Condominium Property Managers

Examining the Impact of Regulation on Consumers

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ACKNOWLEDGEMENTS

The Homeowner Protection Centre of Canada (HPC) wishes to acknowledge the writers, researchers, and contributors on this project:

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The Homeowner Protection Centre acknowledges the contribution of its Project Advisory Committee.

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In addition, the HPC would like to thank the key informants for their time and their great insights. Their input helped to shape the report. The Homeowner Protection Centre is grateful for the time and effort that condominium owners, industry professionals, government policy-makers, and other stakeholders have provided. This report provides specific findings and recommendations to assist industry professionals and government officials make informed decisions regarding the regulation of managers, which take into account the views and needs of Canadian condominium owners.

The Homeowner Protection Centre of Canada has received funding from Industry Canada's Contributions Program for Non-profit Consumer and Voluntary Organizations. The views expressed in this report are not necessarily those of Industry Canada or of the Government of Canada.

EXECUTIVE SUMMARY

Over the last 30 years, the condominium market has grown and expanded, particularly in many of Canada's largest cities. In 1981, condominiums in those cities represented 1 in 10 new dwellings, which has now increased to 1 in 3 as of 2011 (1). Condominiums now represent 1 in 8 Canadian households (1). As well, condominium properties are becoming larger and more complex.

Housing is often the biggest investment a homeowner will make. According to Royal LePage's latest House Price and Market Survey Forecast, the average price of a condominium unit in Canada is just under $250,000. In some larger markets the average condo price was higher with Vancouver close to $500,000, Toronto to $360,000, and Calgary to $270,000 (2).

Most condominiums are managed by property managers, who are responsible for reserve funds sometimes worth millions of dollars and who manage the repair and maintenance of the buildings and properties that can be worth hundreds of millions of dollars.

The need for knowledgeable and experienced condominium property managers will likely increase as the number of Canadians living in condominiums continues to grow. Owners do not have direct input into to the selection or oversight of the manager responsible for their residences, and must instead rely on their volunteer boards of directors. Property management companies and condominium boards will need to attract new, qualified managers to meet the increasingly complex demands of a dynamically changing condominium market.

As governments consider the need to regulate condominium property management, the Homeowner Protection Centre set out to examine the owner views on the management of their condominiums. The study reviews the condominium market across the country and assesses the views and needs of Canadian condominium owners. Specifically, the study aims to identify potential issues with managers and provide recommendations to assist industry and government to make informed decisions regarding the regulation of managers.

Satisfaction and Concerns

National surveys conducted for this study show that two-thirds of Canadian condominium owners across the country are satisfied with their current condominium property management. This finding speaks to the importance of recognizing the experience and qualifications of many existing managers.

Not all condominium owners have concerns about their managers. But those that do raised issues such as: the quality of service and responsiveness, the proper carrying out of repairs and maintenance, potential conflicts of interest, and concerns over how bylaws, declarations, and other rules are enforced.

Figure 1E - Percent Satisfaction with Condominium Management National

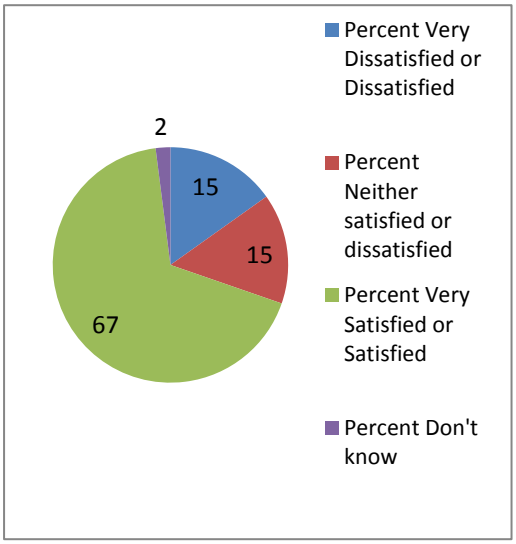
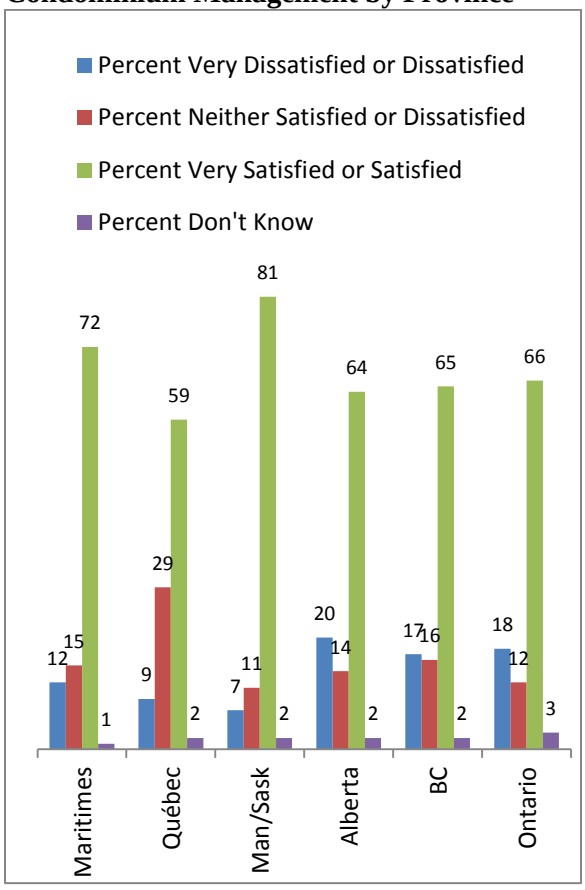


Figure 2E - Percent Satisfaction with Condominium Management by Province



Owners in the focus groups mentioned the desire for condominium property managers to have a combination of practical experience and specific qualifications. They highlighted a number of qualities and qualifications of good managers such as: people and communication skills, direct experience, ability to manage conflict, understanding of maintenance and repair issues, ability to conduct competitive tenders, and knowledge of relevant laws and bylaws.

Regulation

While most managers are professional and serious problems are rare, the cost of substandard repair and maintenance or the mismanagement of funds can create major financial and quality of life hardships for owners. Despite having a range of complex responsibilities, Canadian condominium property managers outside of British Columbia (BC) are not currently required to have any mandatory qualifications, training, or experience, leaving owners vulnerable to situations where managers fail to fulfill their duties. As a worst case scenario, condo owners could find themselves with a destitute building, no funds to remedy the situation, and their quality of life compromised. Recourse to the courts as redress for wronged owners may not be a solution.

The 15% of surveyed homeowners who responded that they are dissatisfied or very dissatisfied with their condominium management indicate that condo owners can be vulnerable and face risks that should be carefully considered and addressed.

Some jurisdictions have recognized the potential risks to consumers and determined that oversight of the profession is necessary. BC has required strata managers and strata brokerages to meet qualifications and become licensed since 2006. Ontario has announced its intention to regulate the profession; and the Alberta government is actively considering the same.

Although the majority of owners are satisfied with their managers, almost seven in ten owners surveyed support regulating condominium property managers and companies, requiring manager qualification and standards of professionalism. This finding speaks to the importance that condominium owners place on being assured that the needs of their condominium communities are being placed in capable and trustworthy hands.

A majority of owners who support regulation are comfortable with either regulation by an industry-led or government-led body. Owners in the focus group mentioned that any regulator should be independent and able to take action against managers who fail to follow legal or ethical obligations.

Figure 3E – Support for Regulation: National

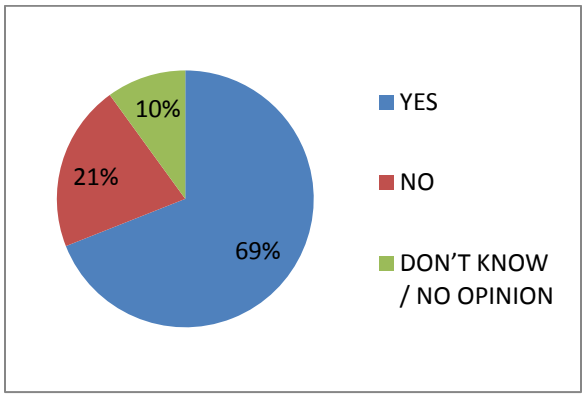
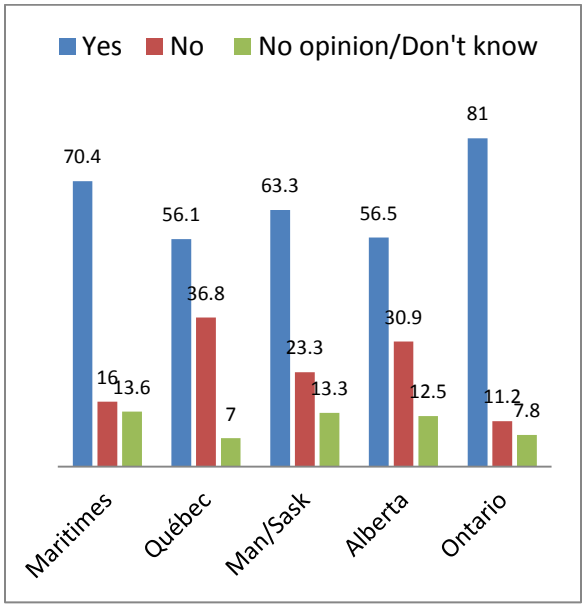


Figure 4E – Support for Regulation: Provincial



Owner vulnerability could be addressed through regulation and licensing of managers. This should include three things. The first is the establishment of an independent regulator that is able to receive complaints and take disciplinary action when required. The second is minimum qualifications to receive a license that should consist of education, examination, and experience requirements. Designations that have been voluntarily developed by industry associations can act as a starting point for the development of the licensing standards. The third is establishing alternative dispute resolution avenues outside the traditional court system. Each of these is detailed in the recommendations below.

Information Needs

Condominium owners, boards, and managers would also benefit from timely and relevant information on their respective roles and responsibilities, and other issues of importance to owners. Ambiguity over what responsibilities fall to a board or to a manager can impact the quality of services condominium owners receive. Model contracts with best practice clauses establishing clear expectations, roles and responsibilities between a condominium board and management can help all parties be more effective.

Cost

Owners benefit from accredited managers that are held to a standard and bound to act ethically and in the best interest of the owners. However, owners from the surveys and focus groups were also clear that they should not have to pay for the costs of regulating the industry. Support for regulation diminished when owners were asked about the possibility of direct or indirect costs being passed on to owners. Any costs that are imposed on consumers should be minimal and transparent.

Below is a list of recommendations compiled from the study that will hopefully help inform the development of regulation for condominium managers.

RECOMMENDATIONS

Regulatory Framework

1. **Mandatory qualifications and licensing for condominium property managers and companies:**
   As the number, size, and scale of condominiums increases, the number of problems increase and the complexity of problems can affect the quality of life of owners. Owners benefit from accredited managers that are held to a standard and bound to act ethically and in the best interest of the owners. Condominium owners support the establishment of province-wide mandatory qualification standards and professional/ethical conduct requirements for property managers and management firms.

   Provinces with a large number of condominiums, such as Alberta, Ontario, and BC, should establish and/or maintain qualifications and licensing for managers. Provinces with a smaller number of condominiums, which may not have evidence of problems, and where establishing regulatory framework could be costly, should heed this recommendation and periodically re-evaluate the marketplace.

   Manager licensing should require knowledge qualification requirements, and have multiple pathways to meet them including: the completion of approved courses and their examinations, or successfully writing a challenge examination. Ontario's condo review has identified the following curriculum topics managers should cover: condominium law; physical asset management; administration and human resources; financial management for condos; and customer service. Softer skills should also focus on how a manager works and communicates effectively with boards, owners, and contractors to foster effective relationships.

   The provincial regulator should approve educational service providers that aim to offer manager training, and should approve their courses and examinations. Training courses, such as those developed voluntarily by industry associations, are well regarded and could serve as a starting point for future training courses. The regulator should also develop an examination that would test applicants against all important information and competencies a manager would be required to know to be considered qualified. Manager licensing should have an appropriate designation, including recognition for those who have demonstrated the necessary knowledge but lack the experience requirements.

   Professional standards and ethical conduct requirements should also be developed that all licensed managers must abide by. Those standards developed voluntarily by industry associations could serve as a starting point, but should be reviewed to ensure that the kinds of concerns raised by condo owners in this study and in provincial consultations can be effectively addressed through consistent and enforceable rules.

2. **The importance of work experience for qualification:**
   In addition to mandatory qualification and professionalism standards, apprenticeship or experience requirements for new property managers should be required. Given the overall satisfaction of many owners with their current management, any decision to regulate the profession should consider that many effective managers may not have formal training but may have gained essential skills through direct work experience. Any transition to mandatory

qualification and licensing should consider credits for experienced managers and a qualification examination within a specified time.

3. **The regulatory body should be independent and able to effectively discipline:**
   The regulator should be able to hear complaints and take disciplinary action against property managers who fail to meet their qualification, legal, and ethical obligations. Provinces such as BC, Alberta and Ontario have created independent not-for profit regulatory bodies for other industries with a proven and effective balance of industry, consumer, and government oversight to ensure regulatory activities are independent and in the public interest.

4. **The costs to implement and maintain a regulatory program:**
   The funds to implement and maintain the regulatory program could be drawn from:
   - fees from educational service providers for the approval of courses and exams,
   - fees from registrations in the approved courses,
   - fees from managers writing the challenge exam,
   - fees for inclusion on an educational service provider listing and a qualified manager listing, and
   - a manager licensing fee.

   It would be ideal if all funds for the regulatory program were acquired through this fee structure. Condominium owners do not support having to pay either directly or indirectly for the regulation of the sector. It is recommended that any costs that are imposed on consumers be minimal and be transparent to condominium owners.

5. **Alternatives for dispute resolution:**
   Consumers require alternatives to the court system for resolving disputes. BC's proposed Civil Resolution Tribunal is expected to offer owners more informal and formal options to resolve disputes with other parties such as property managers. Ontario's recent Stage Two Solutions Report included recommendations to create a Condo Office that would also include dispute settlement as part of their mandate. Similar options are being considered in Alberta. This will benefit owners by creating additional avenues to address disputes between different parties in a condominium.

6. **Additional consideration for self-managed condominiums:**
   Where a condominium does not have a manager, and a board member or owner is paid or other consideration is provided to perform management tasks, consumer protection should be maintained through the requirements of minimum competencies. This may be accomplished through a targeted training program.

Information Needs

7. **Information for consumers:**
   Condominium owners would benefit from a regulatory body whose mandate includes ensuring owners and regulated professionals have timely and relevant information on the roles and responsibilities of parties and other issues of importance to owners. Owners value information provided to them in their condo manuals but information should be required to be kept current, and information should be available online and in other languages. A regulatory body would be a logical and trusted source of this kind of information.

8. **Information for managers and boards:**
   A standardized model contract that clearly delineates roles and responsibilities of the board and management should be developed to establish clear expectations for a condominium board and their oversight of the property manager. However, a board should have the ability to waive certain clauses or sections of the standard contract if not applicable. A regulatory body would be a logical and trusted source of this kind of information.

9. **Board member education:**
   Governments should examine minimum education requirements for board members. The professionalism of a condominium's property management can often be influenced by the professionalism of their board of directors. Enhancing quality and professionalism standards for managers alone may not address some mismanagement problems in condos that stem from poor board governance.

   There are opportunities to further promote training and professionalism at the board level, including ensuring that property management contracts establish clear expectations, roles, and responsibilities for managers. Organizations such as the Canadian Condominium Institute (CCI) offer training to board directors that several informants praised and recommended for anyone considering serving as a board director.

Further Research

10. **Data on condominium ownership across Canada**
    An accurate national picture showing province-by-province condominium statistics is needed. Other than census data from the 2011 National Household Survey and monthly CMHC rental reports, there is little additional data available to assist policy makers assess the number of condominium units, number of owners, and number of people living in condominiums across the country. Some provinces have information available from condominium registries while others only have estimates. Decisions about reforms to condominium legislation or the need for regulation of condominium property management should be supported by accurate data about the size of each province's condominium marketplace.

    As policy makers in different provinces consider the need for licensing or certification requirements for condominium property managers, options and decisions should be supported by evidence-based research on consumer needs. Such research should aim to demonstrate and understand any harms to owners that mandatory qualifications and licensing may be able to effectively address.

    Industry Canada along with its provincial and territorial partners on Consumer Measures Committee have both the opportunity and occasion to promote national harmonization where possible to promote laws, regulation and practices and through actions to raise public awareness (3) of the skills and abilities needed to provide professional condominium management across the country thereby benefitting condominium owners and residents alike.

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ABBREVIATIONS AND TERMINOLOGY

AAMC - Accredited Association Management Company *(US)*

ACM - Accredited Condominium Manager *(Alberta)*

ACMA - Association of Condominium Managers of Alberta

ACMO - Association of Condominium Managers of Ontario

AMS - Association Management Specialist *(US)*

BC – British Columbia

CAI - Community Associations Institute *(US)*

CCI - Canadian Condominium Institute

CHOA - Condominium Home Owners Association of BC

CMCA - Certified Manager of Community Associations *(US)*

CMHC – Canada Mortgage and Housing Corporation

COA - Condo Owners Association Ontario

Condo - condominium

Manager - condominium property manager, condo manager, property manager, strata manager

NACM - National Association of Condominium Managers *(Canada)*

NBC-CAM - National Board of Certification for Community Association Managers *(US)*

NHS - National Household Survey *(Canada)*

PCAM - Professional Community Association Manager *(US)*

RCM - Registered Condominium Manager *(Ontario)*

RECA - Real Estate Council of Alberta

RECBC – Real Estate Council of BC

RECO - Real Estate Council of Ontario

A note on terminology

Condominium terminology varies across Canada and North America. For example, condominium property managers are also known as condo managers, property managers, strata managers, and community association managers. This report uses the term ‘manager’ to mean each of the above listed terms. The report also uses the term ‘owner’ throughout the report to mean condominium owner and strata owner.

INTRODUCTION

Over the last 30 years, the condominium market has grown and expanded, particularly in many of Canada's largest cities. In 1981, condominiums in those cities represented 1 in 10 new dwellings, which has now increased to 1 in 3 as of 2011 (1). Condominiums now represent 1 in 8 Canadian households (1).

Housing is often the biggest investment a homeowner will make. According to Royal LePage's latest House Price and Market Survey Forecast, the average price of a condominium unit in Canada is just under $250,000. In some larger markets the average condo price was higher with Vancouver close to $500,000, Toronto to $360,000, and Calgary to $270,000 (2).

As condominium properties become larger, building systems, budgets, and bylaws can become increasingly complex. Most condominiums are managed by property managers, who are responsible for reserve funds sometimes worth millions of dollars and who manage the repair and maintenance of the buildings and properties that can be worth hundreds of millions of dollars.

Condominium owners rely on their volunteer boards of directors to hire and monitor a capable and professional manager. Due to the complexity and scale of the responsibilities, condominium owners can be vulnerable should managers and Boards of Directors fail to fulfill their duties or do not act in the best interests of the community they serve. While most managers are professional and serious problems are rare, the cost of substandard repair and maintenance or the mismanagement of funds can create major financial and quality of life hardships for owners.

Despite having a range of complex responsibilities, Canadian condominium property managers outside of British Columbia (BC) are not currently required to have any mandatory qualifications, training, or experience. Some jurisdictions have recognized the potential risks to consumers and determined that oversight of the profession is necessary. BC has required strata managers and strata brokerages to meet qualifications and become licensed since 2006. Ontario has announced its intention to regulate the profession; and the Alberta government is actively considering the same.

As governments consider the need to regulate condominium property management, the Homeowner Protection Centre set out to examine the owner views on the management of their condominiums. This report focuses on the views and perspectives of condominium owners across the country. Through a combination of surveys, focus groups, interviews, and research, the report examines owner satisfaction levels, concerns, support for regulation, and information needs. Much of the research regarding the approach of various jurisdictions draws from and focuses on British Columbia, Alberta, and Ontario where there are large concentrations of condominiums, and those governments already regulate (BC) or are considering regulating (Ontario and Alberta) condominium property management. The hope is that lessons can be learned to prevent similar problems from developing.

The Ontario condominium marketplace was examined first in order to allow for the early collection and analysis of key findings in time for contributions to Ontario government public engagement and consultations. This resulted in an interim Ontario findings report that was presented to the Ontario Ministry of Consumer Services in June 2013. National surveys and a BC focus group were then conducted in order to compile the national findings in this report.

The study reviews the condominium market across the country and assesses the views and needs of Canadian condominium owners. Specifically, the study aims to identify potential issues with managers and provide recommendations to assist industry and government to make informed decisions regarding the regulation of managers.

LITERATURE REVIEW

Condominiums across Canada

What is a Condominium?

