



Home Health Solutions
CHANGE THE LANDSCAPE

Alberta Condo Series®

In Association With Alberta Condo
Owners for Change

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Introduction



My name is Bill Stephenson and my wife and I have lived in a 4-storey condominium building in Southwest Edmonton with 107 units for just over 10 years now. As an academic teaching part-time at the U of A and MacEwan University for a number of years until retirement I feel qualified to write a Series on the Alberta Condominium Scene having researched in detail, the Alberta Condominium legislation, the condominium legal cases brought before the Court of Queen's Bench, extensive experience pushing back on our Board's flawed decisions and interfacing with many experienced condo owners in the Province.

We have, at times, experienced shock and amazement to put it mildly at the antics of our Condo's Board of Directors. We had been homeowners for many years both in Ontario and Alberta and have owned many homes as we've moved around for our careers. I worked for over 20 years in senior levels in the construction business for Bell Canada and a major Ontario school board before doing post-graduate studies in Alberta. My wife, a graduate of the University of Western Ontario was in senior administration in the healthcare sector in Ontario and was recruited to Alberta and worked for the Provincial Government.

When we decided to sell our home and downsize, in Edmonton, to a condominium we both thought we had educated ourselves fully on the pros and cons of such a drastic change in lifestyle – after all we were moving to a very private home situation to more of what can be called “communal” living. We studied the various Edmonton neighborhoods, researched some of the prominent builders, decided on the style and size of a condo unit (apartment style, mid-sized with around a hundred units, approximately 12-1400 sq. feet in size) facing south or southwest and in a quiet neighborhood. The building we purchased in was built in 2009, is in a quiet neighborhood and our ground floor unit faces due south and is 1450 sq. feet.

What I hope to do in this Series is help educate those who have already purchased or are thinking of purchasing a condominium in Alberta. As many of us have already found out you may be confronted with major issues during the purchase and throughout your condo ownership and educating yourself on condo issues is paramount to addressing any major issues that may arise.



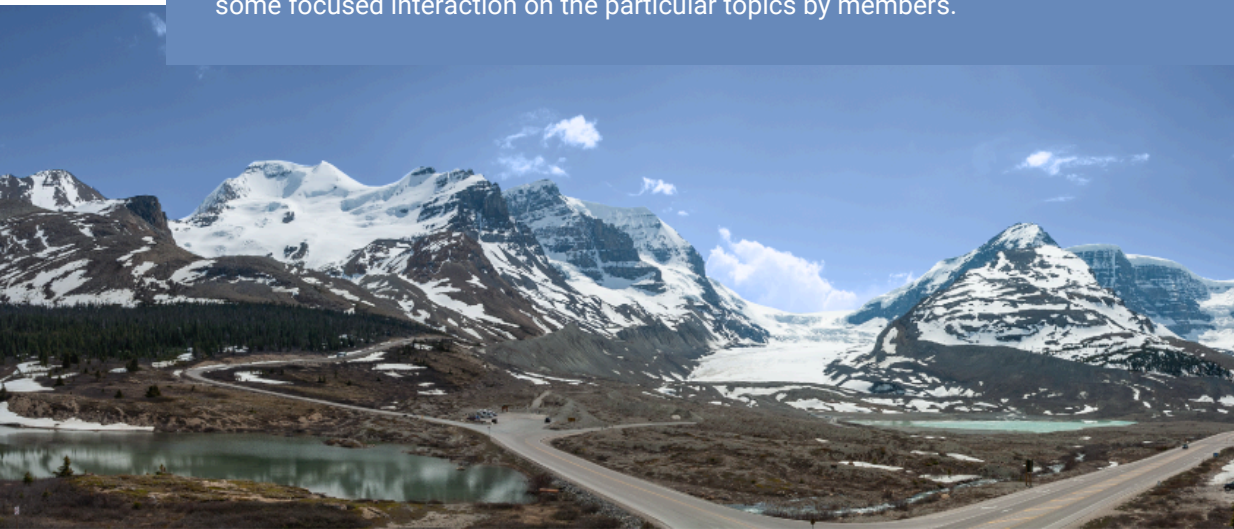
During your purchase analysis process, background condo documents, amenities, building exterior appearances (vinyl siding, condition of roof, stucco exterior, concrete build, cleanliness, grounds keeping, building ground surfaces,(concrete, asphalt, major cracks or potholes, drainage, ease of access, organization of parking, lighting), security, interior upkeep (painting, flooring, lighting, emergency egress, stairwell upkeep, parkade upkeep including height, cracking or spawling of concrete floor, smells in hallways due to inadequate fresh air flow, security cameras and emergency evacuation diagrams, emergency lights and fire

