

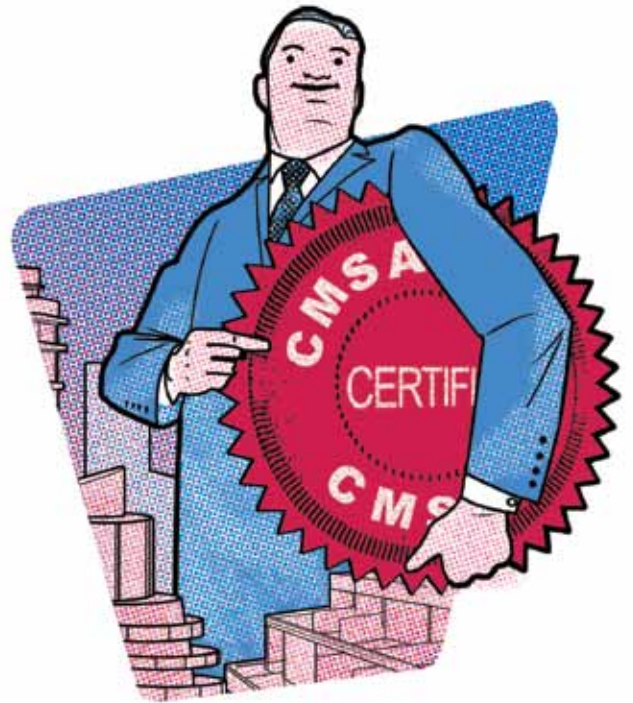


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Property Management

Licencing of Condominium Managers

A Board Member's Perspective



Regulations concerning the requirements for the licencing of Condominium Managers were recently released by the Government of Ontario. This article will look at some of the requirements for licencing and provide comments on how a Board of Directors may view these changes.

Initially, note that the term “property manager” has been replaced with the term “condominium manager”. Although this may be viewed as a small change (and not necessarily change the way condominiums are managed today), it is significant since it now focuses specifically on the management of condominium corporations. The term property manager was far too general and could easily apply to all kinds of properties, such as rentals, apartments, commercial entities, etc. This change now specifically focuses on the licensing of those involved in the management of condominium corporations.

Managing a condominium corporation can be different from managing other properties and must be treated differently. Therefore, having a manager who has received this new licence can give comfort to a condominium's Board of Directors that

the individual has the general competence to carry out the various requirements to effectively manage condominiums.

Now, to qualify for a ‘licence’, the individual must be educated in the art of condominium management and take the required courses to achieve this competency. They must also undertake a police record check. Where a manager currently has less than 2 years of experience, they will only be able to apply for an entry-level limited licence, which will further come with restrictions and conditions such as not being able to sign status certificates or sign cheques of the corporation. These limited experienced condominium managers must work under the supervision of a more experienced condominium manager. With additional experience, gained on the job, they can become eligible to achieve the general licence.

A manager with more than 2 years of experience would be eligible to apply for a transitional general license giving them time to complete the educational requirements leading to the “general licence”.

Further, individual members of a board of directors are exempt from these licensing

requirements unless they are performing condominium management services for which they are being compensated. Self-managed condominiums could fall into this category.

While these are some of the better-known requirements for individuals performing condominium services, those set out herein are by no means exhaustive. Reading the Regulations dealing with these new requirements for the condominium manager will give one a comprehensive understanding of all of the licence requirements. What does it mean for the Board of Directors of condominiums?

It does not mean that Board members can now relax. They will still have to exercise their fiduciary responsibilities. They will still have to “set policy” and ensure that the policies are properly carried out by the manager. That being said, the introduction of licensing to the previously unregulated condominium management industry can give Boards greater comfort of the base qualification of anyone offering them management services.

This can mean that Directors will have more confidence in the capabilities of their

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licensed manager, as a base qualification criteria has been met by everyone having a licence. While this does not take away the value of experience a property manager can bring, it is designed to raise the minimum standard of property management services offered to condominiums in Ontario.

With this, the Board can focus on establishing a working relationship with the licensed manager whereby both can focus on acting as a team in fostering the “culture” in the condo. Certain aspects of the Regulations limit the types of activities condominium property managers are permitted to take part in. For example, the legislative changes prohibit a property manager from taking part in the solicitation of proxies. This will help support the promotion of appropriate roles of condominium management within the culture of condominiums, avoiding areas that have led to trouble for some communities in the past.

Board members should never micro-manage the operation of their condominium. Having confidence of the qualification of their licenced condominium manager, and a previously non-existent repercussion available to any behaving badly (the risk

Now that the Government of Ontario has acted, I feel that these rules can only lead to better-managed condominiums. Residents in condominiums can feel more assured that living in a condominium can give them the comfortable lifestyle that they deserve

of losing their licence), should better allow Board members to focus on being the ears and eyes of the residents and handling their issues when they arise.

Additionally, the Board can feel confident that the licensed manager can manage the other corporation’s staff in carrying out the policies and wishes of the Board.

Even though the above points might be viewed as benefits of a licensed manager, it will however come with a cost. Manag-

ers needing to be licensed could lead to increased costs for their services. Condominium Management companies may pass on these costs to condominium corporations. This should, however, be viewed as the cost of getting competent management to serve in you.

Townhouse condominiums, which previously might have been self-managed, may want to re-visit their form of management. They may wish to move to a company-managed format, particularly if those performing any management service are being compensated. If this is the case with self-managed corporations, under this new legislation, these individuals will need to be licensed.

The condominium community has, for many years, been asking for this requirement that people performing condominium-management services be licensed. Now that the Government of Ontario has acted, I feel that these rules can only lead to better-managed condominiums. Residents in condominiums can feel more assured that living in a condominium can give them the comfortable lifestyle that they deserve. My thoughts anyways. **CV**



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