

commentary

Status certificates

Before firming up the deal to purchase a condominium unit (or parcel of tied land), it is essential that you obtain and review a Status Certificate.

Status Certificates are ordered directly from the condominium corporation or property manager. The maximum fee that can be charged for a Status Certificate currently is \$100 (all inclusive). The maximum length of time the condominium has to produce the certificate is 10 days.

The Status Certificate sets out a variety of information about the condominium corporation and the unit that could make a significant difference to your decision as to whether or not to complete the purchase. These include such things as

- whether or not the unit is in arrears of common expenses,
- whether a lien has been registered against it,
- whether the corporation's budget and reserve fund are accurate and adequate or whether there is likely to be a special assessment,
- whether the corporation is involved in any current litigation, and
- whether the unit you are buying has any obligations under a "Section 98 Agreement" relating to changes previous owners have made to the common elements. (Hint: it is usually a good thing if a Section 98 Agreement is in place.)

The certificate will also provide you with copies of the condominium's declaration, by-laws and rules, so that you can find out what kind of community it is you are buying into, what restrictions there might be on renovations, decorations, occupancy and uses of the property, and what proportion of the common expenses you will be responsible to pay.



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CONDO 101

Sometimes, your realtor or lawyer might think it benefits you to demand that the seller order the certificate for you and pay the \$100 fee. However, it is actually better if the certificate is ordered and paid for in your name (the seller could always be asked to agree to reimburse the cost), since only the person who orders the certificate has the right, under the Act, to require the condominium corporation to provide copies of certain additional background documentation.

The effect of a Status Certificate is to bind the condominium corporation. It is one of your best sources of information

and protection when purchasing a condominium unit or parcel of tied land.

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