



Ministry of Justice and Attorney General

Review of
The Condominium Property Act, 1993

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Introduction:

Condominiums are a popular form of home ownership in Saskatchewan and the number of units has increased significantly over the last 10 years. Most people think of condominiums as apartment-style units used for residential purposes. Condominiums may also be detached family homes, townhouses, commercial units in a strip mall or office tower, and areas within a grain storage facility. *The Condominium Property Act, 1993* (the Act) applies to all condominium types but has a particular focus on residential units.

The Act has been amended numerous times since it came into force almost 20 years ago. In 2009, the Act was amended to address some pressing issues in relation to parking and governance of multi-use developments. During the consultations for the amendments, the participants identified a number of concerns to be looked at when the Act was reviewed in the future. As a result of these concerns, the Ministry of Justice and Attorney General with the cooperation of Information Services Corporation of Saskatchewan (ISC) is undertaking a general review of *The Condominium Property Act, 1993* with the objective of introducing amendments into the legislature in the next couple of years.

The Act creates a careful balance between the rights and obligations of developers, unit owners and condominium corporations. As with previous reviews of this Act, we aim to achieve consensus among the consultees and Ministry on most amendments to the Act. In an effort to achieve consensus, we are seeking your comments on the legislative proposals and options contained in this paper. In the past, it has been recognized that consensus has not been a prerequisite for amendments that involve significant consumer protection issues or amendments of a non-substantive nature. Solutions for some complex issues affecting condominiums, including age 55 and over condominiums are not included in this paper because they require further research.

We welcome feedback by August 31, 2011 on the legislative proposals and options contained in this paper as well as any suggested solutions to the issues identified. Your comments and suggestions can be sent:

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A. Condominium Corporation Board of Directors

Fundamentals: Condominium corporations come into existence when the initial titles based on an approved condominium plan are raised in the developer's name. The condominium corporation is registered with the Corporate Registry operated by Information Services Corporation and if the condominium corporation has not selected a name for itself, it will be provided a name in the standard format "The Owners: Condominium Corporation No. (*number assigned by the Corporate Registry*).” The bylaws of the corporation and any amendments must be filed with the Corporate Registry in order to be in effect. If the corporation does not file any bylaws with the Corporate Registry, the standard bylaws found in the regulations apply until they are amended or replaced by the corporation. Unlike other corporations, condominium corporations are not currently required to file an annual notice of directors for their corporation. Condominium corporations are currently required to provide the Corporate Registry with notice of any change in its address for service.

Issue: A listing of directors for condominium corporations is not publicly available. This causes unit owners, renters, potential unit purchasers and others difficulty when attempting to resolve disputes with the condominium corporation.

Option under consideration: Require every condominium corporation to file an annual notice of directors so that a listing of directors for the condominium corporation is available to the public. This annual notice will also include the requirement to update the condominium corporation's address for service.

B. Sale of Units by the Developer

Fundamentals: Section 26 of the Act currently requires the developer to provide a purchaser with certain documents and information, usually described as disclosure, at least 10 days prior to entering into an agreement to purchase a unit from the developer. This disclosure is intended to provide the potential purchaser with sufficient information in order to make an informed decision about the purchase of a unit. If all of the disclosure is not provided at least 10 days prior to signing of the purchase agreement, the purchaser has 10 days to rescind the purchase agreement. The condominium corporation is required to provide similar disclosure to potential purchasers of units who are purchasing from someone other than developer. Disclosure by the corporation takes place in the estoppel certificate. Other provinces have similar disclosure requirements for developers and corporations.

Issue: Is there additional information that a developer should provide to the purchaser that would assist him or her in making a decision to purchase a unit?

Proposed Solution: Amend section 26 to require the following additional information to be provided by the developer (similar amendments may be made in the regulations dealing with the estoppel certificate) to the proposed purchaser:

- 1) Any plans or agreements that establish a short term rental management pool for units within the development;

- 2) A copy of the reserve fund study for a development that converts existing apartments, tenements or flats into condominium units;
- 3) The name and contact information of the property manager;
- 4) A copy of the developer's declaration or developer's reservation, if one is required by the Act;
- 5) A statement specifying any parts of the common property, common facilities or services units that the unit owner is not entitled to use;
- 6) A statement that indicates whether the unit has been converted from a previous use as an apartment, tenement or flat; and
- 7) If the construction of the common property, common facilities and services units is not yet complete, a detailed list of the expected attributes of these facilities and a schedule of the proposed commencement of construction and completion of any unfinished facilities.