Condominiums, also known as stratas in British Columbia and syndicates of co-ownership in Québec, are a collection of dwelling units and common elements found in high rise residential buildings, townhouse complexes, individual houses, or low-rise residential buildings (3). The Canadian Mortgage and Housing Corporation's (CMHC) *Condominium Buyer's Guide* defines a condominium in Canada as a "form of legal ownership, as opposed to a style of construction" (3). Each unit is owned by its purchaser. Common elements are collectively owned by the unit owners and can include, but are not limited to, lobbies, hallways, elevators, walkways, gardens, structural elements, mechanical elements, and electrical services. The unit owners collectively contribute to the operation and maintenance of the common elements.

Overview of the Condominium Market in Canada

In August 2013, Statistics Canada released a report outlining the 2011 National Household Survey (NHS) data on the condominium marketplace in Canada. The following sections draw from this report.

Households in Condominiums

According to the 2011 NHS, over 1.6 million, or 1 in 8, Canadian households live in condos (1). For over 1.1 million of the units, the owners reside in the dwellings, while the other 500,000 units are rented to tenants (1). Over ¾ of condominiums are concentrated in ten of Canada's largest urban centres, where condos represent over 1/3 of new dwellings built and occupied from 2001-2011 (prior to 1981, less than 1/10 new dwellings were condos) (1). The three largest urban centres, Toronto, Vancouver, and Montréal, account for 53.5% of condominiums in Canada (1).

In Ontario, condominiums account for half of new home construction (4). There are almost 600,000 units in the province, which house over 1.3 million individuals (4).

Efforts to acquire other provincial statistics of condominium ownership were unsuccessful. An accurate national picture showing province-by-province condominium statistics is not readily available.

Types of Condominiums

Nationally, over 36% of condominiums are low-rise, almost 31% are high-rise (over five storeys) and almost 23% are row houses, see Figure 1.

The types of condominium structures vary. Over 2/3 of Toronto's condominiums are high-rise buildings. In contrast, other larger cities have a much higher percentage of low-rise condominiums including Québec City (69.5%), Montréal (64.2%) and Victoria (53.7%). Row house condominiums were most common in cities such as London, Ontario (60%) and Hamilton, Ontario (55%).

Figure 1 - Distribution Of Households In Condominiums By Structure Type, Number Of Households In Condominiums And Distribution By Areas, For Selected Areas, 2011 (1)

Area	Low-rise apartments 5 or fewer stories	High-rise apartments Over 5 stories	Row houses	Other dwelling types[2]	Total	Households in condominiums	
	%					Number	%
Canada	**36.3**	**30.9**	**22.9**	**9.9**	**100.0**	**1,615,485**	**100.0**
All Census Metropolitan Areas	34.9	34.7	22.5	7.9	100.0	1,416,640	87.7
Top ten Census Metropolitan Areas[1]	34.2	37.0	21.5	7.3	100.0	1,241,275	76.8
Toronto	7.9	67.4	19.9	4.9	100.0	371,750	23.0
Vancouver	41.3	32.7	19.3	6.6	100.0	279,535	17.3
Montréal	64.2	21.6	7.2	7.0	100.0	212,885	13.2
Calgary	38.8	16.0	32.3	12.8	100.0	94,635	5.9
Edmonton	42.3	14.0	30.2	13.4	100.0	87,475	5.4
Ottawa – Gatineau	26.0	29.8	38.4	5.9	100.0	65,075	4.0
Québec	69.5	16.8	5.6	8.1	100.0	41,550	2.6
Hamilton	13.5	24.3	55.0	7.2	100.0	36,405	2.3
Victoria	53.7	18.0	20.0	8.3	100.0	28,325	1.8
London	10.7	17.2	60.0	12.1	100.0	23,630	1.5
Other	39.9	18.6	28.8	12.7	100.0	175,360	10.9
Outside Census Metropolitan Areas	46.5	3.8	26.2	23.5	100.0	198,845	12.3

Note 1 - Data are shown for the ten census metropolitan areas (CMAs) with the highest number of occupied condominiums. Except for Victoria and London, these CMAs are also the largest ten CMAs by population. Winnipeg and Kitchener - Cambridge - Waterloo are among the largest ten CMAs by population but are not among the largest ten CMAs by number of condominiums.

Note 2 - Refers to single- and semi-detached houses, apartments or flats in a duplex, other single-attached houses and movable dwellings.

Types of Families Living in Condominiums
Just under half of all condominium dwellings in Canada were reported as "non–family households" meaning one person or several persons living together, but not as a family, occupied the unit (1). A higher proportion of persons under 35 and persons 65 and older live in condominiums compared to other private dwellings (1).

Average Household Incomes of Condominium Owners
Condominium owners have lower household incomes than other homeowners (1). Condominium owner household incomes averaged $80,000 per year compared to $113,000 per year for other homeowner households - $33,000 less (1).

While this income difference was found across the country, Calgary stood out with the largest household income gap at $50,000 (1). Montreal had the smallest gap at $16,000 lower than other homeowners (1).

Key Observations
Condominium ownership is growing in Canada and is mostly concentrated in Canada's largest urban centres.

Condominium building types vary in different Canadian cities and regions.

Younger and older Canadians are more likely to live in condominiums.

Condominium owners are less likely to be described as family households.

Condominium owners on average have lower incomes than other homeowners.

Description

Condominium property managers have various names across the country: condo managers, property managers, and strata managers. This report simply uses the term 'manager'.

A manager can be described as a person or company providing management services on behalf of a condominium corporation for a fee. Some smaller condominium corporations are self-managed, but the majority enter into a management contract with an individual or company to perform a range of management services on behalf of the community of condominium owners. Roles vary with each contract, but often include arranging for services such as:

- payment of common area utility bills,
- operation, maintenance, and cleaning of common areas,
- snow removal,
- garbage removal, and
- collection of monthly maintenance fees. (3)

In most situations, managers report to the condominium's Board of Directors. Often times the authority of the manager is limited by the Board, for example in the amount of expenditure, or an expenditure not accounted for in the annual budget (3). In general, the role of the Board is to provide oversight, and the role of the manager is to carry out the tasks. Managers are not usually accountable for problems within individual units (3).

National or provincial data on the number of managers was not readily available at the time of this report.

Condominium Property Management and Related Associations

Several organizations in Canada serve to advocate for the interests of condominium managers. Below is a brief summary of information available on identified association websites.

National Association of Condominium Managers (NACM)

The National Association of Condominium Managers (NACM) describes its objective as, "To act as an association of condominium management professionals for the purpose of educating and certifying specialists in condominium management in regions across Canada" (5). The NACM promotes the *Registered Condominium Manager* designation standard first created by the Association of Condominium Managers of Ontario.

The Association of Condominium Managers of Ontario (ACMO)

The Association of Condominium Managers of Ontario (ACMO) has existed since 1977 with the mission "to enhance the condominium management profession in Ontario by advancing the quality performance of Condominium property managers and management companies" (6). ACMO created the voluntary *Registered Condominium Manager* (RCM) designation.

ACMO also has programs for condominium management corporation members that include a corporate code of ethics and an ACMO 2000 certificate, requiring quality standards.

The Association of Condominium Managers of Alberta (ACMA)

The Association of Condominium Managers of Alberta (ACMA) was established in 1997 and represents managers for condominium corporations and other service providers to the condominium community. ACMA has a voluntary designation called *Accredited Condominium Manager* (ACM) available to members with at least three years of experience in the industry after passing an examination. The association states that it is "dedicated to

improving management practices for the benefit of its members' clients" (7).

The Canadian Condominium Institute (CCI)
The Canadian Condominium Institute (CCI), established in 1982, is a national, independent, non-profit organization that is focused on all participants in the condominium community, including managers.

CCI is structured as a series of local chapters across the country with a national office and executive committee. Among other things, the CCI describes its role to include:

- serving as a research centre on national condominium issues,
- assisting members through education, information dissemination, publications, workshops, conferences and technical assistance,
- encouraging and providing objective research for practitioners and government agencies regarding all aspects of condominium operations,
- lobbying provincial and federal governments for improvements to legislation, and
- advocating for higher standards in all services to the condominium client (8).

CCI courses and publications are widely used by condominium board members and owners. CCI also offers a voluntary designation, the Associate of the Canadian Condominium Institute (ACCI), for condo professionals including lawyers, managers, accountants, and engineers (8). ACCI is available for those with three years of experience who successfully write the examination.

Certification and Designations for Condominium Managers

In all provinces except BC, managers are currently not required to have any formal training or education in condominium management in order to provide services to the public. As previously mentioned, some organizations have created training programs and designations, however they remain voluntary.

Some organizations, including ACMO and NACM, have policies that support certification requirements for managers to a standard of professional qualification. ACMO has been an active participant in discussions and consultations with the Ontario government and have advocated in favour of mandatory licensing and qualification requirements in the province (9). In ACMO's November 2012 white paper titled *Responding to Change: Strengthening the Condominium Management Profession for Consumers in Ontario,* the association advocated the use of RCM as the recognized standard for any mandatory qualification requirements established as part of any licensing program (9). The NACM has also supported the recognition of ACMO's *Registered Condominium Manager* (RCM) designation as the qualification standard for Canada.

To achieve the RCM designation, managers must complete a series of four required courses offered at three Ontario colleges: condominium law, physical building management, financial planning for condominium managers, and condominium administration and human relations. After completing the courses, successfully passing an overall exam, and demonstrating two years of experience as a condominium property manager, the manager can use the RCM designation. RCMs also must abide by a code of ethics. Other condominium manager designations are set up similarly to RCM with education, examination, and experience requirements.

ACMO has advocated that they could become the self-regulating regulatory body for managers in Ontario, and would require condominium managers meet the association's membership requirements (9).

Community Associations Institute (CAI)
Self-regulation is the regulatory approach that is supported by the Community Associations Institute (CAI) which is the American national

association that advocates for condominium managers (known as community association managers). CAI supports self-regulation through professional certification and designation programs developed by the industry for the industry (10).

The CAI endorses the following US-based credential programs for individual community managers: Certified Manager of Community Associations® (CMCA) administered by the National Board of Certification for Community Association Managers (NBC-CAM), Association Management Specialist® (AMS), and Professional Community Association Manager® (PCAM) (10).

Strategies for Consumer Protection

With the growth of the market, many condominiums are becoming larger and more complex. Managers, among other tasks, have the responsibility of managing funds that can involve millions of dollars, and the maintenance of buildings that can be worth hundreds of millions of dollars. Due to the nature of the responsibilities of a manager, there is a consumer vulnerability should managers not fulfill their duties. As a worst case scenario, condo owners could find themselves with a destitute building, no funds to remedy the situation, and their quality of life compromised.

The website *condoinformation.ca* has documented complaints regarding condominiums from July 2009 to August 2013. Some examples of complaints from the website include:

- 53% of complaints described financial problems, including unwarranted expenditures, misuse of reserve funds,
- 49% of complaints described lack of communication from the Board of Directors and/or managers, including refusal of managers to provide requested information,
- 38% of complaints described repairs and maintenance not being carried out,
- 33% of complaints described owners being refused access to condo documents,
- 32% of complaints described owners feeling intimidated, bullied, or discriminated against when requesting information or justifying complaints,
- 24% of complaints described conflicts of interest by the managers and/or Boards of Directors,
- 14% of complaints described fraud and "kickbacks" by managers and/or Boards of Directors. (11)

Since managers report to and take direction from their condominium's board of directors, issues with managers (such as tasks not being carried out, or being carried out improperly) can also relate to issues with the Board (such as lack of or insufficient oversight). Although the quality and qualifications of boards of directors are important to the overall management of a condominium, boards of directors are not the focus of this report.

With all of their responsibilities, managers outside of British Columbia are not currently required to have training or an understanding of the provincial condo legislation, by-laws, rules, finances, building maintenance, or contracting out of services (12). Some jurisdictions have recognized the potential risks to consumers and determined that oversight of the profession is necessary, and have taken a proactive approach: some have regulated and others are considering regulating managers.

Canadian and US jurisdictions were reviewed in order to identify trends among governments to regulate the condominium management profession. Among Canada's provincial and territorial governments, only British Columbia currently regulates the condominium management profession. However, during report research, both Alberta and Ontario were undergoing public consultations on their respective condominium laws and were actively considering whether to regulate the qualifications of condominium managers.

Other provinces have condominium legislation that governs the affairs of condominium corporations but are not considering regulation of condominium managers at this time. In the following pages, a brief overview is provided on initiatives to regulate or consider the regulation of condominium property managers and companies.

British Columbia

British Columbia is unique in Canada in several respects. It uses different terminology for the condominium industry than the rest of Canada, see Figure 2. As well, British Columbia is the only Canadian province to fully regulate managers.

Figure 2 – BC Terminology

Canada-wide term	BC Term
condominium corporation	strata corporation
condominium or condo unit	strata lot
condominium property manager	strata manager
condominium management company	strata management company
condominium Board of Directors	strata Council

Since 2006, managers and management companies in BC have been required to be licensed by the Real Estate Council of British Columbia (RECBC) under the requirements of the *Real Estate Services Act* and regulations. Policy responsibilities for the licensing program are overseen by the Ministry of Natural Gas Development and Housing.

Key informants revealed that, prior to licensing coming into force, there were several high profile incidents involving theft or fraud in the province that gained significant public attention. Coupled with other issues in BC, such as the problems with leaky strata buildings and other construction quality issues, there was a perceived need to enhance the scrutiny over trust funds, develop stricter financial rules, and strengthen the requirements for the qualifications of strata managers and companies.

RECBC was given the responsibility for the oversight of strata managers and their strata management companies (brokerages) when strata management services are provided for a fee. Some exemptions exist for owner/developers, caretaker/managers employed by a strata corporation, and in limited circumstances strata lot owners providing services for a fee to a strata corporation. (13)

RECBC has a mandate to license individuals and brokerages engaged in strata property management; this is accomplished through coursework and an examination (13). RECBC also enforces entry qualifications (such as conducting criminal record checks and conducting credit history checks), investigates complaints against licensees, and imposes disciplinary sanctions under the Act (13).

RECBC requires licensed managers and brokerages to uphold conduct requirements, including:

- to have undivided loyalty,
- to obey all lawful instructions of the principal,
- to keep the confidences of the principal,
- to exercise reasonable care and skill in performing all assigned duties,
- to account for all money and property placed in the brokerage's hands while acting for the principal, and
- to act on the instructions of the strata corporation given by the strata council. (13)

RECBC has powers to license and oversee compliance with requirements of the *Real Estate Services Act* and its regulations, and can only accept complaints about violations of licensing requirements. They do not have powers to enforce requirements in the *Strata Property Act* that governs other strata matters, including financial, depreciation reporting, and bylaw requirements.

A proposed new Civil Resolution Tribunal is expected to be established in 2014 to provide additional support to strata owners, council members, and managers facing disputes regarding the *Strata Property Act*. The Tribunal will consist of members that have strata property expertise to help resolve issues and conflicts

within strata properties. The Tribunal will address disputes by providing information to assist with resolution, facilitate resolution, and conducting hearings of the disputes (14).The Tribunal may be a low cost resolution option for strata owners as an alternative to the courts.

Alberta

Under the *Real Estate Act* and administered by the Real Estate Council of Alberta (RECA), Alberta currently regulates those who are involved with leasing real estate and handling funds related to leasing (15). Condominium property managers can be involved in these activities, and their activities related to these tasks are subject to regulated requirements. However, there are a number of activities often performed by managers that do not require RECA authorization, including building maintenance and administrative functions, such as record management (15). Alberta also does not require mandatory qualifications or regulatory oversight of many aspects of the traditional activities of condominium managers.

From February to May 2013, the government held public consultations about reforms to their *Condominium Property Act*, *2000* with one of the goals to enhance consumer protection (16). More than 5,000 Albertans participated in the survey and town hall meetings covering a range of topics, including:

- Consumer protection for buyers,
- Insurance requirements for the corporation and unit owners,
- Repairs to unit property following damages,
- Access to corporation records;
- Dispute resolution,
- Board governance; (17)

As well as specific issues related to managers:

- Knowledge, competencies and standards of practice of condominium managers,
- Condominium documents held by the condominium manager,
- Cancelling the first condominium management contract, and
- Term of management contracts and automatic contract renewals. (17)

The Ministry had not released information about the results of their consultations at the time of the preparation of this report, although key informants indicated that a large portion of condominium owners who participated in the review were supportive of regulation of managers. Stakeholder committees in the province are currently considering the need and feasibility of mandatory qualification requirements for condominium managers.

Ontario

The Ontario government was also actively consulting the public about reforms to their *Condominium Act* during the writing of this report. The last major revisions to the act were made in 1998 and became law in 2001. Since then, growth and change in the condominium marketplace led the Ontario government to consider updating the legislation (18).

Ontario's Condominium Act Review Process

In June 2012, the Ministry of Consumer Services engaged the Ottawa-based non-government organization Canada's Public Policy Forum to lead the public engagement process, and to review and recommend changes to the *Condominium Act* (4). The Forum has engaged condo owners, developers, managers, and other stakeholders (4). The process is expected to take eighteen months.

Stage One Findings

A Stage One Findings Report was published in January 2013. A number of key issues and solutions were grouped into major categories including: governance, dispute resolution, financial management, consumer protection, and the qualifications of condominium managers (19).

The Stage One report found that condominium owners who responded to consultations would like managers and management firms to be required to have standards, appropriate education, and training (19). Details of the

standards, education, or training were not developed (19).

The report defined standards as "the minimum level of performance that is expected for each task that a firm or manager must perform" (19). The report identified a number of competencies for a manager, including knowledge of the *Condominium Act*, effective skills in contracting practices, and financial management skills (19).

Figure 3 provides a summary of consultation feedback, and was provided by the Ontario Ministry of Consumer Services. It identifies condo management issues that condo owners raised during the Stage One review.

Ministry Commitment to Mandatory Qualifications of Condominium Managers

Prior to the Stage Two report's release, on July 18, 2013, the Ministry of Consumer Services issued a news release stating that they are working towards introducing mandatory qualification for managers as one of the first changes to the *Condominium Act* (12).

In the release, the Honourable Tracy MacCharles, Minister of Consumer Services, stated "There is an overwhelming consensus that condominium managers be qualified to carry out their significant responsibilities. One in 10 people in Ontario live in a condominium and their quality of life depends to a great degree on qualified, well-trained condominium managers" (12).

Stage Two Findings

Five working groups comprised of industry, consumer, and other stakeholder representatives prepared reports on the five major Stage One topics: governance, dispute resolution, financial management, consumer protection, and the qualifications of condominium managers. The recommendations were reviewed by an expert panel of stakeholders and released in a Stage Two Solutions Report.

The report, dated September 2013, makes two main recommendations regarding condominium management: the first is the establishment of a new umbrella organization, to be known as the Condo Office that will provide education and awareness, dispute settlement, licensing of condo managers, and maintenance of a condo registry (20). The Condo Office would be funded by user fees and an estimated $1-$3 per month fee from each condo unit in the province (20). This organization would have authority delegated by government, but would be at arm's length to the government (20).

The second recommendation is a two-stage licensing program to establish minimum training and qualification (20). The first would establish criteria to become a manager, the second would be the development of skills through course work and experience (20).

The Stage Two report also mentioned providing an owners' manual to condo owners as a best practice (20).

Stage Three Findings

Stage Three of Ontario's reform process is expected to engage condominium owners and other key stakeholder groups to review and validate the Stage Two report and recommendations, and present the findings to government and the condominium sector.

Figure 3 -Public Comments on Condo Management in Ontario – Stage One **(provided by the Ontario Ministry of Consumer Services) (21)**

Issue	Paraphrased Comments
Licensing of property managers.	Property managers should be licensed under guidelines established by the Ministry of Consumer Services to ensure professionalism within the industry. Some individuals argue that licensing is unnecessary as inclusion of roles and responsibilities of Managers under the Act, along with enforcement capabilities, would be sufficient. There were also concerns that self-managed condominiums should have flexibility with regard to licensing requirements.
Initial qualification of property managers through mandatory education/training programs.	Managers should be required to demonstrate a minimum level of competency in the duties and responsibilities of the position prior to serving as a manager. Suggestions include accredited educational programs run by the Ministry of Training Colleges and Universities, ACMO, and other private organizations.
Establishment of a regulatory body to oversee the licensing/regulation of Property managers.	An oversight body should be established to oversee the regulation of property managers, including enforcement for non-compliance. Suggested regulatory bodies include: The Ministry of Consumer Services, The Real Estate Council of Ontario (RECO), and ACMO.
Continuing qualification of property managers / ongoing education	Property managers should be required to take ongoing training/educational programs in preparation for a re-certification test at pre-determined intervals (i.e. every five years).
Clarify the roles and responsibilities of property managers in the Act.	The words management of the property appear barely seven times in the entire Act, and not once are the terms "property manager" or "property management company" listed. Property managers hold an immense amount of responsibility, and their role in relation to the Board should be clarified.
Require that property managers undergo a Fit and Proper Person Test prior to serving as a Manager.	The basic competencies of property managers should be gauged prior to them serving as a Manager. Suggestions for basic competencies include: mental ability; criminal record check; age requirements; non-bankruptcy; and no outstanding complaints filed against them.
Restrictions to the property manager's ability to enter into service contracts with suppliers (i.e. landscaping, utilities, etc.).	Property managers have a conflict of interest in managing a condominium corporation's finances and hiring service providers because they can overpay for contracts with personal affiliations. Suggestions include: a requirement to open all contracts to a public bid; financial auditing; and disallow property managers from financial management to remove the conflict of interest.
Require that property managers are bonded or carry fidelity insurance.	Regulation of Property managers is not sufficient. Property managers should be bondable for a pre-determined amount to prevent criminal activities such as theft of the corporation's funds. It was suggested that, to cover errors in mismanagement, property managers maintain fidelity insurance.

