Condo Living: A Manager's Perspective



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Up and Across

A summary of some of the differences in managing highrise and townhome condominiums

"You manage one type of condominium; you've managed them all, right?" Any seasoned condominium manager knows there is only so much truth to that statement. In many ways, every condominium is just like another: they all have boards and officers, owners and tenants; the same legislation applies; the same kinds of meetings are held; the same bank accounts are required; etc. But in other important ways, each condominium community is different from every other.

Condominiums fall into a few broad categories. The *Condominium Act*, 1998 (the "Act") recognizes leasehold and freehold, standard, vacant land, common elements, and phased, and there are other categories based on

intended uses (e.g., commercial vs. residential) or design. Amongst residential condominiums, they can be broadly categorized as vertical (e.g., highrises) and horizontal (e.g., townhouses).

Not long before this article was published, ACMO shared a graphic online called "Condoland – A Snapshot of the Condominium Industry in Ontario," which notes that 67.4% of all condominiums in the Toronto area are highrises, while in Hamilton and London, most condominiums (55% and 60% respectively) are townhouse communities. For condominium managers, the type of condominium managed leads to inherent differences in the management experience - some issues don't arise in one context but

are very common in the other. Elevator maintenance, for example, doesn't regularly come up in a townhouse community. Likewise, cellphone antennas rarely (if ever) get situated on townhome roofs. Window washing will be a standard service for a highrise but is less common for townhouses, while the cleaning of eaves and prevention of ice-damming are their more prominent demands. Leaks from neighbours' toilets and tubs are more common in a vertical condominium than a horizontal one.

Management of employees is often different as well. Highrise condominiums are more likely to have superintendents, building managers and cleaning staff. Higher-end complexes typically have a



concierge or security service. Townhouse condos rarely have any of those staffing needs, and it is uncommon for them to have any employees or onsite contractors.

Both types of condominiums might have parking control services. However,

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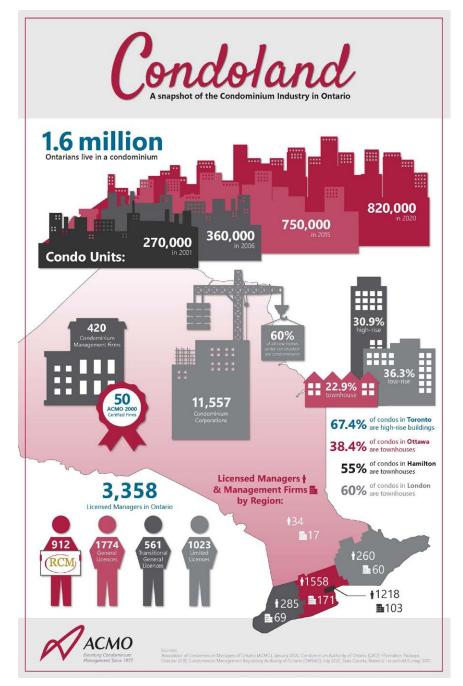
monitoring parking in townhouse complexes is a less significant affair. Each unit often includes its own driveway and garage, and visitor parking is most often above-ground and completely visible to many residents at any time. Of course, that doesn't mean there aren't similar parking issues in both types of complexes. Unit owners misuse visitor parking everywhere, which raises another subject about which the condo's vertical or horizontal orientation makes little difference: rule enforcement.

A topic that is almost certain to be more varied for managers who deal predominantly with townhouse condominiums is the standard unit definition and its impact on insurance and repair obligations. This is partly because the variety of unit boundaries in horizontal condominiums is typically more significant than it is for vertical ones.

Amongst highrises, usually the most important question about the unit boundary is whether it is on the unitside or backside face of the drywall. In townhouse condominiums, in addition to the extremes of "traditional" and "lot line" unit boundaries, there are hybrids where all or part of the building envelope will be considered part of the unit rather than the common elements. The unit might include the roof, maybe windows and doors, sometimes just the glass panels and sometimes everything except those. Driveways and patios might be common elements (or not), while backyard decks could be part of the unit (or not). Sump pumps and HVAC systems might go either way, regardless of whether they are located in or accessible only from a unit.

Similarly, owners in townhome condominiums usually have more options and opportunities to make changes to their homes' common elements than highrise dwellers. If yard areas are common elements (exclusive use or otherwise), every rose garden and shed, patio extension, or privacy fence, may give rise to the necessity for the agreements and processes required under section 98 of the Act. These options don't exist as





A statistical snapshot of the condominium industry in Ontario. Photo Credit: ACMO

frequently or with as much variation for vertical condominiums.

Lastly, another significant difference between horizontal and vertical condominiums that can impact the manager's experience is size.

When a developer determines which type of condominium to build, the decision often depends on two things: the relevant municipality requirements and the potential for profitability. Developers typically

consider just how many units they can cram into their space for construction to maximize profits without over-taxing resources. It is without question the case that a highrise style of development will provide greater density – more units, more people, and, therefore, more profits. For the condominium manager, this can also translate into more problems.

However, that doesn't mean that managers of highrises are necessarily busier or more burdened than those who mainly manage townhouse communities. Typically, managers of highrises have fewer properties in their portfolios, partly because each property demands more time and usually earns more money due to the greater number of units per complex.

Our observation is that it is usual for managers of townhouse communities to be responsible for two to four times the number of properties just to have enough in their portfolio and earn a basic living. This can mean that they are onsite less often yet have more meetings to arrange and attend, director personalities with which to deal, audits to oversee, documents to read, bank accounts to balance, and contractors to control.

None of this is to say that one job is better or worse than the other. Managers of either townhouse or highrise communities have many of the same obligations and issues to deal with, even though some things may arise or matter more in one case than another. Regretfully, it is also true that the manager could experience the same degree of challenge and conflict when dealing with board members, owners and residents in both cases.

The critical key for every condominium manager is to know the property they are dealing with intimately and their differences. Managers must never presume each condominium is set up just like the others. They must ensure they are attuned to each one's unique features, documents and demands, including common and fundamental concerns such as who owns what, how it is defined, by whom it is insured, and who has the obligation for repair when damage occurs. It's just one more way that condominium managers need to be amongst the most flexible and diversely educated professionals serving condominium communities. No sweat.

Michael H. Clifton, MA, LLB, ACCI, is a founding partner of Clifton Kok LLP, primarily practicing condominium law for condominium boards, managers, owners and developers since 2002. He is a former chapter and national director of CCI and currently serves as member and vice-chair of the Condominium Authority Tribunal.

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