C. Turnover from Developer to Condominium Board

Fundamentals: The developer of the condominium development is responsible for completing all of the buildings, common property, common facilities and services units shown on the condominium plan. In addition, the developer is responsible for maintaining the common property, common facilities and services units until these responsibilities are turned over to the condominium corporation following the first annual meeting of the condominium corporation. The first annual meeting must be held not later than one year after the titles are issued pursuant to the condominium plan and could be held earlier if requested by owners representing at least 25% of the unit factors. If the developer does not convene the first annual meeting, the owners may convene the meeting.

Within one year of the first titles being issued, the developer must turn over to the condominium corporation a series of documents concerning the development, including: agreements, warranties, plans, list of subcontractors, financial records for the corporation, certificates and approvals from the government and a statement explaining the method used by the developer to assign unit factors to the units.

Issue: Does the list of documents that must be turned over by the developer cover all important documents necessary for the operation of the condominium corporation?

Proposed Solution: There are a number of documents that could be added to the list of documents that must be turned over to the corporation:

- Insurance policies obtained to cover common property, common facilities, services units and units as required by the Act;
- Standard unit description for each type of unit contained on the plan;
- All records relating to employees of the condominium corporation;

- Audited financial statements for the corporation for the period prior to the turnover;
- A copy of the reserve fund study in the case of conversion of existing premises used for apartments, flats or tenements into units; and
- Any plans or agreements in relation to establishing a short term rental management pool for units within the development.

In addition to the documents, the corporate seal and any keys for the common property and units should be turned over by the developer to the corporation.

D. Duties of the Condominium Corporation Board

Fundamentals: The board of a condominium corporation has certain responsibilities under the Act including to:

- keep proper books of account for the corporation;
- prepare financial statements of the corporation for each annual general meeting;
- maintain financial records of the assets and liabilities of the corporation;
- keep minutes of the proceedings at annual general meetings and general meetings of the corporation; and
- make books of account available to owners and others authorized by owners.

Issue: The board is not currently required to have their financial statements audited and this causes concerns for many unit owners and boards.

Proposed Solution: Require the board to have the condominium corporation's financial statements audited annually unless the corporation passes a bylaw allowing unaudited financial statements.

E. Maintenance of Common Property and Units

Fundamentals: The condominium corporation is responsible for maintenance of the common property and services units shown on the corporation's condominium plan. Unit owners are responsible for maintaining their unit. Bare land units are defined by the survey pins in the ground rather than by reference to the walls, ceilings and floors that are used for regular condominium units. For bare land units, owners are required to maintain everything within their unit including all buildings (including the exterior) and any green space. The common expense and reserve funds of the corporation are used by the corporation to fulfill its obligation to maintain the common property and services units.

Issue: Owners of townhouse style condos built on bare land units often believe that the maintenance of the exterior of their townhouse and the green space within their unit is the responsibility of the condominium corporation. In most instances, the common infrastructure (foundation, load bearing walls and roofs) of a townhouse-style condominium development needs to be maintained to the same standard to ensure that it remains sound and does not affect the value, structural integrity and aesthetics of all the units.

Proposed Solution: Allow condominium corporations to pass bylaws requiring the condominium corporation to maintain portions of units and to collect common expense and reserve fund fees accordingly.

F. Conversion of Existing Premises Used for Apartments, Flats or Tenements into Units

Fundamentals: The Act facilitates the conversion of apartments into condominium units by requiring specific procedures to be followed that reflect the unique concerns of local authorities, tenants and prospective purchasers of the units. In particular, a conversion plan cannot be approved by the Controller of Surveys unless it is accompanied by a certificate from the local authority that confirms that the conversion will:

- not significantly reduce the amount of rental accommodation in the area;
- not create significant hardship for the tenants in the existing premises; and
- involve a building that has the physical characteristics necessary for conversion.

Conversion is often used as a means of upgrading older rental accommodations to the current standards expected by renters and prospective owners.

