

## Q & A

# Legislative amendments made to the Condominium Act, 1998 respecting a Condo Guide

### Qs & As

**Q: Where can I find Ontario's Residential Condominium Buyer's Guide?**

**A:** Ontario's Residential Condominium Buyer's Guide can be found on the Condominium Authority of Ontario's (CAO's) website here:

<https://www.condoauthorityontario.ca/resources/condo-buyers-guide/>

The CAO's website will be updated periodically with the latest version of the Ontario's Residential Condominium Buyer's Guide.

**Q: How will receiving Ontario's Residential Condominium Buyer's Guide (the Condo Guide) help condo purchasers?**

**A:** The Ministry has heard that the absence of plain-language information in the materials provided to purchasers during the condo purchase process is contributing to purchasers making uninformed decisions when buying pre-construction/new condos.

The current disclosure statement that purchasers of preconstruction/new condos receive includes an abundance of detailed information, including technical information. However, the Ministry has consistently heard that these documents are often very challenging for the average purchaser to fully understand without legal advice. As some

purchasers may not seek legal or other professional guidance to understand these materials, they may be unaware of risks associated with their purchase or of unique features of condo ownership.

Ontario's Residential Condominium Buyer's Guide will help address the lack of plain-language information available to purchasers of pre-construction/new residential condos or proposed condos. The Condo Guide will help to better equip these purchasers with information on condo ownership and on the condo purchase process to, for example, assist their understanding of the risks involved in buying pre-construction/new residential condos or proposed condos and of some of their potential rights and responsibilities as new home purchasers.

**Q: What will the legislative amendments to the Condominium Act, 1998 (Condo Act) respecting a condo guide do once they are in force?**

**A:** As of January 1, 2021, legislative amendments to the Condo Act respecting a condominium guide (condo guide) will come into force that, among other things, require declarants (developers) to provide a copy of Ontario's Residential Condominium Buyer's Guide to purchasers of preconstruction/new residential condos along with the currently required disclosure statement when the purchaser is buying a residential property from the developer or a person acting on behalf of or for the benefit of the developer. The amendments can be found under sections 1(1), 71.1, 72(1), 72(2), 73(1), 73(2), and 161(1) of the Condo Act here: <https://www.ontario.ca/laws/statute/98c19#BK1>.

**Q: When do the legislative amendments to the Condo Act respecting a condo guide come into force?**

**A:** The legislative amendments to the Condo Act respecting a condo guide come into force on **January 1, 2021**.

**Q: Who must receive a copy of Ontario's Residential Condominium Buyer's Guide?**

**A:** Beginning on January 1, 2021, any purchaser of a preconstruction/new residential condo or proposed condo who enters an agreement of purchase and sale to buy the residential condo property or proposed property from a declarant (developer) or a person acting on behalf of or for the benefit of the developer must receive a copy of Ontario's Residential Condominium Buyer's Guide, in addition to a copy of the current disclosure statement, from the developer.

**Q:** **Will there be any transition/grandparenting in the application of these requirements to residential condo projects that have begun sales prior to January 1, 2021?**

**A:** There is no transition period related to these amendments. Beginning on January 1, 2021, declarants (developers) must deliver a copy of Ontario's Residential Condominium Buyer's Guide, in addition to a copy of the current disclosure statement, to any purchaser of a preconstruction/new residential condo or proposed condo who purchases the residential condo property or proposed property from a developer or a person acting on behalf of or for the benefit of the developer. This change applies regardless of whether the purchase is for a residential condo property or proposed property in a development project that went to market before January 1, 2021.

The ministry provided advance notice to the sector in October 2020 that amendments to the Condo Act respecting a condo guide would be coming into force on January 1, 2021. The ministry has asked the CAO to ensure that Ontario's Residential Condominium Buyer's Guide is available on the CAO's website by November 6, 2020 to ensure that the sector has time to familiarize itself with accessing the Guide.

**Q:** **Is Ontario's Residential Condominium Buyer's Guide (the Condo Guide) applicable to commercial or other non-residential condo purchases?**

**A:** The Condo Guide was developed to be applicable only to preconstruction/new residential condo or proposed condo purchases.

The Condo Guide does contain general information related to Ontario's condo laws and other topics that may be of interest to purchasers or owners of non-residential condos. However, as noted, the Condo Guide is not intended to apply to purchases of non-residential condo or proposed condo properties.

**Q: What if I receive an out of date or older copy of Ontario’s Residential Condominium Buyer’s Guide (the Condo Guide)?**

**A:** The link to the latest version of the Condo Guide will be available on the first page of the Condo Guide under the section “Using the Condo Guide”. The front cover of the Condo Guide will also indicate the date it was last updated. Therefore, purchasers can always obtain the most up-to-date version of the Condo Guide on the CAO’s website.

**Q: Do these requirements apply to purchases of resale residential condos?**

**A:** There are no requirements under the Condominium Act, 1998 for purchasers of resale condos to receive a copy of Ontario’s Residential Condominium Buyer’s Guide (the Condo Guide). “Resale condos” is meant to refer to residential condos that are not pre-construction/new condos or proposed condos sold by a declarant (developer) or a person acting on behalf of or for the benefit of the developer.

Prospective purchasers of resale condos may view the Condo Guide on the CAO’s website. The Condo Guide contains general information that may be helpful for those considering purchasing a resale condo.

The Ministry of Government and Consumer Services encourages real estate brokerages, brokers, or salespersons to provide the Condo Guide to prospective purchasers of resale condos. However, real estate brokerages and professionals are not required by legislation to do so.

**Q: How should declarants (developers) provide Ontario’s Residential Condominium Buyer’s Guide (the Condo Guide)?**

**A:** Regulations have not been made to specify the manner of delivering or receiving the Condo Guide. Developers may wish to use the same processes and manners in which they currently provide the disclosure statement to provide the Condo Guide (e.g., electronically or in paper format).

**Q: Can Ontario’s Residential Condominium Buyer’s Guide (the Condo Guide) be delivered Electronically?**

**A:** Declarants (developers) may provide the Condo Guide electronically, as appropriate. Regulations have not been made to specify the manner of delivering or receiving the Condo Guide. Developers may wish to use the same process and manner in which they currently provide the disclosure statement to provide the Condo Guide (e.g., electronically or in paper format).

**Q: Why is the Condominium Authority of Ontario (CAO) hosting Ontario’s Residential Condominium Buyer’s Guide (the Condo Guide) on its website?**

**A:** The CAO is an administrative authority with a mandate to, among other things, provide information about condo living to condo owners, residents and other members of the public. Therefore, the CAO is well-positioned to host the Condo Guide.

The Minister of Government and Consumer Services directed the CAO to prepare the Condo Guide, with guidance and input from the Ministry. The Minister of Government and Consumer Services has approved the final version of the Condo Guide.

General inquires about Ontario’s Residential Condominium Buyer’s Guide can be directed to the CAO: <https://www.condoauthorityontario.ca/>.