

Manitoba News Release

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LEGISLATION WOULD STRENGTHEN CONSUMER PROTECTION FOR CONDO BUYERS, EXISTING OWNERS: MACKINTOSH

A new condominium act would better meet the needs of the province's condominium owners and buyers, Family Services and Consumer Affairs Minister Gord Mackintosh announced today.

"The new act will increase consumers' rights when buying condominiums and provide better information and management tools for existing owners," said Mackintosh. "The revisions will help consumers make more informed choices before investing in this popular form of home ownership. The act will also help existing owners to plan for the future to ensure their buildings are well managed and maintained.

"The Condominium Act has not undergone a major revision since 1968, so new legislation is needed to better meet the needs of today's consumers and owners," said Mackintosh, noting the popularity of condo living among retirees and young families. "The new act will be one of the most comprehensive in Canada."

Proposed changes include:

An Extended Cooling-off Period

People considering buying a condo would have more time to review complex information associated with the purchase. The cooling-off period, during which the purchase could be cancelled, would increase to seven days from 48 hours.

Better Cancellation Rights

People would be able to cancel a purchase if there were any material changes to what was promised before they take possession, for example, the change by of developer of a promised three-storey development to a six-storey building. People would be able to sue if they take possession and find a material change that wasn't disclosed.

Better Disclosure

Developers would be required to pay for a reserve fund study before selling units that are created on a condominium conversion, such as when an apartment block is converted to condos. Typically, a reserve fund study outlines what the owners need to set aside every year for the next 30 years for anticipated repairs. As a result, prospective owners would know the building's condition better before they buy.

Better Control

A general meeting of unit owners would have to be held within one year after the first transfer of unit ownership, at which unit owners would have the right to elect two directors to the board. This requirement would give owners a say in how the building is managed before turnover by the developer.

Better Protection

Developers would be required to give buyers a projection of operating costs for the first year after owners begin paying common expenses. If the projection is too low, the developer would have to cover any shortfall. This measure would encourage reasonable estimates of common expenses to be given to buyers by developers.

Existing owners would also benefit under the new act with:

Better Planning

Owners would know when repairs are likely to be required by doing a reserve fund study. These studies would allow people to plan ahead rather than be shocked by high special-assessment fees when repairs become necessary.

Better Management

Boards would be better able to enforce bylaws and rules through the ability to assess fines on non-compliant owners.

Best Interests

Directors of boards, including the developer's board, would have a new duty to act in the best interests of the condominium corporation.

"We are pleased government has taken the next step in consumer protection for condominium purchasers with the introduction of a new condominium act," said Lou Anna Roberts, president of the Manitoba chapter of the Canadian Condominium Institute. "Many of the issues that were of concern to condominium owners, developers and managers have been addressed in this new legislation. We were grateful to have had the opportunity to provide input into its development."

"This updated legislation recognizes and addresses many issues in the development and operation of condominiums," said Margaret Barbour, a condominium owner who was part of the working group that helped the government identify issues and possible solutions related to condominium legislation. "The amendments to the act balance the interests of condominium unit owners, condominium boards and condominium developers by defining rights and responsibilities for each party."

The new legislation is part of Let's Make a Better Deal, Manitoba's five-year plan for stronger consumer protection.