Issue 1: Local authorities have requested some additional guidance on the criteria that are contained in the certificate required for condominium conversions.

Proposed Solution: Allow other criteria and additional detail about the existing criteria to be added by way of the regulations.

Issue 2: Purchasers of units converted from existing premises have experienced unexpected special levies to cover significant repairs to the building infrastructure within a short time after their purchase.

Proposed Solutions:

- 1) Require the developer to have a reserve fund study prepared prior to selling the units under the conversion plan. This will provide the prospective purchasers with a realistic view of the cost of the unit from both a maintenance and a reserve fund contribution perspective.
- 2) Require the developer to prepare a developer's declaration and provide a bond/letter of credit to secure the completion of any upgrades and replacements of major infrastructure components that are to be provided by the developer. This would include such items as repair or replacement of the roof, elevator, furnace/boiler, electrical, plumbing and removal/replacement of insulation that no longer meets current building standards.

G. Parking

Fundamentals: Parking has always been a difficult issue in condominium developments. In recognition of the importance that owners of residential units place on having parking within their development, the Act currently requires that at least one parking space or parking unit be

designated for each unit used for residential purposes in a development unless the local authority has granted an exemption from this requirement. Parking may be shown on a plan as a parking unit that may be titled or as a parking space that is located on the common property. The Act also sets out the requirements for redesignating parking spaces or parking units to another unit

and allows regulations to be passed in the future that will allow parking spaces to be converted to parking titles. All parking unit designations and redesignations appear on title while initial parking space designations appear on the plan and redesignations appear on both the plan and the title to the residential unit.

Issue: The processes and requirements for parking for residential units are cumbersome for owners, developers, the land titles registry and survey directory.

Proposed Solutions:

General Principles:

- The plan of survey would show only the location of parking but not note which residential unit was designated the exclusive use of the parking space.
- The Controller of Surveys would no longer be involved in designations and redesignations of parking.
- All designations and redesignations would be shown on title.

1) New Condominium Plans – options

a.) Require all new plans containing units used for residential purposes to use only parking units for the purposes of meeting the requirement for designated parking. Parking spaces on common property can continue to be shown on the plan but cannot be designated to a particular unit. OR

b) Continue to allow parking spaces to be designated to a specific residential unit and require all parking space designations to be registered on the initial residential unit title to which the space is designated. OR

c) Require all new condominium plans to include only parking units. Exclusive use parking on common property would no longer be an option for describing parking on a plan.

2) Existing Condominium Plans – options

a) For existing condominium plans containing designated exclusive use parking spaces, future redesignations would appear only as an interest on the title to which the space was designated and on the title giving up the parking space. Former redesignations that no longer reflect the current use of the parking space can be removed from the title after a specified period of time so that only the current parking designations are shown. OR

- b) Change all parking space designations currently found on titles and plans to interests based on parking space designations shown on the title. Again, allow interests based on former redesignations that no longer reflect the current use of the parking space to be removed from the title so that only the current parking designations are shown. OR
- c) Require all exclusive use parking spaces to be converted to titled parking units at the same time. Do not allow parking spaces on a particular plan to be converted piecemeal over time. Converting all of the parking spaces on a plan to parking units at the same time will move the plan into the same state as new plans more quickly, ensure that all unit owners within a development have to use the same process for redesignating their parking, and streamline the conversion process for the land titles registry and survey directory.
- 3) Set out a standard unit factor to be assigned to all parking units created during the conversion process and on new plans. This will enable a simpler conversion process and ensure that unit factors remain equitable after conversion and any other dealings with the plan.
- 4) Create a standard auto-expiry period for prior interests based on parking space designations once the parking space is no longer designated to a particular title (see clause 11(3)(c)(i)). The history of parking space designation for a title would be available for viewing in the land registry through the title history function. This will ensure that only the current designations appear on title rather than a convoluted history of redesignations that can sometimes appear on unit titles today.

