



Your Re-Sale Condominium Status Certificate

The “Status Certificate” and the documents that come with it are critical in the purchase of a re-sale condominium. They give you a huge amount of information about the unit you are buying. As well, they tell you when you need to go digging for more information.

Status certificate review conditions

It is critical that the Status Certificate and the supporting documents that come with it (the “Status Certificate Package”) be examined by yourself and your lawyer before you sign off on the deal. For this reason, the Agreement of Purchase and Sale, in virtually all cases, will contain a condition to allow this to take place. The conditional period will usually be in excess of ten days since, under Ontario’s *Condominium Act*, this is the period of time allotted to condo management to produce the Status Certificate Package.

Arranging for and reviewing the status certificate package

Typically, your lawyer or your real estate agent will order the Status Certificate Package for you and arrange to have it delivered to the lawyer’s office for examination. It costs \$100.00. This may be paid by you up-front or charged to you as a disbursement on closing. Once the lawyer has reviewed the Status Certificate Package, he or she should contact you to discuss it either by telephone or in person.

In our office, we complete a checklist as we review the Status Certificate Package, making certain that we do not overlook critical elements in either the Certificate or the supporting documents. Once we have done so, we encourage clients to meet with us or, as a minimum, pick up a copy of our checklist, the Certificate and the supporting documents for review. We flag critical elements in the Package to make it easier for you to navigate through it.

About condos

A little more background information about condo's will help us to illustrate the importance of the Status Certificate Package and the insights it offers, early in the process, into the unit you are looking to buy.

When you buy a condominium, you own your unit outright, as well as an interest in common elements shared with other owners. What constitutes a unit is different from condo to condo. In some, it is just the interior; others may include the exterior as well. In the case of vacant land condominiums, the unit consists of land only.

'Common elements' vary. In an apartment building, they usually include the grounds, entrance areas, the exterior of the building, hallways and access areas, the parking garage and amenity areas such as party rooms and swimming pools. With townhouse condo's, some included the exteriors, others do not. In a vacant land condominium, the common elements may consist only of the access roads.

The Status Certificate Package will tell you exactly what constitutes your unit. If you were counting on not having to do any exterior maintenance on your unit, you want to know if the exterior is part of your unit, meaning that it will be up to you to maintain it, or included in the unit, in which case the condo board will generally maintain it. If you were counting on exterior maintenance being included and it is not, you can back out of the transaction at this stage.

An example of the consequences of failing to review the status certificate package carefully

This example highlights the importance of taking the time to carefully review this package of materials.

Most condominiums come with a set of Rules and Regulations. This only makes sense because you will be living in close proximity with a number of other unit owners who will share parts of the building with you. The Rules and Regulations are provided in the Status Certificate Package. We recently had a client who came to see us after having purchased a condominium apartment through another law firm. He had received a letter from the Board of Directors requiring him to remove the laminate flooring in the unit that he had just purchased. The people in the unit under him were disturbed by the sound of hard objects striking the laminate flooring. An examination of the Rules and Regulations revealed that it was against condo policy to put in laminate flooring in any unit that had another unit beneath it. Sound-deadening flooring, such as carpet, had to be installed. This had not been brought to the attention of the Buyer during the conditional period for examining the Status Certificate Package. Had it been, he could have

backed out of the deal. As it was, he was forced, at his own expense, to replace the laminate flooring. He regretted having accepted the blithe assurance from his real estate agent and his lawyer that “everything seems to be standard” when it came to the Status Certificate and supporting documents.

Do your homework

Professional advice from your agent and your lawyer regarding the Status Certificate Package is important but it is also critical for you to review these documents yourself. Only you will know whether certain things matter to you. For example, without knowing if you have a dog and how much it weighs, the agent and the lawyer would have no way of knowing if a rule or regulation limiting the size of dogs, or prohibiting them altogether, is critical to you.

As the old expression goes, “An ounce of prevention is worth a pound of cure.” A careful examination of the Status Certificate Package can keep you from buying a condo that is not right for you. Treat the opportunity to examine these during the conditional period very seriously.

This article is provided for information purposes only. It is not intended as, nor should it be taken as, legal advice. Contact us if you require legal advice on this or any other topic.