

Buying a Condominium

What is the applicable legislation?

The current Act is [The Condominium Property Act, 1993](#).

The current Regulations are [The Condominium Property Regulations, 2001](#).

Both Acts and Regulations contain all recent amendments and are available on the Publications Saskatchewan website at <https://publications.saskatchewan.ca/#/freelaw>.

What documents do I receive when I am purchasing a condominium unit?

The documentation will depend on who you are purchasing a condominium unit from. You may be purchasing a new condominium unit or condominium unit that has been converted from a previous use as an apartment, tenement, flat of other purpose (a converted condominium) from a developer, or you may be purchasing a resale condominium from a current owner. In each case, there is different documentation that must be turned over with some overlaps. The information is being provided to you so that you can make an informed decision when buying a condominium.

Please see the questions below for further details.

What documents does a **developer** have to provide to the purchaser of a condominium unit before the sale?

A developer shall provide the following to a prospective purchaser:

- a purchase agreement;
- the bylaws and proposed bylaws of the corporation and any sector;
- any management agreement or proposed management agreement, including the name and contact information of the property manager;
- any recreational agreement or proposed recreational agreement;
- for a unit sold for residential purposes, any mortgage/proposed mortgage that may affect the title to the unit;
- for a unit sold for residential purposes, the standard unit description for that unit;
- any lease or transfer or proposed lease or transfer of common property;
- a statement that specifies:
 - the number and type of parking spaces and other exclusive use areas that are included in the purchase price;
 - whether there is to be any additional monthly charge for the use of parking space or other exclusive use areas;
 - the number and type of parking units that are included in the purchase price; and
 - whether there are additional parking spaces available or additional parking units for sale;
- the condominium plan;

- prior to issuance of titles pursuant to the condominium plan, the proposed condominium plan with a reasonably specific description of the units and common facilities and common property;
- a statement that indicates the number or proportion of the units that, as of the date of the purchase agreement, are occupied by tenants or designated for occupancy by tenants rather than for sale;
- any plans or agreements that establish a short-term rental management pool for units within the corporation;
- a statement that indicates whether a caretaker's suite is included;
- a statement that identifies all services units shown on the condominium plan and indicates the intended use for each of the services units;
- a statement that indicates whether any unit is designated for non-residential use and the unit factor assigned to those units and contains any other additional prescribed information concerning units designated for non-residential use;
- in the case of a bare land unit, a reasonably specific description of any buildings and common facilities that the developer intends to construct on the land;
- a copy of *The Condominium Property Act, 1993* and regulations;
- a statement that indicates the dates when contributions to the common expenses fund and the reserve fund will commence;
- any security obtained by the developer as required by *The Condominium Property Act, 1993* and the amount of the security, its terms and its purposes or a statement that security is not required or has not yet been obtained;
- a statement that indicates how the developer is allocating or disposing of parking spaces/units that are in excess of those required;
- a statement that indicates whether the unit has been converted from a previous use as an apartment, tenement, flat or other purpose (a converted condominium);
- a copy of the reserve fund study for a condominium plan that creates conversion units;
- a copy of the developer's declaration or developer's reservation, if one is required by this Act;
- a statement specifying any parts of the common property, common facilities or services units, if any, that the unit owner is not entitled to use;
- if the construction of the common property, common facilities and services units is not yet complete, a detailed list of the expected attributes of those facilities and a proposed schedule of the construction and completion of any unfinished common property, common facilities and services units;
- in the case of a completed unit, a copy of the final inspection report by the local authority detailing compliance with zoning requirements and building and fire code requirements;
- a statement that "The purchaser may rescind this agreement within 10 days after the day on which the parties sign it without incurring liability for rescinding this agreement unless all of the documents mentioned in subsection 26(1) of *The Condominium Property Act, 1993* are delivered to the purchaser not less than 10 days before the parties sign this agreement";

- a description, drawing, or photograph that shows the following features as they will exist when the developer has fulfilled his/her obligation according to purchase agreement:
 - where there is building, the interior finishing of and all major improvements to the common property located within the building, and the exterior finishing of the building;
 - the common facilities, equipment and other amenities;
 - the equipment that is to be used for the maintenance of the common property;
 - the location of roadways, walkways, fences, parking areas and common facilities; and
 - the landscaping;
- the amount or estimated amount of common and reserve fund contributions with respect to the unit; the unit factor of the unit and the basis of the unit factor apportionment for all units in the condominium plan;
- if the condominium corporation owns real property that is outside of the condominium plan that the unit is in, a detailed list of the real property that is owned, including the street address and value;
- if the condominium corporation has agreements with any other condominium corporations, the agreements;
- minutes of all general meetings and board meeting for the preceding year; and
- all insurance policies obtained by the corporation.