Other Jurisdictions

The Ontario Ministry of Consumer Services shared their review of key jurisdictions that regulate condominium management in Canada, the United States, and in Australia. The American organization the Community Association Institute also has a comparative analysis of the ten US states that have some form of licensing requirements for condominium managers. The following is a review of this information.

Australia: Binding Code of Conduct Only

Condominium managers in some Australian jurisdictions are legally bound to a code of conduct but not required to be licensed. Common code of conduct requirements include:

- knowledge of act and code,
- act honestly, fairly and professionally,
- exercise reasonable skill in the performance of duties,
- act in the interest of the owners,
- inform owners and corporation of developments,
- ensure employees comply with the act,
- not engage in fraudulent or misleading conduct,
- not engage in unconscionable conduct,
- not engage in conflict of duty or interest,
- ensure to the best of ability competitive prices for service contracts,
- keep and present records to the best of ability. (22)

Voluntary Certification

In some states, such as California, before a manager is allowed to market their services as a "certified community association manager", an applicant is required to either pass an examination or achieve a recognized certification, including training on California legislation (10). Without the examination and designation, a manger can still offer services, but is prohibited from using the term "certified" (10).

Licensing as Real Estate Professionals

In some states, such as Alaska, managers who collect fees for management services must be licensed as a real estate broker, associate real estate broker, or real estate salesperson through licensed through the Alaska Real Estate Commission (10).

Licensing with Recognized Certification

As of October 2012, Connecticut required that managers register with the state consumer protection department, have a background check, demonstrate completion of a nationally recognized course on condominium management, and pass the National Board of Certification for Community Association Managers' (NBC-CAM) Certified Manager of Community Association (CMCA) examination (10).

Other US states, such as Virginia and Illinois, require companies offering management services to have the Community Association Institute's Accredited Association Management Company (AAMC) accreditation (10). Managers are required to have a recognized certifications such as Association Management Specialist (AMS), Professional Community Association Manager (PCAM) or similar designations issued by the Institute of Real Estate Management (10). They are also required to pass the CMCA examination (10).

Licensing with State Certification and Course Requirements

Other states, such as Florida, set their own qualification and course requirements separate from the above mentioned industry standards. This includes passing a Florida Real Estate Commission manager licensing exam, continuing education requirements, and specific course requirements on topics ranging from legal, insurance, financial management, operation of physical property, and human resources (10).

Consumer Information and Dispute Options

There are various sources for consumers to acquire information about condo living, roles and responsibilities, or what to do if a dispute arises. Many owners are provided with a

reference handbook when they move in that provides relevant information specific to that condo. There are associations that owners can join or turn to for assistance, including the Condo Owners Association Ontario (COA) and the Condominium Home Owners Association of BC (CHOA). Some also look to the Canadian Condominium Institute's local chapters for educational materials and courses. There are also valuable online resources including the Canada Mortgage and Housing Corporation website and guides, and sites like *condoinformation.ca*.

If a dispute arises between an owner and a manager, and the Board of Directors is unable to resolve the issue, many owners today must turn to the courts for a solution. Recourse to the courts as redress may not be a realistic option for all owners. Legislation and regulation can help to prevent disputes from arising, and help to mitigate and resolve disputes when they arise.

Key Observations

British Columbia is the only Canadian jurisdiction to require licensing for strata managers and strata management companies. It requires specific coursework, an examination, and continuing education to become and remain licensed to practice in the province.

Ontario and Alberta are actively considering requiring condominium managers and companies to become licensed. Ontario has publicly signaled an intention to regulate the sector and Alberta has active stakeholder groups reviewing the issue.

Only ten US states have licensing or certification requirements, however, the CAI indicates that a number of other states are actively considering licensure. Licensing models range from voluntary approaches restricting the use of a protected title to full state licensing including mandated courses and examinations.

Condominium associations in Canada and the US advocate for the recognition of existing voluntary certification programs in any mandatory licensing programs. Some US states recognize and require certifications and examinations developed by associations such as the CAI. Ontario's ACMO advocates the recognition of their RCM designation and examinations in any mandatory Ontario licensing program.

There is a trend in both the US and Canada towards mandatory qualification requirements for condominium managers, but there remain many US states and provinces that are not currently considering licensing.

SURVEYS

Two omnibus telephone surveys were conducted by Oraclepoll Research, reaching a total of 1,500 condominium owners across Canada. The surveys were commissioned to provide insight into owner views about their condominium property managers and companies, including potential issues, roles, satisfaction, support for standards, support for regulatory alternatives, and information gaps. Condominium owners were identified randomly from omnibus surveys carried out between May 10th to 17th, 2013 in Ontario, and between July 23rd and August 7th, 2013 for the rest of the country.

British Columbia residents were given a modified survey, in part because in BC condos are often referred to as strata, and also because BC already requires mandatory qualifications and licensing for strata managers.

All respondents were owners of condominiums with a property manager. Almost all respondents indicated that their condominium was their principal residence.

Some provinces with smaller populations of condo ownership are represented in regional groupings shown in Figure 4. The margins of error are also noted in Figure 4, and are valid 19 times out of 20. The survey questions are provided in Appendices A and B. Details about the survey approach and findings are attached in Appendix C.

Figure 4 - Survey Sample by Region

Province / Region	Surveyed	Margin of Error
Ontario	500	+/- 4.4%
Maritimes	81	+/-10.9%
Québec	171	+/- 7.5%
Manitoba/Saskatchewan	180	+/- 7.3%
Alberta	207	+/- 6.8%
British Columbia	369	+/- 5.1%
Total	1508	

Owner Information

Survey participants were asked basic demographic information about their condominium ownership: if they live in their property, the age of the property, size of property, and owner involvement with the condominium board of directors. The demographic information did not capture whether a manager was employed full-time or part-time.

Some of these factors were analyzed to identify differences among owners in their responses to survey questions. Specific findings as they related to the survey questions are documented in the following sub-sections. Detailed results of these demographic questions can be found in Appendix C.

Responsibilities of Condominium Property Managers vs. Boards of Directors

Question 1

We want to learn about your understanding of the responsibilities of your condominium board or your property manager. I am going to read a list of responsibilities, please state whether you believe this is primarily a condominium property management; a condominium board issue or a shared responsibility (both).

List of Responsibilities:

- *Ensure appropriate building insurance*
- *Ensure the building and property are properly maintained*
- *Ensure adequate funds are maintained in the reserve fund to cover major repairs*
- *Oversee the financial accountability of the condominium /strata*
- *Organize an annual meeting of the condominium/strata unit owners*
- *Pass rules/bylaws to promote the safety, security and welfare of the owners*

- *Pass bylaws dealing with the responsibilities and powers of the board, how meetings will be run*
- *Collect common expense fees*
- *Keep condominium/strata records*
- *Respond to owner complaints*
- *Hire and monitor service providers and trades, for example security companies*

Purpose
While roles can differ depending on the contractual terms in a management agreement, some common roles and responsibilities that boards and managers perform were identified and owners were asked to indicate their understanding of who performs these roles.

Findings

Board Responsibilities:

The areas that most owners mentioned were board responsibilities were finance and governance related including: ensuring adequate funds for repairs, overseeing the financial accountability of the condominium passing bylaws, organizing annual meetings, and passing rules/bylaws.

Condominium Property Manager Responsibilities:

The areas that most owners mentioned were the responsibility of condominium property manager were primarily administrative responsibilities such as: ensuring proper insurance, collecting common expense fees, responding to complaints, and keeping records.

Shared Responsibilities:

The areas that most owners mentioned were shared responsibilities were: ensuring building maintenance, hiring service providers, and responding to owner complaints.

Analysis
Since contracts between condominium boards and managers differ within each condominium corporation, the findings from this question cannot definitively yield any strong conclusions about condominium owners' understanding of different roles and responsibilities. However, the surveyed condo owners did not rely on the *don't know* choice when conveying the different responsibilities of boards and condominium property management.

There appear to be regional variations to the results with owners outside of Ontario being generally more inclined to see some functions, particularly those related to financial oversight, as shared responsibilities rather than the responsibility of the board of directors.

Owner Satisfaction with Condominium Property Management

Preamble
We are going to ask a few questions on property or condo property management, including property managers and property management companies. A condo board of directors are elected by and represent the owners and are responsible for making major decisions on behalf of the community. Property managers are responsible for carrying out maintenance and repairs, supervising, bookkeeping, attending to owners' needs, and carrying out a range of duties.

Question 2
Using a scale from one very dissatisfied to five very satisfied, how would you rate your overall satisfaction with the services provided by your property manager or your management company?

Purpose
This question was asked to understand current condominium owner satisfaction with their current management services.

Findings:
Across Canada, 67% of the owners surveyed were either *satisfied* or *very satisfied* with their condominium property manager or property management firm.

Figure 5 - Percent Satisfaction with Condominium Management National

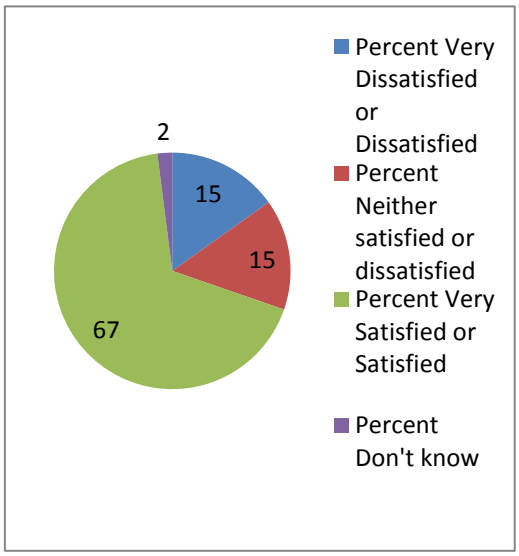
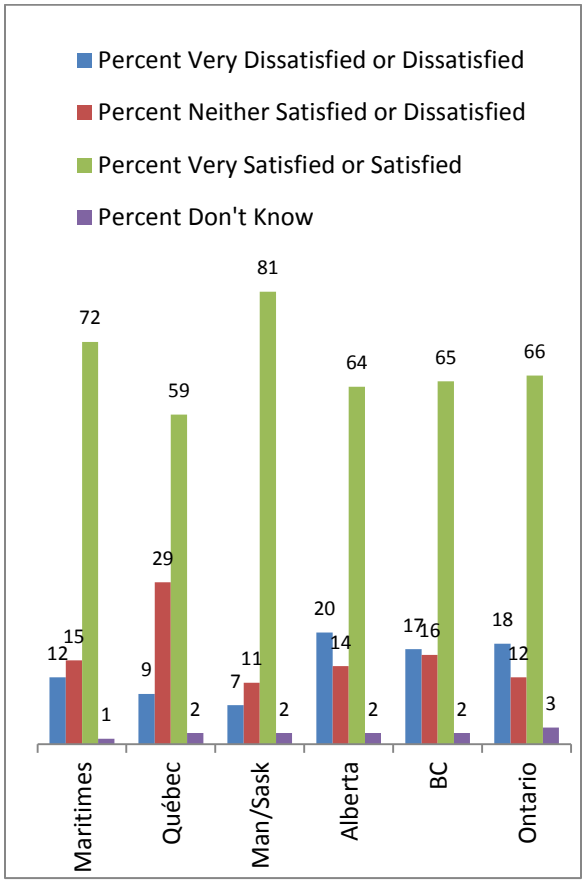


Figure 6 - Satisfaction with Management by Province



15% percent of owners across the country were either *dissatisfied* or *very dissatisfied* with their condominium management and another 15% were *neither satisfied* nor *dissatisfied*.

Satisfaction with Management by Region

Regional satisfaction rates ranged from a high of 81% in Saskatchewan and Manitoba to a low of 59% in Québec.

Dissatisfaction rates ranged from a high of 20% in Alberta to a low of 7% in Saskatchewan and Manitoba.

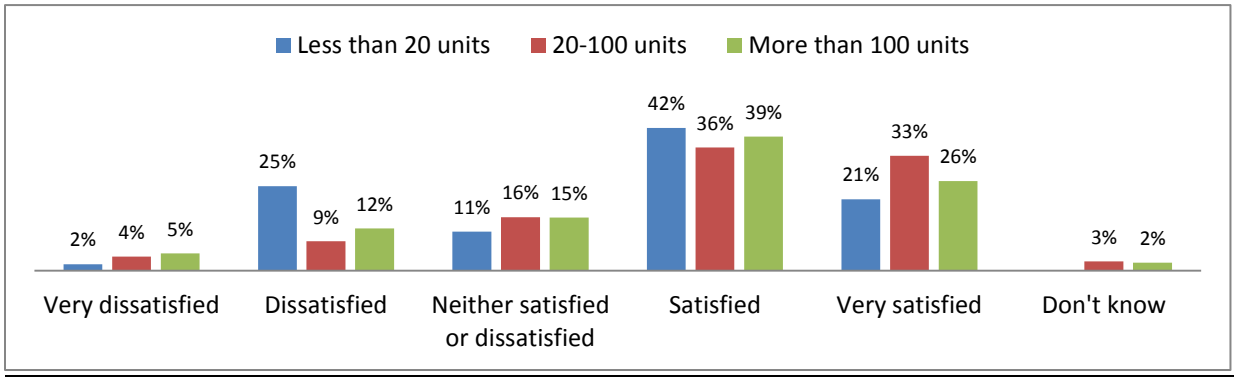
Provinces with the highest populations of condominium ownership appear to have the lowest levels of satisfaction – although every region in the country had a majority of owners who were satisfied with their condominium property management.

Satisfaction with Management by Condominium Size

Owners in properties with less than 20 units were more *dissatisfied* with condominium property management (25%) than owners in 20-100 unit properties (9%) and owners in 100+ units (12%).

Owners in 20-100 unit properties were most likely to be *very satisfied* (33%), followed by 100+ unit owners (26%) and less than 20 unit owners (21%).

Figure 7 - Satisfaction with Management by Size



Satisfaction with Management by Property Age

Owners of properties over 25 years old were more likely to be *very dissatisfied* (17%) and *dissatisfied* (10%) with their condominium property management than owners of newer properties. The second highest levels of *dissatisfaction* are with owners of properties 21-25 year old.

Satisfaction with Management by Board Role

Current board members had the highest *very dissatisfied* levels (8%), but also had high *satisfied* (42%) and *very satisfied* levels (31%). Former board members had the highest *very satisfied* levels (36%).

Analysis:

A majority of condominium owners across the country are satisfied with their condominium property management. Provinces with the highest populations of condominium owners such as Ontario, BC, Alberta and Québec appear to have slightly higher levels of dissatisfaction than those in the Maritimes and Manitoba and Saskatchewan.

Owners in smaller 1-20 unit properties are over twice as likely as owners in larger properties to be *dissatisfied* with their property management, although the majority were *satisfied*.

Owners in older properties are more likely to be *very dissatisfied* and *dissatisfied* than other owners.

Figure 8 – Satisfaction with Management by Property Age

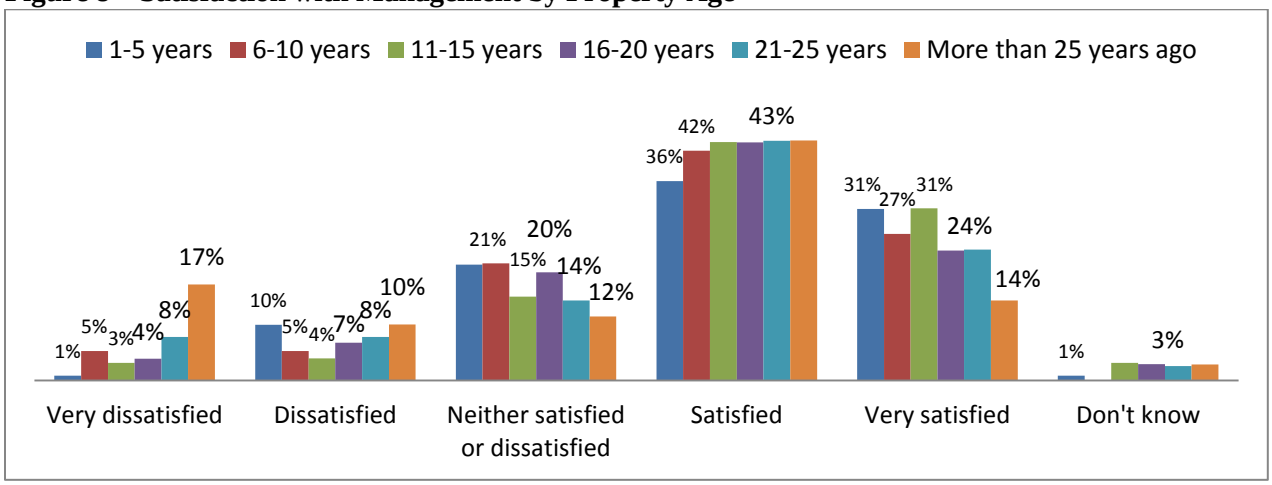
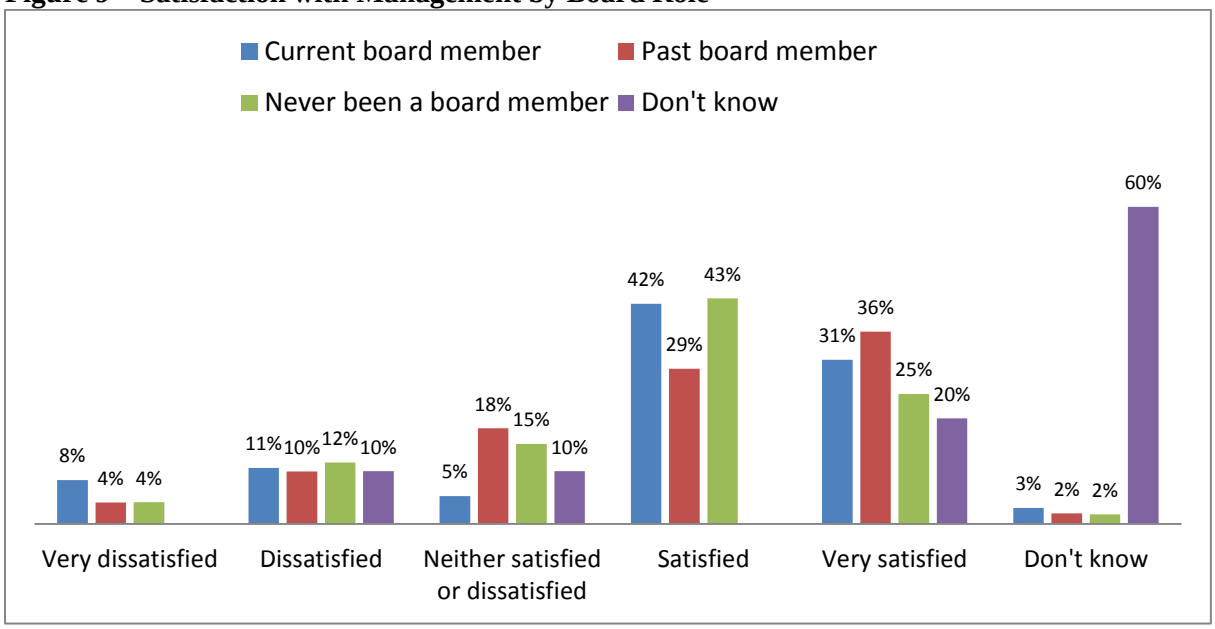


Figure 9 – Satisfaction with Management by Board Role



Concerns with Condominium Property Management

Question 3

I am now going to read a list of potential concerns that some condominium owners have raised in the past about property management services. After I read each one, please indicate if this is a concern or an issue that has occurred or is alleged to have occurred with the property management services in your condominium?

Concerns (rotated):

- *A lack of communication from your condominium manager*
- *Repairs to common areas not being carried out properly*
- *Poor or lack of customer service*
- *Conflict of interest*
- *Difficulty accessing or reaching condominium managers*
- *Selective or targeted enforcement of declaration, by-laws, rules*
- *Financial problems or irregularities*
- *Delays or refusal to provide access to condominium records*
- *Ignoring human rights, accessibility, or other rights of condominium owners*
- *Interference with or influencing the elections of condominium board members*
- *Fraud and/or bribes taken by condominium managers*
- *Concerns over voting or chairing of meetings*

Purpose

This question was asked to determine whether owners shared any of a list of prompted concerns regarding their condominium property management. The list of concerns was acquired from the *condoinformation.ca* website (11) and through consultation with stakeholders.