H. Phased Condominiums

Fundamentals: Developers are required to register a developer's reservation against all unit titles created as a result of a phased condominium plan. The developer's reservation sets out the developer's plans to create further units, services units and common property and common facilities in the future. The Act currently requires that the replacement plan be approved and titles issued based on the plan within 2 years after the registration of the endorsed declaration unless the developer receives approval for an extension of the time of up to one additional year to complete the development. The total time for completion of the items in the developer's reservation cannot exceed 3 years without approval of the court. Saskatchewan has the shortest maximum period for completion of a phased development in western Canada. Manitoba allows 6 years; Alberta allows 6 years or other period specified in the developer's disclosure statement; British Columbia allows the developer to set the period in the developer's declaration; and Ontario allows 10 years.

Issue: Developers are finding it difficult to complete the subsequent phases of the development within the maximum period of 3 years from the date of registration of the developer's reservation.

Proposed Solution: Keep the initial period for completion shown in section 17 at 2 years. Amend subsection 19(4) to allow extensions of the total time for completion of items contained in the endorsed declaration to be up to 4 years. Also clarify that this time frame for completion

is based on completion of each phase of the development. This means that a 3 phase development could take a total of 4 years to complete, without extensions, or 8 years if the maximum extensions are approved by the corporation by special resolution.

I. Services Units

Fundamentals: The Act was amended in 2009 to allow the creation of services units that are owned by the condominium corporation for the benefit of all condominium unit owners. In many ways, services units are similar to common property in that both may contain facilities that will benefit all owners, such as recreational and laundry facilities. It is anticipated that services units will most often be created when a bare land unit is redivided because the redivision process does not allow the creation of new common property areas on the plan. New common property areas can only be created by plan amendment or replacement plan.

Issue: Currently section 9 requires that every condominium plan must contain the estimated floor area for each unit including services units. For example, developers have indicated that they intend to include building exteriors, hallways and elevator shafts in services units. While these are appropriate areas to be included in a services unit, in some cases, it is very difficult to determine the floor area for such facilities.

Proposed solution: Amend clauses 9(2)(b) and 9(3)(b) to make it optional for the floor area for a services unit to be included on a plan of survey and to give the Controller of Surveys discretion to require the area of a services unit to be included in appropriate circumstances.

J. Developer's Requirement to Provide a Bond or Letter of Credit to Secure Completion

Fundamentals: Developers are currently required to provide a bond or letter of credit to secure the completion of the common property, common facilities, services units and additional units in bare land and phased developments. The bond or letter of credit provides the condominium corporation, unit owners and mortgage lenders a potential remedy if the developer fails to complete facilities promised in their developer's declaration or developer's reservation. Discussed below is the recommendation from the insurance consultation group to expand the requirement for the developer to provide security for completion to include all development types.

Issue 1: Currently, developers are required to provide a bond or letter of credit only in relation to bare land or phased development. This leaves owners, condominium corporations and mortgage lenders in other development types (conversions and regular developments) without a remedy if the developer fails to complete common property, common facilities and services units.

Proposed solution: Require developers to provide a bond or letter of credit to secure completion of the common property, common facilities, services units and additional units in all development types.

Issue 2: The regulations currently prescribe the amount of the bond or letter of credit that is required to be provided by the developer to be: if amount required to complete the facilities is less than \$100,000 then the actual amount required to complete the facilities; and if the amount required to complete is more than \$100,000, then \$100,000 or 10% of the value required to complete the facilities to a maximum of \$200,000. These amounts have remained the same since 1994.

Proposed solution: Raise the required amount of the bond or letter of credit to reflect the changes in building costs since the current amount was prescribed in 1994. The basic formula would remain the same but the amounts would be changed to \$250,000 and \$500,000.

Issue 3: Currently, the bond or letter of credit may be released when the minister is provided with a certificate of completion by an engineer, architect or appraiser. However, no guidance is given in the Act or regulations about the meaning of “complete”.

Proposed solution: Add a definition of “complete” to the regulations to provide the engineers, architects and appraisers with guidance in evaluating the completeness of the promised facilities and units.

Issue 4: Currently, the Registrar of Titles provides notice to the condominium corporation upon receipt of a certificate of completion. This provides the corporation an opportunity to note their disagreement with the engineer, architect or appraiser’s evaluation of completeness. If the Registrar receives a letter disputing the release of the bond or letter of credit, the Registrar will not release the bond or letter of credit until the dispute is resolved. This notice and dispute process is not found in the legislation or regulations.