Sections 26 and 28 of the Act
Section 39.2 of the Regulations

What documents does a condominium corporation have to provide to the purchaser of a resale condominium unit before the sale?

On application of an owner or a person authorized in writing by an owner, a condominium corporation shall provide an estoppel certificate to that owner. A copy of the required estoppel certificate can be found as Form GG in *The Condominium Property Regulations, 2001*. This form requires the condominium corporation to provide information in relation to the following:

- common expense fund and reserve fund;
- financial statements;
- parking;
- insurance;
- bylaws;
- agreements;
- meetings and other proceedings;
- property management and ownership; and
- development details.

This document gives the purchaser a clearer picture of the condominium corporation and their prospective unit. Additionally, the condominium corporation cannot later deny the facts presented in the certificate which provides a safeguard to the potential purchaser.

*Section 64 of the Act
Form GG of the Regulations*

I have decided to purchase a condominium and know that I will receive a lot of documentation. How should I be reviewing it?

A potential purchaser will receive a lot of documentation and some of it may be complicated for a lay person to understand. A well informed purchaser may choose to seek assistance from appropriate professionals such as a real estate agent, a lawyer, an accountant, a surveyor etc. You will want to ask various questions including, but not limited to:

- What are my responsibilities and what are the condominium corporation's responsibilities?
- What are the boundaries of my unit?
- What are my condominium fees and what do they include?
- What is the financial health of the corporation now and what is anticipated in the future?
- How many units are owned and how many are being leased?
- Does the corporation have a standard unit description or unique bylaws?

Can a purchaser cancel the purchase agreement with the developer?

Yes, in some circumstances. A purchaser can cancel a purchase agreement with a developer within 10 days after the day on which the agreement is signed without incurring liability. However, a purchaser cannot rescind the agreement if:

- all the proper documentation was delivered to the purchaser at least 10 days before signing the agreement;
- the purchaser waived the right to rescind the agreement by obtaining a certificate of independent legal advice in the prescribed form; and
- they are purchasing a unit intended or used for agricultural purposes such as a grain elevator condominium.

If the agreement is rescinded, the developer shall return all the monies to the purchaser within 10 days of rescission of the agreement.

Finally, if the developer has turned over all the documents, keys etc. to the corporation and the first annual meeting has occurred, the rescission provisions do not apply.

These provisions do not apply to purchases that are made from someone other than a developer.

*Sections 26 and 27 of the Act
Section 10 of the Regulations*

What happens if a developer fails to disclose information to a buyer?

The Act provides that a developer who fails to provide the required information may be prosecuted and may be found liable and fined up to \$2,000. A prosecution under the Act is a remedy of last resort. This means that it happens only in extreme and rare circumstances.

*Subsection 111(2) of the Act***What happens if a developer discloses wrong or misleading information to a buyer?**

A corporation, an owner or a mortgagee may bring an action or proceeding against the developer in a court of competent jurisdiction for the recovery of damages with respect to a claim for any misrepresentation by or on behalf of a developer in a declaration or in the information provided to a purchaser.

If the lack of disclosure is so substantial that you would not have purchased the condominium had you have known the correct information, you may have grounds for a legal action and you should consult your lawyer.

*Section 24 of the Act***How much does an estoppel certificate cost?**

A corporation may charge up to a maximum of \$200 for issuing an estoppel certificate. There are some further documents that an additional fee may be charged for. The Regulations specifically allow a separate fee to be charged for:

- a copy of the reserve fund study (unless it is for a conversion unit which has to be provided by the developer for no additional fee);
- a copy of the corporation's most recent financial statement;
- a copy of the corporation's most current budget;
- a copy of the corporation's insurance policies; and
- a copy of the corporation's current management agreement(s).

The corporation may only charge a cost recovery fee for any additional documentation.

*Sections 66 and 66.1 and Form GG of the Regulations***May I obtain a mortgage on a condominium unit?**

A title issued under the Act may be mortgaged or dealt with in the same manner as any title pursuant to *The Land Titles Act, 2000*. Consult a mortgage specialist for your options.

Subsection 5(3) of the Act

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