Findings

Under 29% of owners indicated concern for any of the items from the list of potential concerns. The question results can be found in Appendix C. The top five concerns are listed below:

- a lack of communication from your condominium manager,
- repairs to common areas not being carried out properly,

- difficulty accessing or reaching condominium managers,
- poor or lack of customer service, and
- selective or targeted enforcement of declaration, by-laws, rules.

Owners in condominiums with 1-20 units were most likely to cite concerns over issues such as interference or influencing elections (26%), financial problems/irregularities (26%), poor service (25%), and timely repairs to common elements (26%).

Owners in condominiums in older buildings (25+ years) were most likely to cite concerns about) lack of communication (39%), repairs to common areas (35%), poor service (30%), and difficulty accessing manager (36%).

Owners currently serving on their boards of directors were significantly more inclined to cite concerns about lack of communication (42%), and were also slightly more likely to cite the issues of, access to condo records (14%) and poor service (20%).

Analysis
The most common concerns cited by the surveyed owners were with communication and customer service, which may be related issues. Difficulty reaching managers, lack of communication, and poor service were all among the most frequently identified concerns.

Overall, BC owners appeared to have the highest levels of concern across all of the prompted concern areas, in some cases noticeably higher than levels of concern in Ontario and the rest of Canada. Issues such as financial problems or irregularities and delays or refusal to provide access to condominium records were more than double the rate of concern elsewhere in Canada.

Support for Regulation of Condo Property Managers and Firms

Preamble
Regulation of property managers and management firms has been suggested. Regulation can include the development of mandatory rules of conduct and minimum qualification requirements for property managers.

Question 4
Would you support the regulation of property managers and management firms?

Purpose:
This question was asked to understand condominium owner views regarding the prospect of regulating condominium managers. A preamble defining regulation was developed to help ensure participants understood the question.

Findings:
69% of surveyed owners outisde of BC supported the regulation of condominium managers, and a majority of owners in each region across the country support regulation. BC residents were not asked this question since strata managers are currently required to be licensed in BC, meet mandatory qualifications, and follow codes of conduct and other regulatory requirements.

Support for regulation was highest at 81% in Ontario followed by the Maritimes at 70%.

Owners in Québec and Alberta were most likely to be opposed to the idea of regulating condominium managers at 37% and 31% respectively.

Analysis:
Although two thirds of condominium owners are satisfied with their property manager, a majority of condominium owners in every part of Canada still support regulation.

Support for regulation is over 10% higher in Ontario than in any other region of the country. Reasons for this higher level of support cannot be easily determined, although there may be a greater public awareness of this issue in Ontario due to active public consultations on this issue during the time of the surveying. Condominium

owners in Alberta were also being consulted about similar issues during the survey period and support levels found were lower than in Ontario.

Figure 10 – Support for Regulation: National

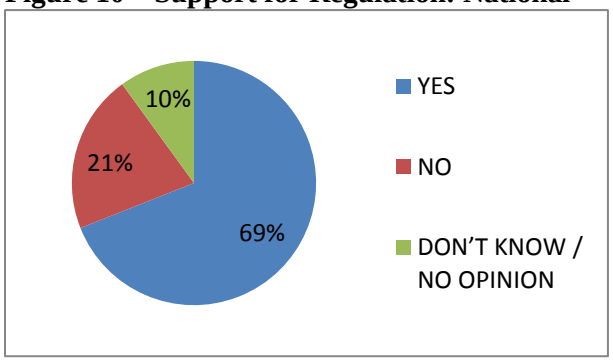
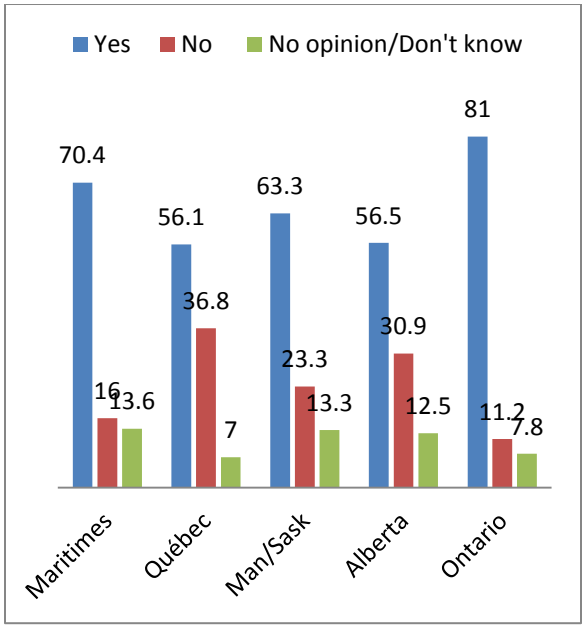


Figure 11 – Support for Regulation: Provincial



Support for industry vs. government establishment and oversight of standards

Subset of Support for Regulation

Only those owners who answered *Yes* to supporting regulation of condominium property managers were asked the following two questions about approach to regulation and cost of regulation. Results are therefore a subset of the total survey population.

Question 5

Would you support regulation…(if)"

- *standards were established and overseen by an industry led body,*
- *standards were established by government and overseen by a government led body,*
- *either or both of the above noted scenarios, or*
- *unsure*

Findings

Condominium owners who support regulation of the sector appeared to show comfort with either self-regulation (standards established and overseen by an industry-led body), or direct government regulation (standards established by government and overseen by a government-led body). In all regions, the "either" option was the most popular choice.

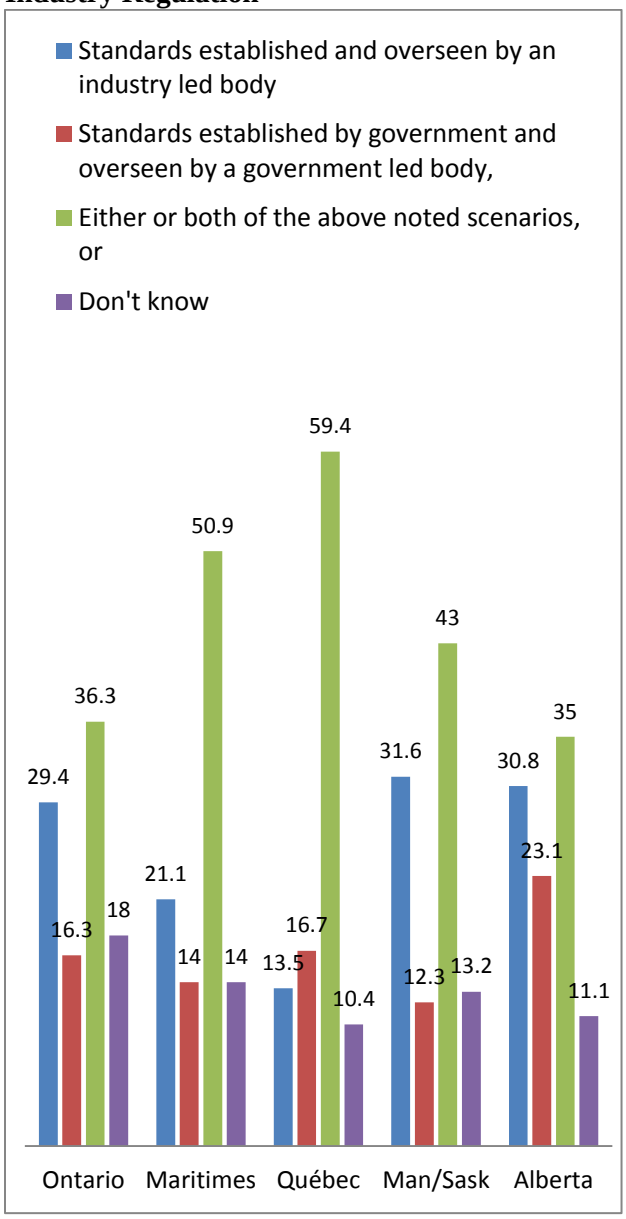
Condominium owners who support regulation in Saskatchewan/Manitoba (32%), Alberta (31%), and Ontario (29%) were the most likely to support industry-led regulation.

Owners in Alberta who support regulation were also the most likely to support a government-led approach to regulation (23%).

Analysis

There are various approaches that governments take when considering mandatory qualification standards for a profession. The options offered in the survey question were limited to choices between industry self-regulation, direct government regulation or either option in order to keep choices simple for the survey format.

Figure 12 – Support for Government versus Industry Regulation



In jurisdictions such as Alberta, BC, and Ontario, approaches to consumer protection regulation for other sectors have included a middle option where government sets standards in law but delegates responsibility for regulatory activities to an independent not-for-profit organization governed by a balance of industry and consumer interests. This middle option was not used for survey purposes since such nuance was not seen to be possible to discuss in a survey format.

Overall, condominium owners across the country (not including of BC) appear to support the establishment of mandatory qualification requirements for condominium property managers, and are comfortable with either industry or government leading these efforts.

Cost of regulation and impact on condo owners

Subset of Support for Regulation
Only those owners who answered *Yes* to supporting regulation of condominium property managers were asked this question. Results are therefore a subset of the total survey population.

Question 6
Would you support regulation if a small portion of the costs of regulation are passed on to the condominium owner? (All provinces except BC and Ontario)

Would you support regulation if a small fee (eg. $10 or less per year) to cover the cost of regulation is passed on to the condominium owner? (Ontario)

Purpose
This question was asked since many government decisions to regulate business sectors create costs for regulated businesses and individual consumers. This question was intended to understand if those persons who support the regulation of condominium management would change their opinion knowing that it may create additional costs to owners.

The wording of the question was modified slightly between the Ontario survey and the survey for the rest of Canada. For the earlier Ontario survey, "small fee" was described as being $10 or less per year. For the later survey, a more general statement was used.

Findings
Support for regulation noticeably softened when condominium owners were asked if they would support a small fee being passed on to condominium owners. Negative responses to

this question were more pronounced in smaller provinces such as those in the Maritimes (51%) and in Saskatchewan and Manitoba (52%).

In larger provinces such as Ontario (58%), Québec (62%) and Alberta (53%), the majority of supporters of regulation remained supportive if small costs are passed on to consumers.

Analysis
In all regions of the country, surveyed owners who support regulation for condominium property managers showed a softening of support if small costs associated with regulation are passed on to condominium owners. This is especially true in provinces with smaller condominium owner populations.

Need for information on specific condo owner topics

Question 7
Respondents were then read a series of areas where they were asked if they needed more, much more or no information on a series of listed topics. "Tell me if you as a condo owner need for information in the following areas. Please tell me if you (do not need; need some; need much more; don't know)?"

Topics (rotated):

- *Rights and responsibilities of the Condominium/Strata lot Owner*
- *Roles and responsibilities of the Condominium Board/Strata Council*
- *Roles and responsibilities of the Property/Strata Management*
- *Where to complain if issues are encountered*
- *Understanding your responsibilities about your unit compared to the rest of the property or common areas*
- *Understanding the calculation of condominium square footage (unit entitlements)*
- *General information on the declaration, by-laws and rules*
- *Disclosure statements*
- *Owner insurance requirements*
- *Management of (Contingency) Reserve funds*
- *Rules/bylaws and responsibilities of shared facilities*
- *Rules regarding selling and leasing*
- *Bylaw restrictions (such as age restriction, rental, pets)*

Purpose
This question was asked to understand condominium owner information needs on common topics related to condominium ownership. The topic "rules regarding selling or leasing" was included in the earlier Ontario survey, and was modified with input from stakeholders to read "Bylaw restrictions (such as age restriction, rental, pets)" for the survey for the rest of Canada.

Findings
Understanding the rights and responsibilities of owners, boards of directors, and condominium property managers were among the highest areas where more information was sought.

Across each region, "where to complain if issues are encountered" was cited as a need for *some* or *much more* information by 25% of BC owners, 21% of Ontario owners, and 31% across the rest of the country.

Understanding responsibilities about your unit compared to the rest of the property or common areas was cited as a need for *some* or *much more* information by 22% of owners in BC, 16% in Ontario and 29% of owners in the rest of Canada

Management of reserve funds was cited as a need for *some* or *much more* information by 30% of owners outside of BC and Ontario.

Owners also indicated a need for *some* or *much more* information on rules regarding selling and leasing (28% in Ontario) and bylaw restrictions regarding issues such as age, rental, and pets were cited by 31% of owners across the country outside of BC and Ontario.

Analysis

Under 31% of owners report needing some or much more information for any identified topic. It is unclear if this means that owners feel well informed, or whether they know where to access information when the information is needed.

Information clarifying roles and responsibilities of owners, board and management showed the highest overall response.

British Columbia-Specific Questions

BC residents were not asked about their support for regulation since strata managers are currently required to be licensed in BC, meet mandatory qualifications, and follow codes of conduct and other regulatory requirements. Instead, BC-specific questions were created to determine views on the current regulatory environment in the province. This question was asked only to owners who had owned a strata before regulation was instituted in 2006, and were thus exposed to managers pre- and post-regulation.

Impact of Licensing on Consumer Protection

Question 8
In your opinion, has mandatory licensing of strata managers in BC improved the protection of strata lot owners, have things stayed the same or are they worse?

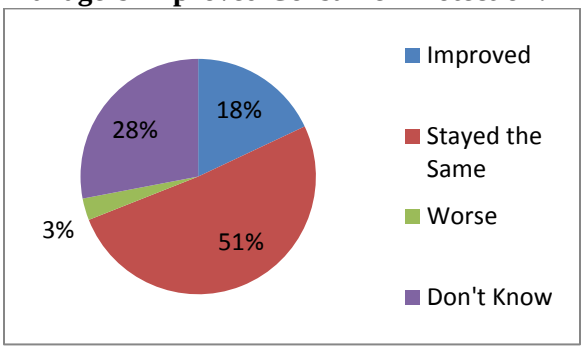
Purpose
This question was asked to determine if strata owners in BC believed that licensing has improved consumer protection.

Findings:
A majority of BC respondents (51%) felt that mandatory licensing of strata managers has had a neutral impact on consumer protection, while 18% felt it had improved consumer protection. Only 3% felt that protections have gotten worse since licensing was put in place.

A significant 28% of respondents indicated that they did not know if protections had improved.

Analysis
Owners may not have a clear sense of what has changed, resulting in the high number of *don't know* responses. This question was modified for the BC focus group to include specific prompts, such as financial management or access to records, in order to solicit additional feedback.

Figure 13 – Has Licensing of Strata Managers Improved Consumer Protection?



Complaints about Strata Management to RECBC

Question 9
To your knowledge, has your strata council registered a complaint to the Real Estate Council of BC against your strata manager?

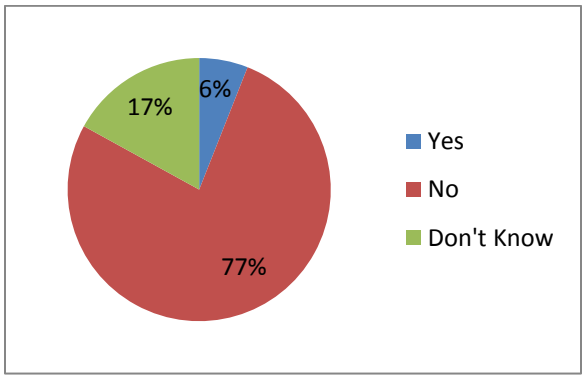
Purpose
This question was asked to understand the frequency of strata council complaints to the regulatory body in BC.

Findings:
The majority of BC survey respondents were either not aware of complaints (17%) or have not made complaints (77%) to the Real Estate Council of BC (RECBC) via their strata council.

Only six percent of respondents indicated that their strata council has made a complaint to RECBC about their strata management.

Analysis
Of the owners surveyed in BC, 21 indicated that their strata council had initiated a complaint against their strata manager.

Figure 14 – Strata Manager Complaint to RECBC?



Resolution of Complaints to RECBC

Only those owners (21 of 369) who indicated that their strata council had complained about their strata manager to the RECBC were asked the following question:

Question 10
Was the issue or complaint handled and resolved to your satisfaction?

Purpose
This question was asked to understand owner satisfaction with the process and results when a strata council submitted a complaint to the provincial regulator.

Findings
Of the 21 respondents who had strata councils that had complained to RECBC, 11 (52%) felt the complaint had been handled and resolved to their satisfaction. Another 8 of 21 respondents (38%) indicated that the complaint was not resolved to their satisfaction while 2 (or 10%) did not know.

Analysis
While these results are a small sample size, the majority of respondents felt that RECBC had handled and resolved their complaint to their satisfaction.

Key informants later mentioned that some survey participants may not have been aware that RECBC can only accept complaints about violations of licensing requirements and do not address issues regarding compliance with the *Strata Property Act*. This could influence survey findings.

FOCUS GROUPS

Oraclepoll Research conducted two focus groups of condominium owners, one held in North York, Ontario on May 23rd, 2013, and the other held in Vancouver, British Columbia on August 28th, 2013. For each session, participants were selected randomly by telephone and were paid $100 each to attend. The objective of the focus groups was to elaborate on issues and findings of the survey and engage participants in a deeper discussion of the key issues and alternatives. The focus group outlines are provided in Appendices D and E.

Ten persons were invited to each session, all ten invitees attended the North York focus group and seven attended the session in Vancouver. Each session lasted approximately 1.5 hours.

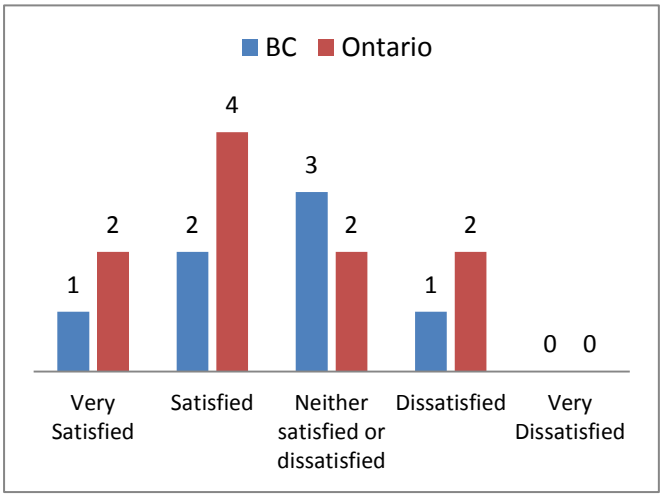
The gender and age ranges of participants is shown in Appendix F. The North York session included one person who was a current member of their condominium's board of directors and one person who was a former board member. The Vancouver focus group had one person who was a current member of their strata council.

Most participants in the North York focus group lived in high rise condominiums of 100 or more units; one lived in a townhouse complex. The Vancouver focus group had a greater mix of owners in smaller strata properties and owners in high rise properties. Further details about the focus group participants and observations can also be found in Appendix F.

Impressions of maintenance of condominium property and condominium management

Focus group participants were invited to discuss how well their condominium/strata property was maintained and managed as an ice-breaker question. They were also asked to provide a general statement about their condominium/strata management.

Figure 15 – Focus Group Satisfaction Ratings



A majority of owners in both focus groups were satisfied overall with the state of maintenance of their condominium and with the management of their condominium. This appeared to be particularly true among owners in newer properties.

Concerns about the frequency of management turnover were raised by two of the Ontario participants, but this issue was not raised by the BC focus group members. Turnover concerns included the need for a new manager to become familiar with the specific bylaws and rules of the property.

Concerns over responsiveness and attention to maintenance needs were raised by some participants in both groups, particularly among BC owners. One participant suggested that maintenance problems were related to the strata council keeping low maintenance fees which results in poor maintenance and overall depreciation of the property.

Two persons in the Ontario focus group raised ethical issues with their management by mentioning suspicions of perceived conflicts of interest and taking of "kickbacks". These were

only suspicions but the allegations were serious. Such views correlate with owners who expressed an overall lack of trust in their manager or a lack of effective communication with management.

The Ontario group discussed the differences in how "hands-on" different boards are regarding duties typically associated with management. One participant who was a past board member commented that their volunteer board "works too hard" and questioned the value of management fees.

Rating of Satisfaction with Condominium Manager

Participants discussed their overall satisfaction with their condominium/strata management.

In the BC focus group, most responses fell in the *neutral* to *satisfied* range with three participants being *neither satisfied nor dissatisfied* and two participants being *satisfied*. In the Ontario focus group, four of the ten participants were *satisfied*, and two participants each being *very satisfied*, *neutral*, and *dissatisfied*.

Focus group satisfaction ratings roughly followed national survey results with a majority of respondents in the Ontario group being either *satisfied* or *very satisfied*. BC participants were less likely to be *satisfied* and several respondents in each group who stated they were *neither satisfied nor dissatisfied* contributed a number of critical comments about the responsiveness of their property management.

Fee Increases (BC-only):

BC participants were asked if they had noticed any significant or unexpected increases in fees or costs related to their strata corporation to help understand if fee increases have an impact on owner views towards their condominium management.