Proposed solution: Amend the regulations to require the consent of the condominium corporation prior to release of the bond or letter of credit to ensure that the bond or letter of credit is not released prematurely so as to deprive the corporation and owners of the remedy set out in the Act.

K. Dispute Resolution

Fundamentals: Condominium living is communal living and is inherently more likely to result in disputes between and amongst unit owners, the condominium corporation, the property manager and the developer. The Act provides for these disputes to be resolved in a number of ways including by arbitration, application to Provincial Court or in some cases application to the Court of Queen’s Bench, appointment of an administrator and establishment of a scheme for settlement where the property has been damaged. The Act sets out the dispute resolutions methods for resolving some of the common disputes unique to condominium development but does not exhaustively list all of the resolution methods available. Any common law remedies not specifically precluded in the Act continue to be available to the parties.

Issue 1: The Act allows a corporation or an owner to bring a claim against a developer but does not specifically allow a mortgagee to bring a claim.

Proposed solution: Amend section 24 of the Act to allow a mortgagee to bring a claim against a developer.

Issue 2: Many other provinces allow a unit owner, tenant, mortgagee or other interested person to bring a claim against the corporation to require the corporation to fulfill its duties as set out in the Act. The Saskatchewan Act does not specifically allow this type of application.

Proposed solution: Amend the Act to allow a unit owner, tenant, mortgagee or other interested person to seek a court order requiring the condominium corporation to fulfill its duties and to recover damages associated with the corporation's failure to fulfill its duties.

Issue 3: On occasion, the ministry has received complaints from unit owners indicating that the condominium corporation, board, another owner or the developer is acting in an oppressive manner toward an owner or a group of owners. Many other provinces set out remedies similar to those found in other corporate legislation to address oppression complaints.

Proposed solution: Allow unit owners to apply to court for a determination if the condominium corporation, board, another owner or the developer acted in an oppressive manner toward an owner or group of owners and allow the court to order an appropriate remedy where it finds oppression did occur.

L. Rental of Residential Units

Fundamentals: Condominium units are often rented out and occupied by a tenant rather than an owner. Prior to renting out their unit, the owners must provide the condominium corporation notice of their intention to rent out the unit along with the address where the owner can be served with notices. The corporation may pass a bylaw that requires the owner to pay the security deposit to the corporation for the maintenance, repair or replacement of the common property, common facilities and services units of the corporation required as a result of the tenant's actions.

Like owners, renters are required to comply with the bylaws of the corporation. If provided for in the bylaws, the corporation may make an application to the Director of Residential Tenancies for an order of possession where the tenant causes excessive damage to the corporation's property, causes excessive noise or intimidates or is a danger to the persons who reside in other units.

Issue: Condominium corporations have expressed interest in being able to restrict or prevent rental of units within their development.

Proposed solution: No amendment is recommended at this time.

Although at first glance, allowing corporations to pass bylaws that would restrict the number of units that may be rented within their development seems like an easy solution to the concerns around rental of condominium units, it comes with significant drawbacks. Allowing condominium corporations the authority to pass such a bylaw creates an inequality amongst owners in the development as it relates to the fundamental attributes of title ownership. Some would have all the rights and some would have one of those rights removed, in this case, the ability to rent their unit. Further, allowing bylaws to restrict rental of units within a development could severely reduce the amount of rental accommodation available in the province.

M. Reserve Fund and Common Expense Fund

Fundamentals: Unit owners (including the developer) are required to pay into two funds established by the corporation for the maintenance of the property within the development. The common expense fund is used to pay the day to day expenses of maintaining the corporation's property and operating the corporation including such things as cleaning, snow removal, yard maintenance, accounting, insurance and property management services. The reserve fund is used for the long term maintenance and replacement of larger items such as replacement of the boiler, asphalt, roofing and exterior of the units.

Owners who fail to pay the required contributions to the funds may be subject to a lien placed on the title to their unit and may become ineligible to vote in board elections or to stand for election to the board. The lien has priority over most other interests registered against the title.

Issue 1: Section 63 allows a lien in the amount of the arrears to be filed against the unit owner's title but does not specifically indicate that the lien includes the interest, costs of preparing, registering, discharging and providing notices of the lien.

