



FirstService

RESIDENTIAL

FALL 2015

Making a Difference. Every Day.

Frequently Asked Questions About Condominium Living

The Condominium Property Act and the Condominium Property Regulation set out the rules for operating and managing condominiums in Alberta. Here are some typical questions we are asked about condominiums and the Act.

Can a condominium corporation limit the number of renters in a community?

Not in Alberta. The Condominium Property Act prohibits the corporation from restricting the right of an owner to rent a condominium unit to a tenant.

What are the duties of a condominium board and how are they elected?

Every condominium corporation in Alberta is managed by a board of directors, elected each year at the Annual General Meeting (AGM).

The election process, eligibility requirements and number of available board positions are

governed by the bylaws of the corporation and the Condominium Property Act.

The board represents the owners. Its members are responsible for all decisions regarding maintenance of the property, finances, upholding and enforcing the Act, and the corporation's bylaws, policies and rules.

The board is supported by their manager and the FirstService Residential team as they fulfill their duties.

It is imperative that the board fairly repre-

sent the entire community, absent of special interest agendas.

What happens if no one steps up to serve on the condominium board?

A condominium corporation in Alberta cannot legally operate without a Board of Directors. If no one volunteers to sit on the Board, then the manager must have the court appoint an administrator. This means significant extra expense for all the owners.

The fact that a functioning board is not in place could also negatively impact property values.

How do I know what is and is not common property?

The Condominium Property Act specifies that the condominium plan is the document that is the final authority on common property. This is a public document, available at Land Titles. If the bylaws and the condominium plan disagree on the definition of common property, the condominium plan prevails.



Contact Us

Customer Care: 1.855.266.3601
Calgary: 403.299.1810
Canmore/Banff: 403.678.9933
Edmonton: 780.638.0988
Fort McMurray: 780.714.5838

After Hours Emergency: 1.855.266.3602

www.fsresidential.com

What is a Reserve Fund and why do you need one?

A reserve fund is maintained separately from the day-to-day operating account. It is intended to provide sufficient funds for major replacement or repairs that do not normally occur annually.

The Act requires every condominium corporation in Alberta to have a reserve fund study prepared every five years by a "qualified person."

The reserve fund study

details the expected components to be replaced or repaired, assigns a timeline for the anticipated maintenance and determines the financial requirements so the money is available when needed. The intent is to avoid the need for special assessments.

Condominium boards are required to contribute the annual amount stated in the study to the reserve fund. This is included in the corporation's annual budget. Boards may not arbitrarily change the stated amount.

The money in the reserve fund can only be used for the items listed in the reserve fund study unless authorized by a special resolution by 75% of the owners.

A healthy reserve fund is also important to help maintain property value. If a reserve fund is too low, it can have a negative impact on owners selling their units.

No one wants to buy a new property and be faced with an additional levy because there isn't enough money to complete an important project.

Multi-family recycling is coming to Calgary in 2016

Calgary City Council recently passed an amendment to the Waste and Recycling Bylaw that will require condominium boards to provide on-site recycling for their residents. The requirement will go into effect February 1, 2016.

The amendment means multi-family communities will be required to:

- provide on-site storage for recyclables and
- have enough storage to hold all of the complex's recyclables.

Each community's program must accept at least the same recyclables as the City's blue cart program. These are paper and cardboard, food cans and foil, glass jars and bottles, refundable beverage containers, plastic containers, plastic bags, and juice and soup boxes.

Many private companies in Calgary currently provide recycling services to multi-family properties. Boards have the flexibility to find the company that will best serve their situation.



Most companies will be able to help you assess suitable storage opportunities and com-

municate with your residents. The collection location should be easy for your residents to use and have enough containers so they are not overflowing between collection days.

The cost to collect and process recyclables will be the responsibility of the condominium corporation. The City will not set or collect fees, and taxes will not be raised to pay for the program. Their role will be to provide communication, education and monitor compliance.

If your community does not have a recycling program in place after February 1, 2016, the City's first step will be to work with you to become bylaw compliant. If further steps are not taken, your condominium corporation could be subject to a fine.

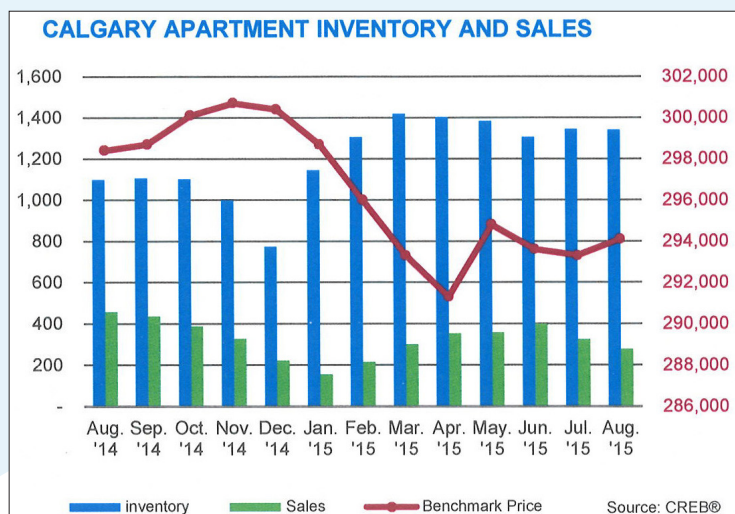
For more information about multi-family recycling ask your community manager, visit Calgary.ca or call 3-1-1.

Residential Sales and Leasing Division

FirstService Residential Sales and Leasing division provides comprehensive rental management and real estate sales services, specializing in apartment and townhouse condominiums. The sales and leasing division is committed to keeping you informed and up-to-date on condominium sales and rental trends in the Calgary area.

Calgary's residential resale housing market recorded further easing in absorption rates in August due to weaker sales activity.

Sales in the city declined by 27 percent to 1,643 units last month relative to the same time last year, and 12 percent below 10-year averages.



The apartment sector continued to struggle with increased competition from competing properties during the month, as unadjusted months of supply rose to 4.3. Increased supply is ultimately weighed on pricing, as prices declined on a year-over-year basis by 1.44 percent in August.

Source: CREB Calgary Regional Housing Market Statistics.

Rental Management Service

Have you purchased a rental property in Calgary for investment purposes, or moved from your residence and wish to retain ownership?

If so, it is critical you engage the services of an experienced rental property management company to secure and retain occupancy, manage your expenses and handle operations.

FirstService Residential Real Estate Sales and Leasing division can provide you with the comprehensive rental management services you need to maximize your investment and achieve your goals.

For more information about our services, or to request stats for your community or building, contact Doug Davies at 403-299-1806 or by email at doug.davies@fsresidential.com. You may also visit us online at www.fsresidential.com.

Specializing in condominiums, apartments and single-family homes



Disclaimer: This information is not intended to solicit properties currently listed for sale or lease, or to individuals currently under a buyer brokerage agreement. We are pleased to work with fellow industry members.