All participants had experienced increases in fees that were, for the most part, expected or warranted. The group appeared to recognize the need to increase fees, in particular to ensure the overall health of contingency reserve funds. Two participants mentioned that residents have historically pushed back against proposals to increase fees, one indicating that it took three special meetings to successfully implement a fee increase. No participants placed any blame on strata management for decisions to raise fees.

Roles and Responsibilities of Board vs. Management

As with the surveys, focus group participants were provided with a list of responsibilities that are commonly associated with either the strata council, strata management or both and asked to indicate their understanding of respective roles and responsibilities.

Participants in the Ontario focus group were individually asked about roles, whereas the BC participants were asked in a plenary format to reach a consensus. Overall, BC owners were more inclined to rate responsibilities as shared between the strata council and management. Since the BC group included more owners in smaller properties, this may explain why roles were seen as more of a shared responsibility. The Ontario group had a more detailed discussion regarding the roles between the board and managers.

Participants seemed to understand the distinction between owner unit maintenance responsibilities versus maintenance of the common elements of the condominium. There still appeared to be some confusion about the role of the property manager and that of the board regarding some maintenance responsibilities and decisions. In particular, the apparent differences in the autonomy of different managers, and their ability to respond to maintenance and repair issues, were regularly mentioned. A former board member expressed that their volunteer board seemed to do much of the work and questioned the value of the services that management provided.

The lack of clarity regarding roles of the board and management featured more prominently in the Ontario discussion where participants felt that more could be done to have boards, owners and managers better understand their respective responsibilities.

Qualifications of Condominium Property Managers

Ontario and BC participants were asked about the qualifications of their current manager. They were then asked to provide examples of areas where they felt skills, knowledge, or professionalism were lacking.

Ontario participants spent more time identifying qualifications they felt would be important for a good manager. This included a range of thoughts on character, skill, knowledge, and experience needs summarized in the following:

- People skills and communication skills was a quality participants largely agreed was important. There was some empathy for the number and complexity of complaints they receive – it was mentioned that a successful manager has good people skills and understand their condo community.
- Inspiring confidence and direct experience were also discussed as qualities, it was noted this was especially important when dealing with unexpected crises and complex issues.
- Ability to manage conflict and to confidently outline conflict resolution options was discussed as important.
- Experience with competitive tendering and managing contractors was seen as important.
- Understanding of condo maintenance and repair issues seen as important in order to assess, estimate and procure maintenance and services, and to anticipate the maintenance needs over the life of the building.
- Opinions (ahead of the prompted question) about the need for a certification or college diploma were expressed. One participant emphasized that training without experience was not helpful and suggested that training plus apprenticeship ("like an Electrician") would be important.
- Knowledge of the *Condominium Act* was also raised and agreed upon by others.

Since BC already requires coursework and licensing for strata managers, participants were asked about their knowledge of their manager's qualifications. A majority were aware or somewhat aware that their manager was qualified.

Specific Concerns Regarding Condominium Management

Participants were asked their opinion on potential knowledge-based concerns raised in the past by some condo owners. Five specific areas were used as prompts for discussion:

- knowledge of the *Condominium Act/Strata Property Act*,
- knowledge of the declaration, by-laws and/or rules of the community they manage,
- knowledge of their obligations and responsibilities to the community they manage,
- knowledge of the rights and responsibilities of owners, and
- training or experience in contracting, building maintenance or financial management.

Knowledge of the *Condominium Act / Strata Properties Act*

Knowledge of relevant condominium legislation was seen as important to participants. Written responses to this question initially showed that three of the ten in the Ontario group agreed with the statement, but broader agreement was found when discussed as a group. One former board member mentioned that lack of knowledge could result in unnecessary legal costs for boards.

Knowledge of Bylaws, Declarations (Ontario), Rules for the Community
This was not a major concern in either group. Some owners who have had high turnover rates with their management acknowledged that a new manager has a learning curve to understand property-specific rules.

Obligations and Responsibilities to the Community(ies) they Manage
This was not an area of concern in either of the groups.

Knowledge of the Rights and Responsibilities of Owners.
In both sessions, this was not a major topic of discussion for participants. One participant's earlier concerns over human rights and respecting families were briefly discussed, but this was not a large area of concern for the two groups.

Training or Experience in Contracting, Building Maintenance or Financial Management
This topic garnered the most agreement as a concern among both groups. Comments were made about the need for proper tendering practices, getting the best value for money for the community and understanding of typical condo contracting needs.

Prompted Concerns with Condominium Management

The list of potential concerns from the survey was discussed with each focus group. Participants were asked to rank concerns as they applied to their experience. These included:

- Repairs to common areas not being carried out or not carried out in a timely way,
- Poor or lack of customer service,
- Conflict of interest,
- A lack of communication from your condominium property manager,
- Fraud and/or kick-backs taken by condominium property managers from contractors (Ontario only),
- Delays or refusal to provide access to condominium records,
- Interference with or influencing the elections of condominium directors,
- Financial problems or irregularities,
- Difficulty accessing or reaching condominium property managers to ask questions or make complaints,
- Selective or targeted enforcement of declaration, by-laws, rules,
- Where to complain (Ontario only),
- Ignoring human rights, accessibility, or other rights of condominium owners,
- Concerns over voting or chairing of meetings.

The overall issue of effective communication was seen as important to overall satisfaction with management. Those with concerns commented about lack of effective communication, difficulty reaching management, poor customer service skills, and some concern about perceptions of conflict of interest. In BC, some concerns were also raised about the manager's role and influence over the strata council.

Timeliness of repairs and concerns over conflict of interest were also among the top concerns common to both focus groups.

Governance concerns about interference and influence over elections and concerns over the chairing of meetings were more highly ranked in the BC focus group.

Mandatory Qualification Standards (Ontario Only)

The Ontario focus group was asked if condominium property managers should be required to meet minimum qualification standards.

There was overall consensus among participants that property managers should meet minimum qualifications or standards. Participants commented "It's common sense", "I feel more secure knowing they have met standards and are certified". Participants discussed other industries or sectors where minimum standards are

enforced and where certification requirements are the responsibility of the individual or company to pursue and maintain.

Some owners cautioned against an approach that is confined to "book learning" since many current managers are very experienced and effective. There was a suggestion that newer managers may lack the years of experience others have and that practical experience requirements should be considered.

Setting Standards for Condominium Property Managers (Ontario-only)

Ontario participant were then asked to identify which of the four options for standards and regulation they most supported. The four options were acquired from the Stage One report prepared by Canada's Public Policy Forum as part of the government's public consultations on this issue (19). The four options discussed were:

- *Option 1*: Standards should be developed by stakeholders and should be voluntary. Condominium boards and management firms should be encouraged to use this standard to inform hiring practices.
- *Option 2*: Standards should be developed by stakeholders in conjunction with an educational institution, such as a college, to create a certification program where qualified persons would hold a certificate and condominium boards and management firms should be encouraged seek candidates who have a recognized certification.
- *Option 3*: Government should lead the development of standards and work with stakeholders to develop a certification program that is mandatory and implement a licensing requirement through a regulatory body
- *Option 4*: Status quo is acceptable. (19)

Participants mentioned that managers should be accountable to a standard, but there should be oversight. The voluntary options were not favoured. Opinions were split between a government led system, and one that worked with an educational institution. Some felt that industry is best positioned to set the standard, but others felt that government should ensure standards are sufficient.

Participant discussed a blend of option 2 and 3– industry developing a standard with independent, effective enforcement.

Manager Education/Training Needs and Intensity (Ontario-only)

Ontario participants were asked about the need for specific education and training requirements such as:

- Adequate knowledge of the *Condominium Act 1998* and other relevant Ontario laws
- Roles, rights and responsibilities of owners and condominium property managers
- Effective skills in financial management
- Effective skills and practices for contracting and overseeing maintenance and repair services
- Communications and conflict avoidance – such as training in diversity and human rights issues, dispute resolution approaches.

They were also asked about the type and intensity of training requirements such as the need for university, college, private or other association-level training.

All of the prompted training areas were seen as being important and necessary skills for an effective manager.

Suggestions were made to offer training through community colleges or a private educational centre that specializes in condominium management.

Some cautioned not to make training too onerous on existing managers, and cautioned that classroom learning should be supplemented with hands-on experience or an apprenticeship.

Ethical Conduct and Enforcement (Ontario-only)

Participants were asked if they felt condominium property managers should be required to follow standards of professional behaviour and ethical conduct. They were also asked how such standards should be enforced.

Overall, the participants in the Ontario focus group were highly supportive of mandatory education/training requirements and binding ethical/professional standards.

While there were some who were cautious about creating more government bureaucracy, the group felt that independent or government enforcement was important for standards to be meaningful.

Costs of Regulation and Consumer Impact (Ontario-only)

Participants were then asked if they would support regulation if a small fee to cover the cost of regulation is passed on to the condominium owner.

There was resistance among focus group participants to paying any additional fees and there was a consensus that the managers or their companies should pay these costs.

Participants supported regulation but did not believe that the costs of regulation should be passed on to owners.

Views on the Effectiveness of Strata Manager Licensing (BC-Only)

BC focus group participants who owned their strata lots prior to 2006, before strata manager licensing was required, were asked if they had noticed any difference in the way their strata has been managed since then. They were then prompted whether aspects of management had changed such as:

- management of finances and reserves,
- customer service and communication,
- timeliness of repairs to common areas, and
- access to strata records.

They were also asked if they had noticed any cost impacts related to strata manager licensing.

A total of four participants claimed to have owned their current or another strata lot prior to 2006. Most had seen no difference other than minor by-law changes.

When prompted, some participants indicated they had seen some improvement in the management of finances and reserves as well as access to records since 2006. No changes were identified in customer service and communication or timeliness of repairs and maintenance.

There was a general sense that regulation has not had an impact on rising costs, rather that fee increases are a normal part of strata living and maintenance.

Specific Opinions Regarding Regulatory Requirements (BC-only)

BC participants were asked their views on whether strata managers should be able to receive commissions from suppliers, and whether the licensing body, RECBC, should accept complaints from individual lot owners about their strata management without requiring a strata council resolution. These were issues other strata owners had previously raised about some managers.

There was a universal consensus that commissions or payments from service providers, whether disclosed or undisclosed, should not be allowed.

Participants also felt that, in some circumstances, owners should be able to directly complain to RECBC about strata management concerns. One suggested that perhaps only some types of complaints by individuals should be allowed, such as those alleging influence peddling, financial irregularities, human rights issues, or cases of discrimination.

BC Tribunal to Resolve Strata Disputes

The BC focus group was advised of a BC Housing news release announcing a planned Civil Resolution Tribunal expected to be established in 2014. The tribunal would address strata disputes by, among other things, providing access to information, online dispute resolution, and the management of disputes involving strata owners, council members, and strata managers (14). Participants were asked about their thoughts on such a tribunal and the impact on the protection available to strata owners.

While supporting the idea in principle, concerns over the qualifications and limits to the powers of tribunal members were raised, suggesting the need for transparency and fairness in the design of any such body.

After the focus groups were held, Canada's Public Policy Forum released an Ontario Stage Two Report on proposed reforms to condominium legislation. It describes a Condo Office that would also have dispute resolution capabilities. Details are uncertain about the design and scope of these activities however; support from BC participants for alternatives to the court system for resolving disputes suggests that consumers will value additional avenues to address disputes between different parties in a condominium.

Improving the Regulation of Strata Managers (BC-Only)

The BC group were also asked if there were any other areas where the licensing for strata managers could further protect strata owners from potential problems with strata management.

Participants had no strong views on what was working or not working in strata manager licensing, however strengthening the competencies of strata managers, particularly as it pertains to repair and maintenance issues were viewed as beneficial.

Avenues to Complain about Condominium Strata Management

Both BC and Ontario participants were asked about their knowledge of appropriate avenues for them to file complaints about a condo or strata manager. BC participants were also asked about complaints to the RECBC by their strata council.

Owners appeared to understand their complaint avenues and most indicated that their condominium board or strata council should receive the complaints. Some owners with managers who work for a larger property management company mentioned that there are occasionally times when owners will complain to a higher level of management in the company to resolve issues.

BC participants were not aware of any complaints made by their strata council to the RECBC regarding strata management.

Information Needs of Condominium Owners

Before the session began, participants in both focus groups were asked to rank their information needs among the following:

- Roles and responsibilities of the Condominium Board,
- Rights and responsibilities of the condominium owners,
- Information on the (BC: Contingency) Reserve Fund,
- Owner insurance requirements (options in BC),
- Where to complain if issues are encountered,
- Roles and responsibilities of the condominium/strata property manager/firm,
- Understanding responsibilities about your unit compared to the rest of the condominium property or common elements,
- Rules and responsibilities of shared facilities,

- General information on the (Ontario: declaration), by laws and rules,
- Rules regarding selling and leasing (BC: bylaw restrictions age, pets, rentals),
- Disclosure statements,
- Understanding the calculation of condominium square footage (BC: unit entitlements),
- Status certificate (Ontario).

Needs that ranked highest were: roles and responsibilities of the board, rights and responsibilities of owners, where to complain, and information on the reserve funds or contingency reserve funds.

Ranked least for need was information on status certificates in Ontario, square footage (Ontario), and information on bylaws and rules.

These findings were generally consistent with those of the surveys.

Resident's or Condo Owner's Manual

Both focus groups were asked if they received a condominium or strata owner manual that described such things as the roles, rights, and responsibilities of condominium owners, the board, and condominium property management. They were asked about the use and usefulness of the manual. They were also asked where else they would go to access information about their condo when needed.

All but one of the participants in the BC and Ontario focus groups claimed that they received a copy of an owner manual. Many said it has been a useful source of information on by-law requirements and other general reference. It was seen as especially valuable for new owners or those not used to condo living. Participants mentioned they do not regularly review their owner's documents but do value the information when a need arises.

Participants mentioned that their owner manual contains much of the information they require. For other information, participants said they would start by asking their condominium manager or the management company if the information was specific to their condominium.

Several participants also expressed the desire to have these manuals available electronically or online for easier reference. One group briefly discussed the need to have information available in different languages.

KEY INFORMANT INTERVIEWS

A series of key informants were interviewed from May to September 2013. The primary objective for these interviews was to gather insights into early results of surveys and focus groups and on the need to regulate condominium managers. Key informants included a number of industry professionals, condo owner advocates, provincial government officials, and other industry professionals who interact with owners and managers.

Each informant was provided with an interview guide that included some study findings and questions for discussion. A total of 18 informants were contacted, and over twenty interviews were held, providing helpful insights and information. A list of informants is included in Appendix G.

HPC assured the key informants that their answers would be anonymous. The following is a summary of what HPC was told. The interview questions listed in Appendices H, I and J. The summary has therefore been divided into the main categories of questions.

Satisfaction with Condo Property Management

Informants were asked to comment on findings that approximately two-thirds of survey respondents and a smaller majority of focus group participants were either *satisfied* or *very satisfied* with their condominium property manager, that fifteen percent of respondents were either *dissatisfied* or *very dissatisfied*, and that another fifteen percent were *neutral*. The feedback has been grouped into key themes.

Consider Neutral and Negative Feedback

Several informants commented that those surveyed who are unsatisfied and those who are neutral should not be discounted. They suggested that concerns with the qualifications and professionalism of managers are a legitimate issue for condominium owners.

Condominium Type and Location

Several informants suggested that owners in newer properties may be more likely to be satisfied with their manager because there are typically fewer repair and maintenance issues and fees may not have changed significantly. Owners also may be less likely to have interacted with a manager or their board. Some informants suggested that owners in older condos could begin facing common element repair issues and even community pressures to upgrade décor.

Some informants suggested that smaller condos may be more likely to be managed on a part-time basis resulting in possible slower responsiveness to owner needs. While larger condos may be more likely have on-site staff, on-site managers may face different challenges affecting satisfaction, such as having to say no to people they encounter regularly.

Satisfaction with managers was slightly higher in provinces without large urban centres, such as Saskatchewan, Manitoba and the Maritimes. It was mentioned that high satisfaction with management was consistent with the provincial experience. One informant mentioned that, in those provinces, a few management firms enjoy good reputations and that poor managers would become known quickly. One informant also suggested that satisfaction could be higher because many condos are newer and problems associated with older condos may not be as common.

Some informants from provinces with larger condominium populations expressed some surprise at the overall satisfaction results in the surveys, but were not surprised with reasons given for dissatisfaction in both surveys and focus groups, such as issues of responsiveness, repair and maintenance concerns, and service quality issues. One informant suggested that, as the number, size, and scale of condominiums

increases in cities like Vancouver, Toronto, and Calgary the number of problems increase, and the complexity of problems may affect owner satisfaction with their property and management.

Roles, Responsibilities, and Finances
Some informants mentioned that it can be difficult for an owner to assess their satisfaction or dissatisfaction with their manager. It can be difficult to separate satisfaction with board members, condominium rules, board decisions, and those concerns specific to the qualifications or professionalism of a property manager. The property manager is also often seen as the face of the strata council/board of directors. One informant also suggested that owners sometimes believe that the property management firm or manager is in-charge.

Several informants suggested that satisfaction with many aspects of condo living, including the management, may correlate with how cost impacts on the owner. Those owners who face the "surprise" of a special assessment or fee increase may be less inclined to be satisfied with the management of their condominium. A BC informant indicated that BC strata management fees have typically been kept low, and new awareness of depreciation obligations and the need for reserve funds has resulted in pressure to raise fees. It was mentioned that the complex requirements for managing a reserve fund are not easy to communicate.

First time condominium owners
Several informants speculated that some persons new to condo living may find it difficult adjusting to the communal aspects of rules, governing, and decision-making. They may not become engaged in governance and management issues until something affects their pocketbooks.

Concerns with Condo Property Management

Key informants generally felt that the top concerns identified in the surveys, such as communication and responsiveness to maintenance needs, were consistent with their experiences. Some of the reasons for this are described in the previous section on satisfaction.

One issue that generated a lot of opinion among key informants was conflict of interest or perceived "kickbacks" being received by managers. This was not a major area of concern in the surveys, but it was raised in both focus groups.

Some informants felt that owner concerns over the honesty and integrity of managers, such as suggestions of conflict of interest and even inappropriate "kickbacks" from suppliers, stem largely from a lack of visibility into board and manager decisions. It was mentioned that some experienced managers will develop trust relationships with some suppliers and may have compelling reasons to work with specific contractors; but it was acknowledged that such closeness could lead an owner to question the relationship.

One informant suggested that such ethical concerns most often will arise from an owner's desire to ensure value for money from community funds spent on repairs and maintenance. They referred to some claims that some condos become known in the contractor community as easier to qualify for non-competitive tendering. They suggested that clear and binding standards, such as a code of ethics with consequences, can help to address such concerns.

One informant suggested that the temptation to accept "kickbacks" is real. They indicated that property managers are not always well paid, thus the temptation to misuse reserve funds can be high. Most operate with a high degree of integrity but it is not difficult to imagine the potential for abuse.

One informant spoke about the potential for money laundering through condo corporations due to the volumes of money moving in and out of trust funds, and another spoke about bulletins sent by the Insurance Council of BC warning

insurance brokers to not provide incentive payments to strata managers. In BC it is not illegal for a strata manager to receive a benefit or remuneration from suppliers as long as they are properly disclosed to the strata corporation.

A good practice suggested by one informant was for boards to occasionally seek independent quotes and to periodically do their own research on maintenance contractors to ascertain that the manager is achieving appropriate value for repair and maintenance work. An informant expressed that reforms to rules regarding the management of reserves may reduce the opportunity and temptation for fraud or misuse of surplus reserves.

Support for Regulation/Mandatory Certification

Most Informants Support Regulation/Mandatory Certification
Most informants agreed with some form of mandatory certification requirement that can help to ensure a minimum set of skills, knowledge, experience, and professional/ethical standards in the management of condominiums. Most mentioned that even when owners are satisfied overall with the management of their condominium, owners benefit from being able to rely on the knowledge that their manager is accredited to a standard and bound to act ethically and in the best interest of the owners.

Need for Effective Enforcement of Standards
Some informants felt that the voluntary approaches in place today are inadequate since they can only be enforced on people who choose to gain a voluntary certification through a professional association. Key informants from Ontario admitted that it can be difficult to enforce the voluntary RCM standards since nothing compels a manager to remain a member of the association.

Several informants commented that binding standards coupled with serious consequences, such as the possible revocation of a license, would help property management firms to understand their accountabilities, help managers understand their obligations to their firms and their boards, and will help to deal with those managers that are harming the reputation of the industry. Most expressed the need for a complaints and discipline process that has "teeth" and should include consumer representatives on the board and committees to ensure decisions are fair.

Need to Regulate Both Individuals and Companies
Several informants stressed that any regulatory model should include not just individual managers, but also the firms that that employ them. One expressed that if voluntary codes of conduct for individuals and companies, such as those established by ACMO, were mandatory and enforceable, there could be consequences for poor or inappropriate management decisions.