Proposed solution: Many other provinces specifically include these additional costs to be recovered through the lien. Amend section 63 to clarify that arrears includes these additional costs.

Issue 2: Other provinces allow user fees to be charged for the use of common property, common facilities and services units. Should Saskatchewan corporations have this ability?

Proposed solution: Allow condominium corporations to pass bylaws that allow them to charge fees for use in certain circumstances in particular:

- When a unit owner is behind in paying their common expense fund and reserve fund contributions; and
- For use of the common property, common facilities or services units located in a different sector.

Issue 3: Other provinces have a "non-avoidance provision" that clarifies that owners cannot avoid payment of common expense and reserve fund payments by stating that they do not intend to use certain common property, common facilities or services. Should Saskatchewan have a similar provision?

Proposed solution: Add a non-avoidance provision into our Act.

Issue 4: Periodically, the Ministry receives complaints about the interest rate charged by condominium corporations on late payments of common expense and reserve fund contributions. Some corporations use this interest rate as a means of punishing the unit owner for late payment rather than as a means of recovering the costs and losses associated with the late payments. Although the Act currently allows a maximum interest rate to be set in the regulations, one has never been set. British Columbia has a maximum interest rate of 10%/annum and Alberta sets the maximum interest rate at 18%/annum.

Proposed solution: Set the maximum interest rate chargeable by a condominium corporation for late payment of common expense and reserve fund contributions at 10%/annum and regularly review this interest rate to determine if market conditions warrant a different rate.

N. Reserve Fund Studies

Fundamentals: Reserve fund studies must be conducted by all condominium corporations with more than 12 units. These studies assist the corporation in determining the appropriate amount for reserve fund contributions to ensure that sufficient funds are available to replace or repair the major components of the common property, common facilities and services units. These studies must be conducted by a qualified person within 3 years of the first annual general meeting of the corporation.

Issue 1: An error in a reserve fund study could dramatically affect a condominium corporation's ability to pay for major repairs and replacements out of the fund. The regulations set out who is qualified to conduct reserve fund studies in this province. In some other provinces, in addition to academic or professional qualifications, only persons who carry a certain amount of professional liability insurance are eligible to conduct reserve fund studies.

Proposed solution: Amend the definition of qualified person to include a requirement for the person to carry \$1 million in professional liability insurance to cover any losses resulting from an error in the study.

Issue 2: An accurate reserve fund study is particularly important for condominium developments converted from use as apartments, tenements or flats. Purchasers could be unwittingly buying into a building that will require significant repair and replacement of major components without an adequate reserve fund.

Proposed solution: Require the developer to have a reserve fund study prepared before any units are sold and provided to all potential purchasers of these newly converted units. This will allow the purchasers to make an informed choice about buying a unit.

O. Tax Enforcement

Fundamentals: Municipalities have authority to take the title to a condominium unit if the owner fails to pay their municipal taxes. With the ability to create parking titles that may be designated to a particular residential unit, this creates some unique issues for tax enforcement.

Issue: Can a parking title be taken through the tax enforcement process?

Proposed solution: Amend the Act to clarify that a parking title may be taken during tax enforcement in two circumstances. If the parking title is not designated to a residential unit then the parking unit can be taken on its own. If the parking title is designated to a residential unit then the parking unit title can only be taken during tax enforcement along with the residential unit to which it is designated.

P. Condominiums for Persons Aged 55 or over

Fundamentals: Currently, the Act does not allow condominium corporations to pass bylaws that restrict an owner's ability to sell, lease or otherwise deal with their unit in the same way as other home owners. *The Saskatchewan Human Rights Code* allows an owner to advertise his or her unit for sale or rent only to persons aged 55 or over but does not allow the condominium corporation to pass a bylaw that imposes this restriction on owners. Many of the people consulted expressed an interest in living in a condominium development occupied only by persons aged 55 or over. Many condominium corporations and developers would like to be able to restrict the occupation of units within their development to persons aged 55 and over.

Issues: Condominium corporations do not have authority to restrict the occupation of units within their development to persons aged 55 or older.

Proposed solution: No solution is proposed at this time because further research and analysis are required. Your comments and suggestions are welcome.

