation, the reserve fund balance, whether any major capital expenditures or increases in fees are planned and if there are any lawsuits pending against the condominium corporation. A copy of the most recent declaration and by-laws should be provided with this certificate.

Property manager

The property manager is an employee of the condominium corporation and is responsible for the day-to-day management of the property. This may include the collection and disbursement (payout) of common expense monies (fees). The specific duties of the property manager should be contained in a written contract. Some condominium corporations may not have retained (hired) a property manager and are often self-managed by the board of directors.

Reserve fund

The reserve fund is probably the single most important factor in the long-term financial stability of a condominium corporation. An adequate reserve fund protects the future of the condominium by making sure that sufficient money is set aside for major repairs and replacements as they become necessary (for example, roofs, roads, landscaping, building exteriors, parking facilities and hallway carpets).

Restrictive covenant

A restrictive covenant is a legal requirement placed on a piece of land to describe any special requirements for the property. It may limit the kind of development on the land, or ban certain uses (for example, clothes lines). For phased condominiums, a restrictive covenant would limit the kind of business or building that could be built on land intended for a phase of a condominium.

Special assessment

A special assessment may be levied (charged) by a condominium corporation in response to an unforeseen major expense that cannot be covered by the reserve fund when unit owners representing 66% of the common elements vote in favour of the assessment.

Related information

- [Apply to appeal the decision of a condominium dispute officer \(Form 27\)](#)
- [Apply to have a condominium dispute heard by a condominium dispute officer \(Form 26\)](#)
- [Apply to request arbitration for condominium dispute \(Form 23\)](#)
- [Appoint or change a registered agent for your condominium corporation \(Form 9\)](#)
- [Certificate of the Architect: condominium development \(Form 20\)](#)
- [Condominium Corporations Notice of Rule Change \(Form 28\)](#)
- [Declarant's Certificate: initial condominium corporation by-laws \(Form 15A\)](#)
- [Notice of Breach of Condominium Corporation's Declaration, By-laws, or Common-element Rules \(Form 25\)](#)
- [Request a proposed condominium corporation number](#)
- [Submit revised condominium corporation by-laws to the Registrar of Condominiums \(Form 15\)](#)
- [Update list of condominium corporation officers and directors](#)