Scarcity of Qualified Managers
Several informants suggested that with the growth in the condominium market in Canada's larger cities, management companies are often challenged to find good condominium property managers. This can result in unevenness in the quality of managers available. Since managers are spread out in different buildings, neighbourhoods, and communities, it can be difficult for management companies to effectively monitor and supervise their work.

Improving Boards and Board Communication is Also Important
Several informants mentioned that improving standards for managers can also help to improve the professionalism of boards. By having management firms and professionals bound to ethical and professionalism standards, the manager can also encourage more appropriate and ethical decisions among board members. Some informants remarked that enhancing quality and professionalism standards for managers alone may not address some mismanagement problems in condos that stem from poor board governance.

One informant suggested that service standards and expectations for managers and boards could be established, possibly in model by-laws or with more explicit expectations in law and contracts.

Importance of Remaining Current and Having Specialized Skills
Several informants echoed owner views on the importance of training and continuing education requirements to ensure that managers remain current in their knowledge. One remarked that continuing education can allow for areas of specialization that may be attractive to condo boards such as dispute resolution, project management. Another suggested that managers in high rise condos may benefit from more technical knowledge due to the complexity of systems, contracting needs, and the size of the community.

Provinces with Small Condominium Populations and Need for Regulation
Key informants from smaller provinces were less likely to support regulation of condominium property managers. Most had little evidence of a problem that needed to be solved through regulation and some felt that the costs of developing a regulatory framework would be high in light of their relatively small condominium markets.

One contact indicated that their province had consulted on related issues and did not proceed with any regulation of property managers. Another indicated that they were reviewing condominium legislation and would look more closely at this issue. A third provincial contact noted that there is a move away from credential-based qualifications for regulated professions towards recognition that there is much that can be learned on the job and that persons can be well qualified without requiring specific credentials.

BC Experiences With Regulation

Key informants from BC were asked about their thoughts on the BC licensing program for strata managers and the impact it has had on consumer protection. They were also advised of BC survey results and focus group findings where a majority of respondents (51%) felt there had been no change and a significant number did not know (28%) if mandatory licensing of strata managers had improved consumer protection.

Impact on Consumer Protection
One informant felt that, in general, when people are surveyed about overall satisfaction on consumer protection impacts of strata manager licensing, most would be neutral or negative; whereas if satisfaction on aspects of management were polled, there could be greater recognition of the benefits of licensing. This advice informed BC focus group questions.

BC informants also helped to provide context regarding the move towards regulation. One described that there were five major incidents of theft or fraud in the province prior to licensing that helped to raise the profile of problems. Since licensing, the informant advised that there had not been another incident. Some informants felt that other aspects of reform, such as scrutiny over trust funds and other stricter financial rules, have pushed dishonest strata managers out of the business. While owners may not be aware of this, the informant felt that these improvements alone have had a huge impact on the integrity and trust in the sector. They also felt that building maintenance and operations have been improved since licensing was implemented.

Another positive impact of regulation mentioned was the disallowing of property developers from owning strata management companies, thus eliminating a major area for potential conflict of interest. As well, a key financial protection is the Real Estate Compensation Fund that can provide compensation in the event that a strata management licensee misappropriates or defrauds funds that belong to a strata corporation.

Continuing Need for Clearer Roles and Responsibilities
An informant expressed that strata councils often do not have clear service agreement contracts

with management that clearly set out and define roles and responsibilities of the parties. Sometimes the agreements are one-sided or entered into without being carefully read. Councils need to remain aware that they have hired an employee that they must supervise to deliver on a defined scope of services and deliverables. A well-articulated contract is critical to ensuring parties understand their responsibilities.

The informant suggested, and another informant agreed strongly, that a standardized contract which clearly delineates roles and responsibilities of the council and management may be an idea that could help with this problem. Should a council choose to waive certain clauses or sections of the standard contract, they should be allowed to do so, but having best practice clauses would likely help many councils with their role in overseeing the managers they hire.

Important Roles for the Regulator

When asked about the most important roles the regulatory body (RECBC) can play to protect consumers, an informant suggested that protecting trust funds is the most important, and promoting knowledge and guidance about issues, such as the administration of facilities and management of contractors and employees, is second. Another informant highlighted that RECBC is conducting more audits and getting increasingly involved in disciplinary actions. These roles help to address a basic lack of trust towards some parts of the strata management sector. One informant was concerned with a lack of transparency with disciplinary records.

One informant mentioned the need for more educational materials for owners, council members, and strata managers. They suggested that legislation is complex and difficult to understand. They also suggested that fact sheets focused on property requirements at different stages of a strata property's life would give helpful guidance.

Impact on Costs

Informants did not highlight any clear increases in management costs arising from regulation. Cost increases were more closely associated with insurance requirements and the need to raise funds to cover needs arising from depreciation reports. An informant mentioned that a key problem in the province is management fees being undervalued across BC, which has led to many strata properties being underfunded, particularly in Victoria.

One informant suggested that if consumers are required to pay a monthly fee to cover the costs of a regulatory body for property management, they should be entitled to directly file complaints to the regulator about property managers; in BC, currently only strata councils can file complaints.

Proposed BC Tribunal

BC informants were also asked their views on a proposed new Civil Resolution Tribunal expected to be established in 2014 to help resolve conflicts within strata properties. One informant indicated that a tribunal system will be binding on strata corporations and that this will "raise the bar" on all parties meeting their legal obligations. Due to the cost of bringing such matters to court, it was mentioned that there are effectively no consequences today. The informant mentioned the tribunal is timely and that owners, councils, managers and strata corporations will benefit. Another informant added that there is some consideration to whether lawyers will be permitted to representing parties at the tribunal – a decision that could impact the costs of using this new forum.

Comments on the Voluntary RCM Designation (Ontario informants only)

Some Ontario informants offered thoughts on the ACMO's *Registered Condominium Manager* (RCM) designation as a possible standard to be adopted under any mandatory provincial certification/regulation model.

Several informants acknowledged that the RCM requirement could serve as a starting point for an Ontario-wide standard and offered that in addition to knowledge-based requirements, professional and ethical conduct must figure strongly in any mandatory certification model. One informant cautioned that the RCM on its own may not be sufficient to ensure qualifications for complex high rise condo properties. Another cautioned that some property managers may have preconceived critical views about the RCM designation.

Other Comments Regarding Regulation

Informants also offered related comments about the benefits and cautions related to any mandatory regulatory framework for condominium property managers.

Industry professionalism
One informant stated that licensing may help to attract bright, young people to the profession. It could be seen as a distinct profession where they can earn a decent living.

Industry Role in Regulation
One informant stated that efforts towards self-regulation in this sector have not worked for 30 years and felt strongly that self-regulation through a trade association is not the right course. Other informants were more supportive of industry self-regulation; in particular there was a view that the RCM designation should be a key starting point for any mandatory qualification requirements.

There was some acknowledgement that self-regulation through the trade association may be challenging when dealing with issues such as discipline against peers that they may compete against in the marketplace. One informant commented that ACMO does good work as a trade association and that their focus and ability to be effective in that capacity may be affected if they take on licensing, complaints and discipline functions.

Grandfathering
Some informants commented on the need to consider grandfathering or processes to recognize experience for existing managers. There is recognition that experience is meaningful to condo owners and that there are many good managers today who may find a requirement to become certified late in their careers to be overly onerous. Others felt that the market is ever-changing, so any grandfathering should include requirements for continuing education.

Cautions
Several informants who support mandatory standards or licensing cautioned that it may not solve all problems. Being certified as a professional can help to improve the profession, but there will always be better or poorer property managers just as there are good and poorer lawyers, doctors, real estate agents and other accredited professionals.

Other Issues Raised By Key Informants

Informants were invited to share any further comments or issues that should be mentioned as part of this study. Some of these comments are summarized below:

Self-Managed Condo Corporations – one informant felt that consideration should be given to requiring minimum qualifications for members of self-managed boards who are remunerated to manage the affairs of the corporation.

Pre-Sale Disclosure – a view was expressed that standards alone may not help with information gaps among owners. Part of the solution should involve better pre-sale disclosures – including by current professionals such as realtors and lawyers. It was remarked that some such professionals specialize and provide excellent service, but others do not and buyers can suffer from this.

CONCLUSIONS

The need for knowledgeable and experienced condominium property managers will likely increase as the number of Canadians living in condominiums continues to grow. Owners do not have direct input into to the selection or oversight of the manager responsible for their residences, and must instead rely on their volunteer boards of directors. Property management companies and condominium boards will need to attract new, qualified managers to meet the increasingly complex demands of a dynamically changing condominium market.

National surveys conducted for this study show that two-thirds of Canadian condominium owners across the country are satisfied with their current condominium property management. This finding speaks to the importance of recognizing the experience and qualifications of many existing managers.

Not all condominium owners have concerns about their managers. But those that do raised issues such as: the quality of service and responsiveness; the proper carrying out of repairs and maintenance, potential conflicts of interest, and concerns over how bylaws, declarations and other rules are enforced.

Owners in the focus groups mentioned the desire for condominium property managers to have a combination of practical experience and specific qualifications. They highlighted a number of qualities and qualifications of good managers such as: people and communication skills, direct experience, ability to manage conflict, understanding of maintenance and repair issues, ability to conduct competitive tenders, and knowledge of relevant laws and bylaws.

Although the majority of owners are satisfied with their managers, almost seven in ten owners surveyed support regulating condominium property managers and companies, requiring manager qualification and standards of professionalism. This finding speaks to the importance that condominium owners place on being assured that the needs of their condominium communities are being placed in capable and trustworthy hands.

A majority of owners who support regulation are comfortable with either regulation by an industry-led or government-led body. Owners in the focus group mentioned that any regulator should be independent and able to take action against managers who fail to follow legal or ethical obligations.

While most managers are professional and serious problems are rare, the cost of substandard repair and maintenance or the mismanagement of funds can create major financial and quality of life hardships for owners. Outside of BC, managers are not currently required to have any mandatory qualifications, potentially leaving owners vulnerable to situations where managers fail to fulfill their duties. As a worst case scenario, condo owners could find themselves with a destitute building, no funds to remedy the situation, and their quality of life compromised. Recourse to the courts as redress for wronged owners may not be a solution.

Owner vulnerability could be addressed through regulation and licensing of managers. This should include three things. The first is the establishment of an independent regulator that is able to receive complaints and take disciplinary action when required. The second is minimum qualifications to receive a license that should consist of education, examination, and experience requirements. Designations that have been voluntarily developed by industry associations can act as a starting point for the development of the licensing standards. The

third is establishing alternative dispute resolution avenues, other than the court systems. Each of these is detailed in the below recommendations.

Condominium owners, boards, and managers would also benefit from timely and relevant information on their respective roles and responsibilities, and other issues of importance to owners. Ambiguity over what responsibilities fall to a board or to a manager can impact the quality of services condominium owners receive. Model contracts with best practice clauses establishing clear expectations, roles and responsibilities between a condominium board and management can help all parties be more effective.

Owners benefit from accredited managers that are held to a standard and bound to act ethically and in the best interest of the owners. However, owners from the surveys and focus groups were also clear that they should not have to pay for the costs of regulating the industry. Support for regulation diminished when owners were asked about the possibility of direct or indirect costs being passed on to owners. Any costs that are imposed on consumers should be minimal and transparent.

RECOMMENDATIONS

Regulatory Framework

1. **Mandatory qualifications and licensing for condominium property managers and companies:**
   As the number, size, and scale of condominiums increases, the number of problems increase and the complexity of problems can affect the quality of life of owners. Owners benefit from accredited managers that are held to a standard and bound to act ethically and in the best interest of the owners. Condominium owners support the establishment of province-wide mandatory qualification standards and professional/ethical conduct requirements for property managers and management firms.

   Provinces with a large number of condominiums, such as Alberta, Ontario, and BC, should establish and/or maintain qualifications and licensing for managers. Provinces with a smaller number of condominiums, which may not have evidence of problems, and where establishing regulatory framework could be costly, should heed this recommendation and periodically re-evaluate the marketplace.

   Manager licensing should require knowledge qualification requirements, and have multiple pathways to meet them including: the completion of approved courses and their examinations, or successfully writing a challenge examination. Ontario's condo review has identified the following curriculum topics managers should cover: condominium law; physical asset management; administration and human resources; financial management for condos; and customer service. Softer skills should also focus on how a manager works and communicates effectively with boards, owners, contractors to foster effective relationships.

   The provincial regulator should approve educational service providers that aim to offer manager training, and should approve their courses and examinations. Training courses, such as those developed voluntarily by industry associations, are well regarded and could serve as a starting point for future training courses. The regulator should also develop an examination that would test applicants against all important information and competencies a manager would be required to know to be considered qualified. Manager licensing should have an appropriate designation, including recognition for those who have demonstrated the necessary knowledge but lack the experience requirements.

   Professional standards and ethical conduct requirements should also be developed that all licensed managers must abide by. Those standards developed voluntarily by industry associations could serve as a starting point, but should be reviewed to ensure that the kinds of concerns raised by condo owners in this study and in provincial consultations can be effectively addressed through consistent and enforceable rules.

2. **The importance of work experience for qualification:**
   In addition to mandatory qualification and professionalism standards, apprenticeship or experience requirements for new property managers should be required. Given the overall satisfaction of many owners with their current management, any decision to regulate the

profession should consider that many effective managers may not have formal training but may have gained essential skills through direct work experience.

Any transition to mandatory qualification and licensing should consider credits for experienced managers and a qualification examination within a specified time.

3. **The regulatory body should be independent and able to effectively discipline:**
   The regulator should be able to hear complaints and take disciplinary action against property managers who fail to meet their qualification, legal, and ethical obligations. Provinces such as BC, Alberta and Ontario have created independent not-for profit regulatory bodies for other industries with a proven and effective balance of industry, consumer, and government oversight to ensure regulatory activities are independent and in the public interest.

4. **The costs to implement and maintain a regulatory program:**
   The funds to implement and maintain the regulatory program could be drawn from:
   - fees from educational service providers for the approval of courses and exams,
   - fees from registrations in the approved courses,
   - fees from managers writing the challenge exam,
   - fees for inclusion on an educational service provider listing and a qualified manager listing, and
   - a manager licensing fee.

   It would be ideal if all funds for the regulatory program were acquired through this fee structure. Condominium owners do not support having to pay either directly or indirectly for the regulation of the sector. It is recommended that any costs that are imposed on consumers be minimal and be transparent to condominium owners.

5. **Alternatives for dispute resolution:**
   Consumers require alternatives to the court system for resolving disputes. BC's proposed Civil Resolution Tribunal is expected to offer owners more informal and formal options to resolve disputes with other parties such as property managers. Ontario's recent Stage Two Solutions Report included recommendations to create a Condo Office that would also include dispute settlement as part of their mandate. Similar options are being considered in Alberta. This will benefit owners by creating additional avenues to address disputes between different parties in a condominium.

6. **Additional consideration for self-managed condominiums:**
   Where a condominium does not have a manager, and a board member or owner is paid or other consideration is provided to perform management tasks, consumer protection should be maintained through the requirements of minimum competencies. This may be accomplished through a targeted training program.

Information Needs

7. **Information for consumers:**
   Condominium owners would benefit from a regulatory body whose mandate includes ensuring owners and regulated professionals have timely and relevant information on the roles and responsibilities of parties and other issues of importance to owners. Owners value information provided to them in their condo manuals but information should be required to be kept current,

and information should be available online and in other languages. A regulatory body would be a logical and trusted source of this kind of information.

8. **Information for managers and boards:**
   A standardized model contract that clearly delineates roles and responsibilities of the board and management should be developed to establish clear expectations for a condominium board and their oversight of the property manager. However, a board should have the ability to waive certain clauses or sections of the standard contract if not applicable. A regulatory body would be a logical and trusted source of this kind of information.

9. **Board member education:**
   Governments should examine minimum education requirements for board members. The professionalism of a condominium's property management can often be influenced by the professionalism of their board of directors. Enhancing quality and professionalism standards for managers alone may not address some mismanagement problems in condos that stem from poor board governance.

   There are opportunities to further promote training and professionalism at the board level, including ensuring that property management contracts establish clear expectations, roles, and responsibilities for managers. Organizations such as the Canadian Condominium Institute (CCI) offer training to board directors that several informants praised and recommended for anyone considering serving as a board director.

Further Research

10. **Data lacking on condominium ownership across Canada**
    An accurate national picture showing province-by-province condominium statistics is needed. Other than census data from the 2011 National Household Survey and monthly CMHC rental reports, there is little additional data available to assist policy makers assess the number of condominium units, number of owners, and number of people living in condominiums across the country. Some provinces have information available from condominium registries while others only have estimates. Decisions about reforms to condominium legislation or the need for regulation of condominium property management should be supported by accurate data about the size of each province's condominium marketplace.

    As policy makers in different provinces consider the need for licensing or certification requirements for condominium property managers, options and decisions should be supported by evidence-based research on consumer needs. Such research should aim to demonstrate and understand any harms to owners that mandatory qualifications and licensing may be able to effectively address.

    Industry Canada along with its provincial and territorial partners on Consumer Measures Committee have both the opportunity and occasion to promote national harmonization where possible to promote laws, regulation and practices and through actions to raise public awareness (3) of the skills and abilities needed to provide professional condominium management across the country thereby benefitting condominium owners and residents alike.

APPENDICES

APPENDIX A – ONTARIO SURVEY QUESTIONS

For the next set of questions, we are looking for respondents that are condominium owners that own units in Ontario buildings that have property managers, property management companies, also sometimes referred to as condominium managers and condominium management companies.

YES PROCEED

NO TERMINATE SERIES

Q1. Is your condominium currently your principal residence?

- Yes
- No

Q2. Are you a member of your condominium's board of directors?

- Yes, I am currently a member of my condominium board
- No, I have never been a member of a condominium board
- No, but I have been a board member of a condominium in the past

Q3. Was your condominium constructed or converted to condominiums more than or less than 2 years ago?

- <2 years
- >2 years

Q4. Approximately how many units are there in your condominium?

- <20 units
- 20-100 units
- >100 units

RECORD

Q5. We want to learn about your understanding of the responsibilities of your condominium board and which of these responsibilities are delegated to your property manager. I am going to read a list of issues, please state whether you believe this is primarily a property management or condominium board issue or a shared responsibility.

(READ & ROTATE ACCEPT ALL THAT APPLY– BOARD/PROPERTY MANAGER/BOTH/or DON'T KNOW ACCEPTED FOR EACH)

- ensure appropriate building insurance

- ensure the building and property are properly maintained and that common area repairs are carried out as needed
- ensure adequate funds are maintained in the reserve fund to cover major repairs
- oversee the financial accountability of the condominium
- organize an annual meeting of the condominium unit owners, and any other owner meetings that may be required
- pass bylaws dealing with the responsibilities and powers of the board, how meetings will be run, and the collection of common expense fees
- pass rules to promote the safety, security and welfare of the owners.
- collect common expense fees
- keep condominium records
- respond to owner complaints
- hire and monitor service providers and trades, for example security companies

PREAMBLE

We are going to ask a few questions on property management, including property managers and property management companies – also known as condominium managers and condominium management companies.

A condominium's board of directors are elected by and represent the owners and are responsible for making major decisions on behalf of the community regarding the maintenance of building and grounds, its finances, and compliance with the Condominium Act.

The Condo Board can delegate different duties to be carried out by a property manager as set out in a management agreement. Typically, property managers are responsible for carrying out maintenance and repairs, supervising staff, doing paperwork, bookkeeping, attending to owners' needs, and carry out a range of duties. Property managers operate under the direction and supervision of the condominium board of directors and report back to the Board regularly.

Q6. Using a scale from one very dissatisfied to five very satisfied, how would you rate your overall satisfaction with the services provided by your property manager or your management company?

- Very satisfied
- Satisfied
- Neither satisfied nor dissatisfied
- Dissatisfied

- Very dissatisfied
- Don't Know

Q7. I am now going to read a list of potential concerns that some condominium owners have raised in the past about property management services.

After I read each one, please indicate if this is a concern or an issue that has occurred or is alleged to have occurred with the property management services in your condominium?

(READ & ROTATE ACCEPT ALL THAT APPLY– YES/NO/DON'T KNOW ACCEPTED FOR EACH)

- Financial problems or irregularities
- A lack of communication from your condominium manager
- Repairs to common areas not being carried out or not carried out in a timely fashion
- Interference with or influencing the elections of condominium board members
- Delays or refusal to provide access to condominium records
- Poor or lack of customer service
- Difficulty accessing or reaching condominium managers to ask questions or make complaints
- Ignoring human rights, accessibility, or other rights of condominium owners
- Selective or targeted enforcement of declaration, by-laws, rules
- Conflict of interest
- Fraud and/or bribes taken by condominium managers

OTHER RECORD IF PROVIDED

Regulation of property managers and management firms has been suggested. Regulation can include the development of mandatory rules of conduct and minimum qualification requirements for property managers.

Q8a Would you support the regulation of property managers and management firms?