Q. Insurance

Fundamentals: The Act currently requires condominium corporations to carry insurance coverage for common property, common facilities, services units and units. The condominium corporation is not required to carry insurance for improvements made to units by the owners. The corporation is required to carry insurance that covers the following major perils: fire, lightning, explosion or implosion, smoke, falling objects, impact by aircraft or land vehicles, riot, vandalism or malicious act, water escape or rupture, windstorm or hail.

In fall 2010, three consultation sessions were held in Regina and Saskatoon to discuss insurance issues. The insurance consultation group included unit owners, board members, property managers, insurers, lawyers, representatives from the Canadian Condominium Institute and from condominium owners associations. The group worked through a number of insurance related issues and came to consensus on solutions to a number of the issues.

1) *Issue:* Should the condominium corporation be required to cover any other major perils?

Proposed Solution: No change to the list of major perils is recommended. The Saskatchewan legislation requires condominium corporations to provide coverage for the same major perils as in other provinces.

- 2) *Issue:* Many condominium unit owners are reluctant to sit on the board of their condominium corporation because of liability concerns.

Proposed solution: Require condominium corporations to carry directors' and officers' liability insurance that will address owner's liability concerns about their involvement on the condominium board.

- 3) *Issue:* There are often difficulties determining what part of the unit is insured by the corporation and what betterments or improvements are insured by the unit owner.

Proposed solutions:

- a) Require developers to include a description of a standard unit for all new developments.
 - b) Allow the developer's description of the standard unit to be amended by bylaw.
 - c) Allow existing condominium corporations to define and amend a standard unit definition in their bylaws.
 - d) Require the developer to disclose the definition of standard unit to the initial purchaser of the unit.
 - e) Require the condominium corporation to disclose in the estoppel certificate the definition of standard unit when there is a sale of a unit by the owner.
 - f) Define the minimum requirements for a standard unit in the regulations to ensure that the condominium corporation does not use the definition of standard unit to shift the responsibility for insurance liability from the condominium corporation to the individual unit owner.
- 4) *Issue:* Many unit owners do not carry insurance to cover the betterments, improvements or contents within their units. Should condominium unit owners be required to have insurance that covers betterments, improvements and contents of their units?

Proposed Solution: No solutions were agreed upon by substantial consensus and therefore no amendments will be proposed.

- 5) *Issue:* Bare land units can be developed in a variety of ways including as detached houses, townhouses and multi-unit dwellings. The Act does not currently require condominium corporations to carry insurance on the bare land units within their development. Many owners are unaware of this difference.

Proposed solutions: a) Require condominium corporations to carry insurance on bare land units that are developed as townhouses or other multi-unit structures.

b) Continue to allow condominium corporations to choose not to carry insurance on bare land units developed as detached structures.

c) Require developers and condominium corporations to disclose to all unit purchasers the insurance coverage in place to cover all unit types within the development. The estoppel certificate would be amended to reflect this new disclosure requirement.

- 6) *Issue:* Condominium corporations and unit owners have few remedies available to them if the developer does not fully complete the construction and finishings within units and common property to the expected level of quality.

Proposed solutions:

a) Require the developer and condominium corporation to disclose any unresolved quality complaints or issues to potential purchasers through the developer's disclosure under section 26 or through the estoppel certificate.

b) Expand the requirement for a letter of credit or bond to be provided to include all development types including bare land, phased, regular, conversions and combined-types. The bond or letter of credit would not be released without the provision of notice to the condominium corporation that provides the corporation with an opportunity to dispute the release on the basis that the development is not yet complete.

- 7) *Issue:* Common expense contributions paid by unit owners are used to pay for many expenses of the corporation including insurance premiums on the insurance coverage that the condominium corporation is required to carry under the Act. If a unit owner is behind in their common expense fund contributions, should that unit owner continue to be covered by the insurance coverage paid for out of the common expense fund?

Proposed solution: Do not propose an amendment to the Act that would restrict an owner's access to the corporation's insurance coverage when the owner is behind in their common expense payments. It benefits all owners in the corporation when repairs are made to a unit that is damaged as a result of one of the major perils. To leave such damage unrepaired could reduce the value of all units within the development and reduce the enjoyment of all owners of their unit and the common property.
