

If you are considering the purchase of a condominium in the Greater Toronto Area you are one of many residents who recognize the numerous benefits of this type of property ownership. Offering affordability, proximity to desirable areas and limited maintenance, it's no wonder that condominiums now represent one in every three resale home transactions in the GTA.

Before proceeding with your purchase though, it's wise to gain an understanding of how condominium living differs from freehold ownership. As with any type of purchase, the golden rule when buying a condo is to get everything in writing.

If you're buying a new unit you can expect to receive a disclosure statement. It includes a description of the project's most important features, bylaws that govern the corporation, rules that regulate owners' living environment and the condominium corporation's budget for the first year after registration. Incidentally, during the first year after registration, the condo corporations must undertake reserve fund studies, performance and turnover audits, and if the cost for such common expenses is underestimated your developer must pay the difference.

If you are planning to buy a resale condominium, you should request a status certificate, which offers similar information and confirms that the owner is current with common expenses. It costs \$100 and must be delivered within 10 days of request.

While the purchase of a resale condominium includes a firm closing date, the move-in date for a new condominium can be years in the future. In this case, the developer can extend closing dates but if your unit isn't ready by their outside closing date, you can terminate the purchase agreement. Your developer will have the option of terminating the agreement as well, if they can't meet certain conditions including sales of units, planning approval, and financing by specific dates. In this case your deposit is refunded with interest.

It's more likely though, that you will be able to move in, beginning with an occupancy closing, which takes place until the condominium corporation is registered. In this case, until you take ownership you're responsible for paying common expenses, realty taxes and interest on the purchase price's unpaid balance, which is due on closing.

Once the developer loses majority control of the project, within 42 days all new owners may elect a Board of Directors, consisting of at least three Directors. Their responsibilities are significant. The Board must ensure monies are held in trust, funds are properly invested and records are kept. They can hire personnel to maintain common elements, enter into legal contracts with a percentage of owner consent, and buy and sell property for the use and benefit of owners. The Board also enforces the condominium's bylaws, rules and declaration, which specifies the units and common elements, each unit's share of ownership, and the types of costs included in monthly expenses.

As an owner, you have many responsibilities as well. You are responsible for your mortgage, property taxes, common expenses, and fees to cover special expenses. Like

the Board of Directors, you are bound by the condominium corporation's declaration, bylaws and rules. The rules for example, will likely prohibit you from making structural changes without prior consent. You can't damage or neglect your unit as doing so affects all property values. Similarly, you can't do anything that may jeopardize the project's insurance coverage. Common area changes are also off limits without prior consent.

Whether you are buying new or resale, it's wise to enlist the services of a REALTOR® to ensure that you're clear on all of your responsibilities with respect to condominium ownership. For more information visit www.TorontoRealEstateBoard.com