- Yes PROCEED TO Q8b
- No SKIP TO Q9

Q8b Would you support regulation…READ

- if the standards are established and overseen by an industry-led body OR

□ if standards are established by government and overseen by government or some organization acting on its behalf

□ either

□ don't know

Q8c Would you support such regulation if a small fee (eg. $1-10 per year) to cover the cost of regulation is passed on to the condominium owner?

□ Yes

□ No

Q9. We would like to know about areas condominium owners feel they need more information or access to information regarding their condominium. Using a scale from one to three – one being "I do not need more information"; two being "I need some information; three being "I need more information" – please rate your need for information on each of the following subjects:

(READ & ROTATE – RATE 1/2/3 FOR EACH)

□ Rights and responsibilities of the Condominium Owner

□ Roles and responsibilities of the Condominium Board

□ Roles and responsibilities of the Property Management

□ Where to complain if issues are encountered

□ Understanding your responsibilities about your unit compared to the rest of the condominium property or common areas

□ Understanding the calculation of condominium square footage

□ General information on the declaration, by-laws and rules

□ Disclosure statements

□ Owner insurance requirements

□ Reserve funds

□ Rules and responsibilities of shared facilities

□ Rules regarding selling and leasing

OTHER RECORD IF PROVIDED

APPENDIX B – NATIONAL SURVEY QUESTIONS

For the next set of questions, we are looking for respondents who are condominium owners and who own units in buildings that have property managers or property management companies, also sometimes referred to as condominium managers and condominium management companies.

Is your condominium corporation or strata corporation self-managed?
YES TERMINATE
NO PROCEED

Is your condominium unit in Ontario?
YES TERMINATE
NO PROCEED

Is your strata unit in British Columbia?
YES GOTO BC QUESTIONS

[All BC respondents see BC Section]

Q1. Is your condominium currently your principal residence?
Yes,
No

Q2. Are you a member of your condominium's board of directors or have you been in the past?
Current board member,
Past board member,
Never been a board member,
Don't know

Q3. How many years ago was your condominium constructed or converted to a condominium?
Enter # years

Q4. Approximately how many units are there in your condominium?
Enter # units, or alternatively, one of:
Less than 20 units;
20-100 units;
More than 100 units

<u>RESPONSIBILITIES</u>

Q5. We would like to know what you understand to be the responsibilities of your condominium board and those of your condominium property manager. I am going to read a list of responsibilities, please state whether you believe this is primarily a condominium property management responsibility; a condominium board responsibility, a shared responsibility (both), or don't know.

- Ensure appropriate building insurance
- Ensure the building and property are properly maintained
- Ensure reserve fund is adequately funded to cover major repairs
- Oversee the financial accountability of the condominium

- Organize an annual meeting of the condominium unit owners
- Pass bylaws dealing with the responsibilities and powers of the board, how meetings will be run, and the collection of common expense fees
- Pass rules to promote the safety, security and welfare of the owners/residents
- Collect common expense fees
- Keep condominium records
- Respond to owner complaints
- Hire and monitor service providers and trades, for example security companies

Condominium property management responsibility;
Condominium board responsibility,
Shared responsibility (Both),
Don't know.

PREAMBLE: We are going to ask a few questions on condominium property management, which includes individual condominium property managers and condominium property management companies.

A condominium's board of directors is elected by and represents the owners and is responsible for making major decisions on behalf of the community. Condominium property managers are often hired to carry out responsibilities such as carrying out maintenance and repairs, supervising, bookkeeping, attending to owners' needs, and carry out a range of duties.

SATISFACTION

PREAMBLE: Some owners may have views about their condominium board of directors. For this survey we hope to focus specifically on understanding your views on your condominium property manager or property management firm.

Q.6 Using a scale from one for very dissatisfied to five for very satisfied, how would you rate your overall satisfaction with your condominium property management services?"

1=Very dissatisfied;
2=Dissatisfied;
3=Neither satisfied or dissatisfied;
4=Satisfied;
5=Very satisfied;
Don't know

CONCERNS

Q.7 I am now going to read a list of potential concerns about condominium property managers and condominium property management services, please indicate if any of these concerns apply to your situation.

After I read each one, please indicate if YES if this is a concern or an issue that has occurred or is alleged to have occurred with the condominium property management services in your condominium and NO if this is not a concern with condominium property management services in your condominium.

[READ & ROTATE; Yes, No, Don't know]

- A lack of communication from your condominium property manager
- Repairs to common areas not being carried out in a timely way
- Poor or lack of customer service
- Conflict of interest
- Difficulty accessing or reaching your condominium property manager
- Selective or targeted enforcement of declaration, by-laws, rules
- Financial problems or irregularities
- Delays or refusal to provide access to the condominium corporation's records
- Ignoring human rights, accessibility, or other rights of condominium owners
- Interference with or influencing the elections of condominium board members
- Concerns over voting or chairing of meetings

REGULATION

PREAMBLE: Condominium property managers and management firms are currently regulated through licensing requirements by the government of British Columbia. Other provinces are also considering the need to develop of mandatory rules of conduct and minimum qualification requirements for condominium property managers.

We will use the word "regulation" to describe the creation of mandatory standards to meet minimum qualifications and to abide by codes of ethical conduct. Often mandatory standards are overseen and enforced by a government-led body or by a form of industry self-regulation.

Q.8 Would you support the some form of mandatory regulation of condominium property managers and management firms in your province?

Yes,
No,
Don't know

IF YES ASK Q8B
NO OR DON'T KNOW SKIP TO Q9

8a. Would you support regulation if…

- mandatory standards were established by government and overseen by a government-led body
- mandatory standards were established and overseen by an industry-led body
- mandatory standards were established and overseen by either a government or industry led body

- Do not know or unsure

8b. Would you support such regulation if a small portion of the costs of regulation are passed on to the condominium owner?"

- Yes
- No
- Do not know or Unsure

INFORMATION

Q9. Tell me if you as a condominium owner need for information in the following areas. Please tell me if you:

1=do not need more information
2= need more information
3= need much more information
4=don't know

[READ & ROTATE – RATE 1/2/3/4 FOR EACH]

TOPICS	*Do not need info*	*Need more*	*Need much more Info*	*Don't know*
Rights and responsibilities of the Condominium Owner				
Roles and responsibilities of the Condominium Board				
Roles and responsibilities of the Condominium Property Management				
Where to complain if issues are encountered				
Understanding your responsibilities about your unit and for the rest of the property or common areas				
Understanding how the square footage of units are calculated				
General information on the declaration, by-laws and rules				
Disclosure statements				
Owner insurance requirements				
Management of Reserve Funds				
Rules and responsibilities for shared facilities				
Bylaw restrictions (such as age restriction, rental, pets)				

BC STRATA OWNERS

For the next set of questions, we are looking for respondents that are strata lot owners who own lots in a strata development that employs a strata manager or a strata management company.

YES PROCEED
NO TERMINATE SERIES

Q1. Is your strata lot currently your principal residence?
Yes,
No

Q2. Are you a member of your strata corporation's strata council or have you been in the past?
Current strata council member,
Past strata council member,
Never been a strata council board member,
Don't know

Q3. How many years ago was your strata property constructed or converted to a strata?
[Enter # years]

Q4. Approximately how many units are there in your strata property?
Enter # units, or alternatively, one of:
Less than 20 units;
20-100 units;
More than 100 units

RESPONSIBILITIES

Q5. We want to learn what you understand to be the responsibilities of your strata council and those of your strata manager. I am going to read a list of responsibilities, please state whether you believe this is primarily a strata management responsibility; a strata council responsibility, a shared responsibility (both), or don't know.

READ & ROTATE

- Ensure appropriate building insurance
- Ensure the building and property are properly maintained
- Ensure adequate contingency reserve funds are maintained to cover major repairs
- Oversee the financial accountability of the strata corporation
- Organize an annual meeting of the strata unit owners
- Pass bylaws dealing with the responsibilities and powers of the strata council, how meetings will be run, and the collection of common expense fees
- Pass rules to promote the safety, security and welfare of the owners/residents
- Collect common expense fees
- Keep strata records
- Respond to owner complaints
- Hire and monitor service providers and trades, for example security companies

Strata management responsibility;
Strata council responsibility,
Shared responsibility (Both),
Don't know.

PREAMBLE: We are going to ask a few questions on strata management, which includes individual strata managers and strata management companies.

A strata council is elected by and represents the owners and is responsible for making major decisions on behalf of the community. Strata managers are often hired to carry out responsibilities such as carrying out maintenance and repairs, supervising, bookkeeping, attending to owners' needs, and carry out a range of duties.

SATISFACTION

PREAMBLE: Some owners may have views about their strata council. For this survey we hope to focus specifically on understanding your views about your strata manager or strata management company.

Q.6 Using a scale from one for very dissatisfied to five for very satisfied, how would you rate your overall satisfaction with the services provided by your strata management services?"

1=Very dissatisfied;
2=Dissatisfied;
3=Neither satisfied or dissatisfied;
4=Satisfied;
5=Very satisfied;
Don't know

CONCERNS

Q.7 I am now going to read a list of potential concerns about strata managers and strata management services, please indicate if any of these concerns apply to your situation

After I read each one, please indicate if YES if this is a concern or an issue that has occurred or is alleged to have occurred with the strata management services in your strata property, and NO if this is not a concern with strata management services in your strata.

READ & ROTATE

- A lack of communication from your strata manager
- Repairs to common areas not being carried out in a timely way
- Poor or lack of customer service
- Conflict of interest
- Difficulty accessing or reaching strata managers

- Selective or targeted enforcement of by-laws, rules
- Financial problems or irregularities
- Delays or refusal to provide access to strata records
- Ignoring human rights, accessibility, or other rights of strata owners
- Interference with or influencing the elections of strata council members
- Concerns over voting or chairing of meetings

[Yes, No, Don't know]

REGULATION

Since 2006, strata managers and strata management companies have been regulated through licensing requirements established by the government of British Columbia and are administered by the Real Estate Council of BC. Other provinces are also considering the need to develop of mandatory rules of conduct and minimum qualification requirements for property managers.

Q.8 In your opinion, has mandatory licensing of strata managers in BC improved the protection of strata lot owners?

Don't know,
improved,
stayed same,
gotten worse

Q.9 To your knowledge, has your strata council registered a complaint to the *Real Estate Council of BC* against your strata manager?

YES,
NO,
Don't know,

IF YES GOTO Q.9b, IF NO or DON'T KNOW GOTO Q.10

Q9b. Was the issue or complaint handled and resolved to your satisfaction?

YES,
NO,
Don't know

INFORMATION

Q10. Tell me if you as an owner need information in the following areas. Please tell me if you:

1=do not need more information
2=need some information
3= need (much) more information
4=don't know
READ & ROTATE

TOPICS	*Do not need info*	*Need some info*	*Need much more Info*	*Don't know*
Rights and responsibilities of the strata lot owner				
Roles and responsibilities of the Strata Council				
Roles and responsibilities of Strata Management				
Where to complain if issues are encountered				
Understanding your responsibilities about your unit and for the rest of the property or common areas				
Understanding how unit entitlements are calculated				
General information on the by-laws and rules				
Disclosure Statements				
Owner insurance options				
Management of Contingency Reserve Funds				
Bylaws and responsibilities for common facilities				
Bylaw restrictions (such as age restriction, rental, pets)				

APPENDIX C – SURVEY RESULTS

Survey Respondent Profiles

Survey participants were asked basic demographic information about their condominium ownership: if they live in their property, the age of the property, size of property, and owner involvement with the condominium board of directors. Some of these factors were analyzed to identify differences among owners in their responses to survey questions. Specific findings as they related to the survey questions are documented in the following sub-sections. Detailed results of these demographic questions can be found below.

Principal Residence

Owners were asked if their condo was their principal residence.

- 98% of Ontario owners surveyed owned a condominium as their principal residence.
- 100% of owners in the rest of Canada owned a condominium as their principal residence.

Age of Condominium Property

For the Ontario survey owners were only asked to identify if their property was under or over 2 years old.in order to determine if property repair and maintenance was likely being carried out by a provincial new home builder warranty program or not. For the later survey across the rest of the country, the polling firm was asked to capture a wider range of ages to better assess if age-related factors influence owner views.

Property Age	Ontario %	BC %	Man/Sask %	Maritimes %	Alberta %	Québec %
0-2 years*	12					
2+ years*	88					
1-5 years		16	20	10	16	25
6-10 years		18	20	21	15	18
11-15 years		16	22	20	19	18
16-20 years		20	11	17	19	16
21-25 years		14	11	14	12	12
25+ years		13	12	9	14	7

**only Ontario owners were asked to identify if their condominium property was more or less than 2-years old*

Size of Condominium Property

Participants were also asked about the size of their condominium property. Owners were asked if their building or property consisted of less than 20 units, 20-100 units, and 100+ units.

Number of Units	Ontario %	BC %	Man/Sask %	Maritimes %	Alberta %	Québec %
Less than 20	2	6	2	5	4	3
20 – 100	34	50	61	69	53	50
100+	63	44	37	26	43	47

Condominium Board Experience

Owners were asked to identify if they are currently a board member, have been a member in the past, or if they have never been a board member.

Board Experience	Ontario %	BC %	Man/Sask %	Maritimes %	Alberta %	Québec %
Never a board member	70	66	81	82	74	72
Current board member	9	12	3	6	7	10
Past board member	19	23	16	12	19	18
Unsure/No answer	2					

Responsibilities of Condominium Property Managers vs. Boards of Directors

Question: "We want to learn about your understanding of the responsibilities of your condominium board or your property manager. I am going to read a list of issues, please state whether you believe this is primarily a condominium property management; a condominium board issue or a shared responsibility (both)."

Results:

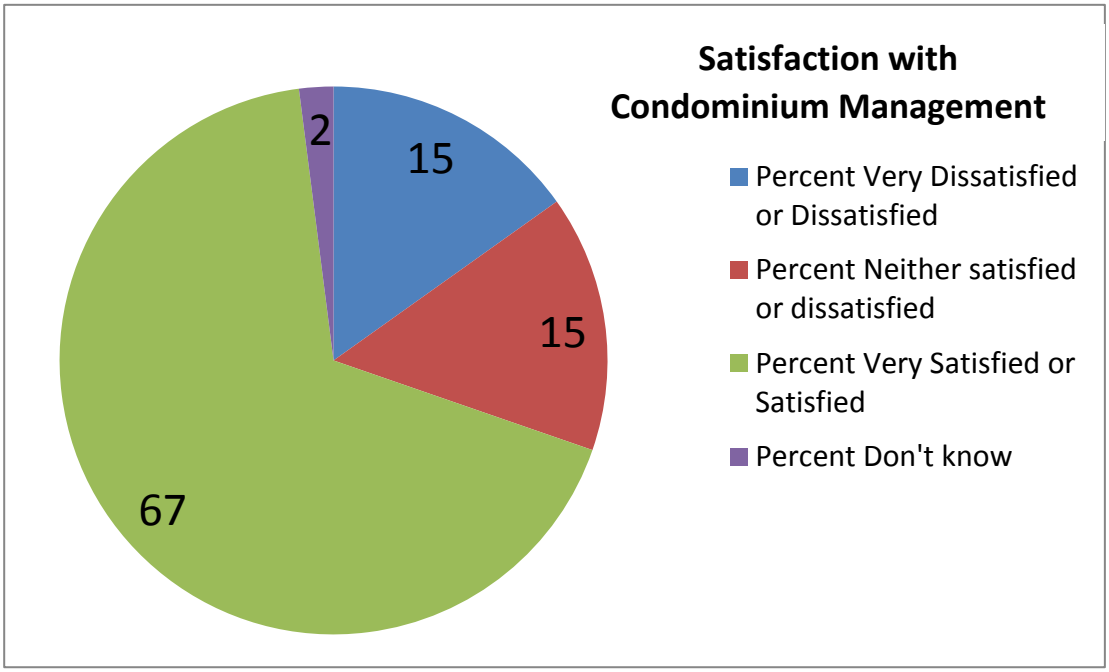
Responsibilities	Region (number surveyed)	Condo Board	Condo Mgmt	Shared / Both	Don't know
Ensure appropriate building insurance	Ontario (500)	12%	77%	11%	1%
	BC (369)	25%	29%	44%	2%
	Rest of Canada (639)	25%	41%	32%	2%
Ensure the building and property are properly maintained	Ontario (500)	18%	39%	40%	3%
	BC (369)	23%	30%	44%	4%
	Rest of Canada (639)	22%	39%	36%	3%
Ensure adequate funds are maintained in the reserve fund to cover major repairs	Ontario (500)	74%	8%	14%	3%
	BC (369)	49%	20%	27%	5%
	Rest of Canada (639)	48%	19%	29%	4%
Oversee the financial accountability of the condominium /strata	Ontario (500)	72%	8%	17%	3%
	BC (369)	37%	22%	37%	4%
	Rest of Canada (639)	46%	20%	32%	2%
Organize an annual meeting of the condominium/strata unit owners	Ontario (500)	55%	15%	28%	1%
	BC (369)	34%	31%	31%	3%
	Rest of Canada (639)	53%	11%	32%	4%
Pass bylaws dealing with the responsibilities and powers of the board, how meetings will be run	Ontario (500)	61%	12%	25%	2%
	BC (369)	46%	25%	29%	1%

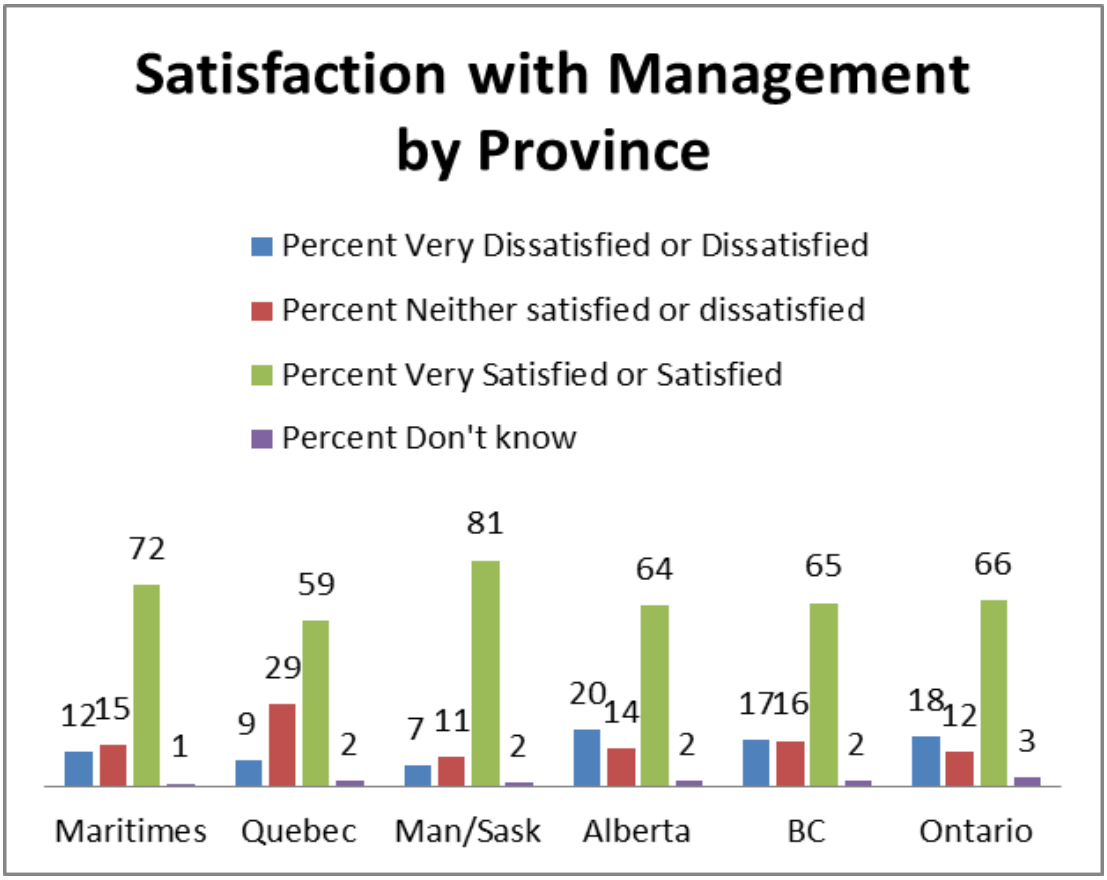
	Rest of Canada (639)	47%	21%	25%	6%
Pass rules/bylaws to promote the safety, security and welfare of the owners	Ontario (500)	54%	15%	28%	2%
	BC (369)	61%	20%	19%	1%
	Rest of Canada (639)	46%	19%	32%	2%
Collect common expense fees	Ontario (500)	27%	55%	13%	6%
	BC (369)	15%	75%	5%	5%
	Rest of Canada (639)	28%	58%	11%	4%
Keep condominium/strata records	Ontario (500)	24%	43%	26%	7%
	BC (369)	29%	41%	27%	3%
	Rest of Canada (639)	27%	42%	28%	3%
Respond to owner complaints	Ontario (500)	19%	47%	32%	2%
	BC (369)	21%	27%	49%	3%
	Rest of Canada (639)	26%	47%	25%	3%
Hire and monitor service providers and trades, for example security companies	Ontario (500)	26%	36%	37%	1%
	BC (369)	27%	36%	27%	10%
	Rest of Canada (639)	25%	50%	22%	3%