alarms should all be looked at during viewings with the aid of experienced "condominium" realtors.

As important as all of the above is I highly recommend talking to existing building owners if you encounter them while viewing and asking questions about the oversight of the Board, frequency of communications with owners, and how they like living there

This is the first of many bi-weekly pieces detailing the many issues of condo living.

Questions that you may have about the posts and their content can be asked in the **ALBERTA CONDO OWNERS FOR CHANGE FORUM** and I am hoping that issues and questions raised here will lead to some focused interaction on the particular topics by members.



Pre-Purchase Analysis

Let's get right into an evaluation of a potential offer to purchase. I highly recommend the following steps:

- Find a real estate agent who is very familiar with the condominium market in Alberta and who knows the builders' and their quality, the neighborhoods of interest, the turnover rate of owners in a complex, the availability of nearby amenities – transit, groceries, restaurants, shopping, etc.
- Obtain the required condo docs for the building you're interested in from the Property Management Company. Your real estate agent will assist in this process.
- The first extremely important document to be reviewed are the **Financials**. Pay particular attention to the **Financial Reserve Fund**. The funds in the Reserve are for Capital replacement issues over the years and the figure is one of the most important factors in deciding whether to buy. The dollar figure directly relates to 1) the number of units (eg. 40 to several hundred) and 2) the age of the building – built 30 years ago, 15 years ago or within the last 5 years. As an example, I'll sight our condo building – 4 storeys, 107 units,



built in 2007/8 with vinyl siding and decorative stone, extra large balconies, an asphalt peaked roof and an underground parkade.

You must remember Alberta had major growth in 2007 to 2010 and condominiums were being built at an accelerated rate.

First time builders were getting in the market and every able body person who could pick up a hammer were hired. Quality, as we have now found out, was suspect in many complexes.

Our balconies were not to code, the posts and some beams on over 90 balconies were replaced just 3 years ago, the roof was replaced at the same time, the vinyl siding on the west side of one wing was completely replaced, the building foundation was built 12 inches below grade resulting in flooding in some ground floor units, and landscaping around the foundation was reworked. Why am I telling you this? Well, **on reviewing the Reserve Fund before our purchase in 2015 I discovered the Reserve Fund only had \$100,000 in it after almost 9 years.** In other words, it was grossly underfunded! We offered \$25,000 under asking as we knew special assessments would be coming. Offer accepted. From 2020 to 2023 the Board has spent almost \$1.5 million on rectifying the deficiencies and the \$25,000 we saved in buying under asking has completely covered our share of the Assessment.

- Another critical issue in your document review is at least 1 years of condominium Board Minutes. Such a review should give you a sense of the Board's demeanor. Do they "manage" the building or are they reviewing, questioning and approving the Property Management firms handling of issues, financials, building maintenance, Condo Act compliance, etc. Do they appear to act as a responsible Board working on behalf of the owners or are they "autocratic" and manage every issue within the complex as well as the owners! Watch for Condo Boards where most members have been on the Board from day one (ie. No turnover of board members.) Can owners present a serious issue to the Board in person? How are Bylaw infractions handled? Are fines the Board's first action or last? How are Annual General Meetings handled? Are there Newsletters or an online forum where issues can be submitted, questions asked and news updates published?

- Are there any liens against the corporation or your unit? Is your complex and the Board involved in any lawsuits? Does the Board appear to be adhering to Provincial regulations such as the Fire Code, Privacy Protection, Five Year Reserve Fund Studies, on site worker protections, complex insurance requirements, etc.

