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Changes to the Condominium Act

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Bill 106 (the *Protecting Condominium Owners Act, 2015*) received Royal Assent in the Ontario legislature on December 3, 2015. Bill 106 is the result of an 18-month public engagement process, the Condominium Act Review (the “Review”), which involved condominium owners, developers, managers, and other experts working together to modernize the condo law regime. The landscape has changed dramatically since the original *Condominium Act, 1998* was enacted. Currently, approximately 1.3 million Ontarians are condominium owners and more than half of all new residential units built in the province are condominiums.

The Review received public input through information sessions held across the province and through online and written submissions. Five key areas were identified to be in need of reform:

1. Dispute resolution;
2. Consumer protection;
3. Financial management;
4. Condominium governance; and
5. Condominium manager licensing and regulation.

The consultation process included a condominium residents’ panel, five professional working groups composed of realtors, condominium managers, lawyers, engineers, accountants, developers, mediators, and arbitrators to address the areas of concern, and an expert panel which summarized the various submissions to create a unified set of recommendations.

The new legislation will result in many changes, including but not limited to:

- The creation of a new not-for-profit corporation, the Condominium Authority, which will appoint members to the Condominium Authority Tribunal, which will provide a more stream-lined, cost-effective dispute resolution process primarily for disputes amongst condominium boards and owners;
- More comprehensive requirements dealing with financial disclosure by developers in order to protect purchasers of newly-built condominium units from unexpected costs;
- Stronger financial management rules for condominium corporations, aimed at reducing fraud and providing greater transparency;
- Increased governance requirements for condominium boards, including training and disclosure requirements for directors; and
- Mandatory licensing and education requirements for condominium managers.

Note that these changes are not yet legally in force – section 2(3) of Bill 106 states that the two schedules to the legislation (changes to the *Condominium Act, 1998* and other



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statutes, and the new *Condominium Management Services Act, 2015*) will come into force on a future date to be named by proclamation of the Lieutenant Governor. This delay is presumably because most of the changes outlined in Bill 106 are set out in regulations which have yet to be finalized. This is similar to when the current *Condominium Act, 1998* came into force, at that time the legislation came into force approximately two and a half years after it received Royal Assent. Given how quickly Bill 106 was passed in the Ontario legislature – it was introduced on May 27, 2015 – many estimate that the changes may not come into force until as late as 2017.

Due to the fact that the regulations will provide the majority of the substantive details and requirements for the new Act, a complete analysis of the changes is not possible at this time. It is expected, however, that the increased focus on consumer protection will be welcomed by current and prospective condominium owners as the condominium market in Ontario continues to grow.

The final bilingual version of Bill 106 is available [here](#).

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