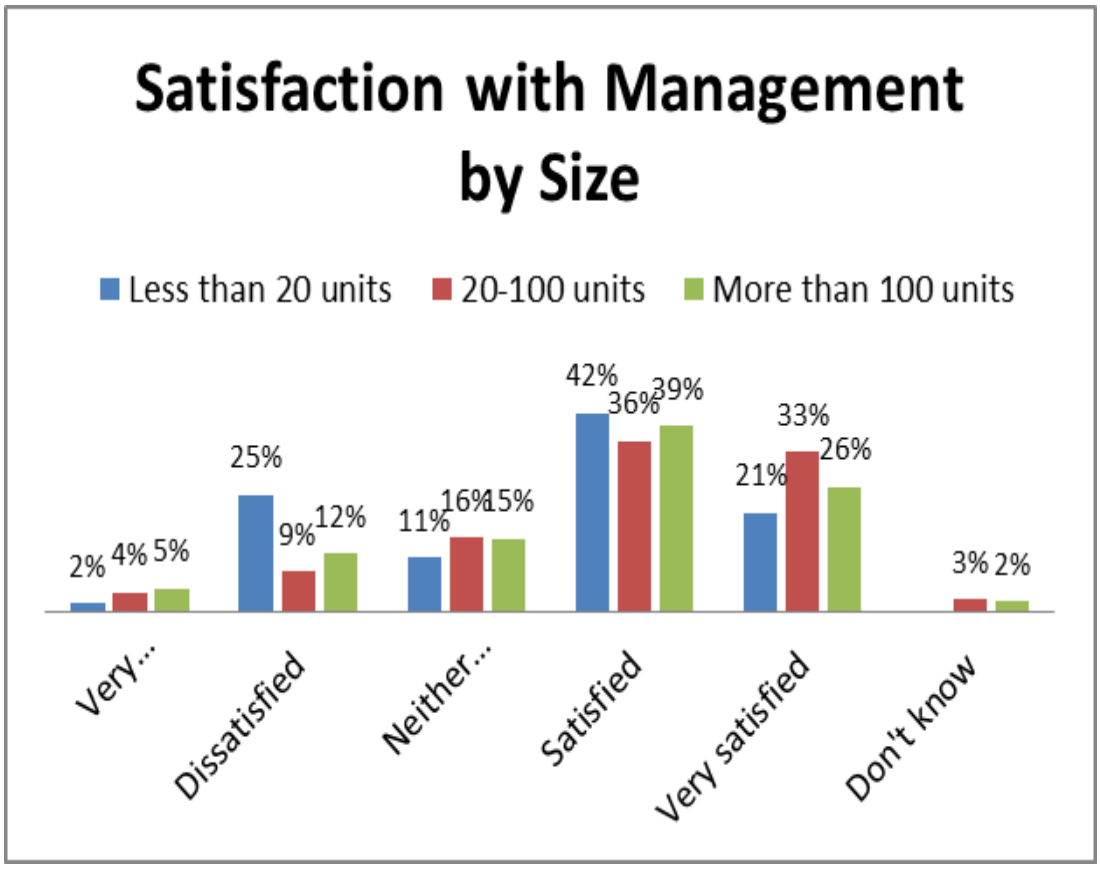
Owner Satisfaction with Condominium Property Management

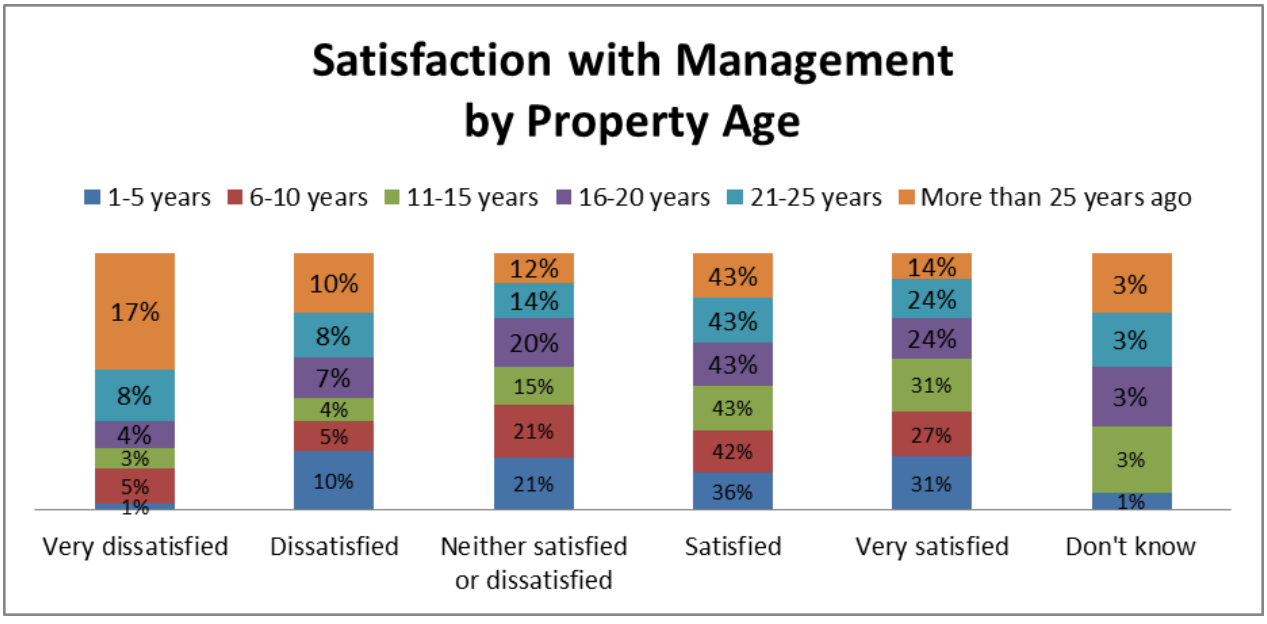
Question: "Using a scale from one very dissatisfied to five very satisfied, how would you rate your overall satisfaction with the services provided by your property manager or your management company?"

Results:






Satisfaction with Management by Size
Less than 20 units
20-100 units
More than 100 units
2%
4%
5%
25%
9%
12%
11%
16%
15%
42%
36%
39%
21%
33%
26%
3%
2%
Very...
Dissatisfied
Neither...
Satisfied
Very satisfied
Don't know


Satisfaction with Management by Property Age
1-5 years
6-10 years
11-15 years
16-20 years
21-25 years
More than 25 years ago
17%
8%
4%
3%
5%
1%
10%
8%
7%
4%
5%
10%
12%
14%
20%
15%
21%
21%
43%
43%
43%
43%
42%
36%
14%
24%
24%
31%
27%
31%
3%
3%
3%
3%
1%
Very dissatisfied
Dissatisfied
Neither satisfied or dissatisfied
Satisfied
Very satisfied
Don't know

Concerns with Condominium Property Management

Question: "I am now going to read a list of potential concerns that some condominium owners have raised in the past about property management services. After I read each one, please indicate if this is a concern or an issue that has occurred or is alleged to have occurred with the property management services in your condominium?" The list of prompted concerns is contained in the first column of table below.

Results:

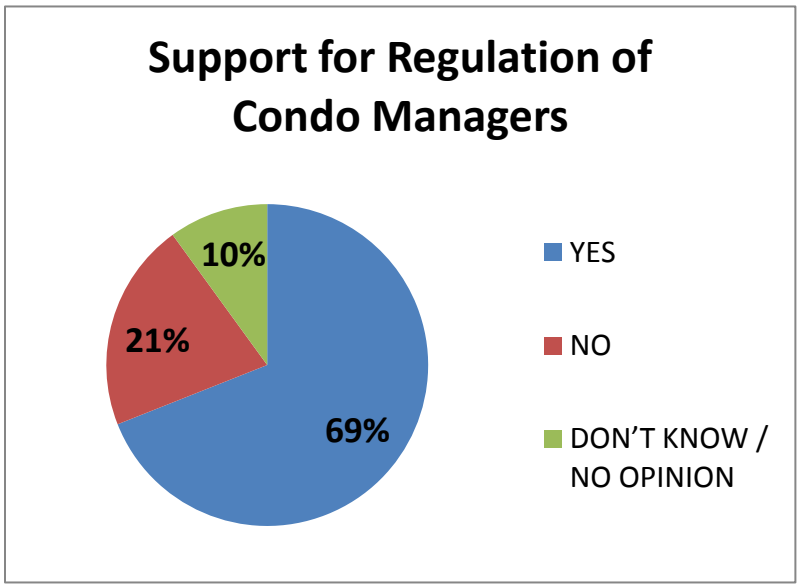
Concerns	Region (number surveyed)	Yes concern %	No concern %	No reply/ Don't know %
A lack of communication from your condominium manager	Ontario (500)	19	77	4
	BC (369)	27	71	2
	Rest of Canada (639)	27	70	3
Repairs to common areas not being carried out properly	Ontario (500)	18	81	1
	BC (369)	18	81	1
	Rest of Canada (639)	23	71	6
Poor or lack of customer service	Ontario (500)	18	77	5
	BC (369)	20	77	3
	Rest of Canada (639)	19	74	6
Conflict of interest	Ontario (500)	13	72	15
	BC (369)	15	79	5
	Rest of Canada (639)	11	76	12
Difficulty accessing or reaching condominium managers	Ontario (500)	12	85	3
	BC (369)	29	71	0
	Rest of Canada (639)	20	76	4
Selective or targeted enforcement of declaration, by-laws, rules	Ontario (500)	6	77	17
	BC (369)	20	71	10
	Rest of Canada (639)	15	75	10
Financial problems or irregularities	Ontario (500)	6	83	11
	BC (369)	17	78	4
	Rest of Canada (639)	8	83	10
Delays or refusal to provide access to condominium records	Ontario (500)	5	72	23
	BC (369)	15	78	8
	Rest of Canada (639)	5	81	14
Ignoring human rights, accessibility, or other rights of condominium owners	Ontario (500)	5	88	7
	BC (369)	13	83	4
	Rest of Canada (639)	5	82	12
Interference with or influencing the elections of condominium board	Ontario (500)	4	86	10
	BC (369)	13	86	1

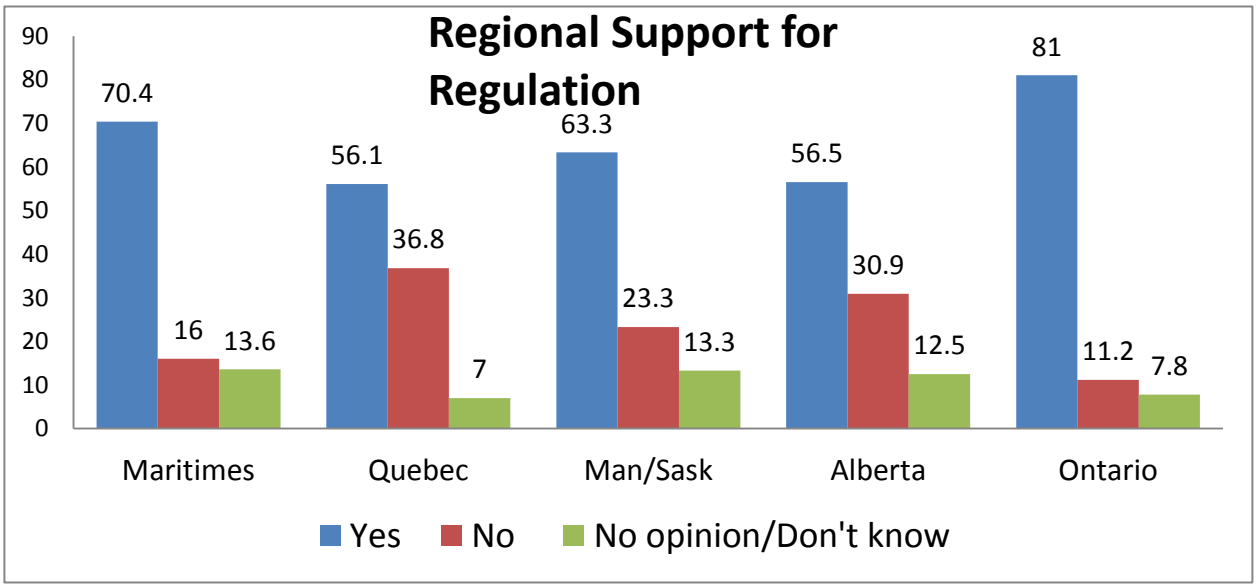
members	Rest of Canada (639)	6	82	12
Fraud and/or bribes taken by condominium managers	Ontario (500)	2	83	14
Concerns over voting or chairing of meetings	BC (369)	11	82	7
	Rest of Canada (639)	7	82	11

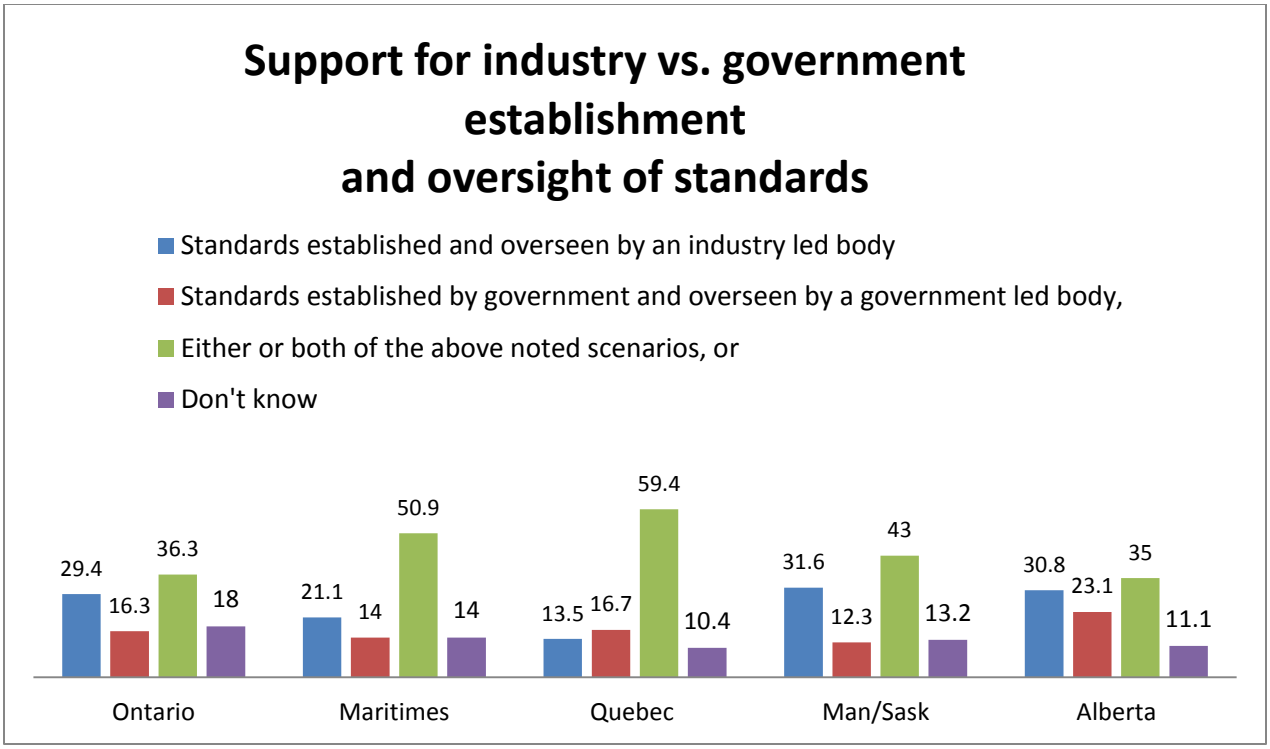
Support for Regulation of Condo Property Managers and Firms

Question: "Would you support the regulation of property managers and management firms?

Results:






Support for industry vs. government establishment and oversight of standards
Standards established and overseen by an industry led body
Standards established by government and overseen by a government led body,
Either or both of the above noted scenarios, or
Don't know
29.4
16.3
36.3
18
21.1
14
50.9
14
13.5
16.7
59.4
10.4
31.6
12.3
43
13.2
30.8
23.1
35
11.1
Ontario
Maritimes
Quebec
Man/Sask
Alberta

Cost of regulation and impact on condo owners

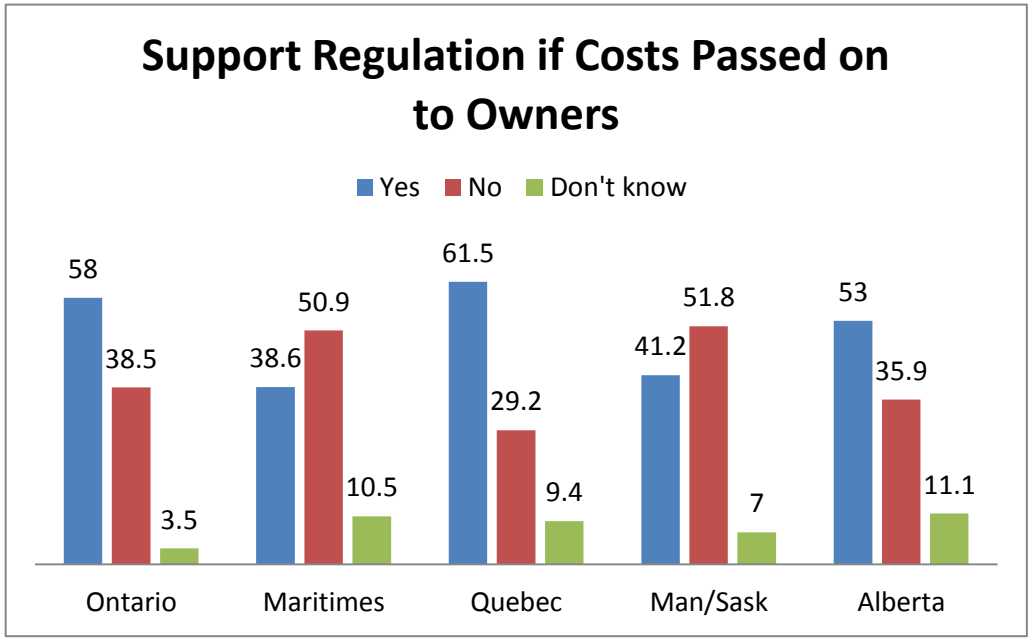
Subset of Previous Question

Only those owners who answered "Yes" to the question about support for regulation of condominium property managers were asked this question. Results are therefore a subset of the total survey population. The wording of the question was changed slightly between the Ontario survey and the survey for the rest of Canada. For the earlier Ontario surveys, "small fee" was described as being $10 or less per year. For the later survey, a more general statement was substituted in using a more general statement so the wording was changed to an undefined "a small fee".

Questions: "Would you support regulation if a small portion of the costs of regulation are passed on to the condominium owner?" (All provinces except BC and Ontario)

"Would you support regulation if a small fee (eg. $10 or less per year) to cover the cost of regulation is passed on to the condominium owner?" (Ontario)

Results:



Need for information on specific condo owner topics

Question: Respondents were then read a series of areas where they were asked if they needed more, much more or no information on a series of listed topics. "Tell me if you as a condo owner need for information in the following areas.. Please tell me if you (do not need; need some; need much more; don't know)?"

Results:

Topics	Region (number surveyed)	Do not need info %	Need some info %	Need much more info %	Don't know %
Rights and responsibilities of the Condominium/Strata lot Owner	Ontario (500)	78	10	11	1
	BC (369)	73	20	3	4
	Rest of Canada (639)	67	19	9	5
Roles and responsibilities of the Condominium Board/Strata Council	Ontario (500)	72	15	10	3
	BC (369)	75	20	4	2
	Rest of Canada (639)	67	22	7	4
Roles and responsibilities of the Property/Strata Management	Ontario (500)	74	14	10	2
	BC (369)	69	21	8	1
	Rest of Canada (639)	63	23	9	6
Where to complain if issues are encountered	Ontario (500)	78	12	9	1
	BC (369)	74	15	10	1
	Rest of Canada (639)	65	22	9	4
Understanding your responsibilities about your unit compared to the rest of the property or common areas	Ontario (500)	83	13	3	1
	BC (369)	76	17	5	1
	Rest of Canada (639)	66	20	9	5
Understanding the calculation of condominium square footage (unit entitlements)	Ontario (500)	77	15	7	1
	BC (369)	78	17	3	2
	Rest of Canada (639)	73	18	6	3
General information on the declaration, by-laws and rules	Ontario (500)	71	16	12	1
	BC (369)	79	14	5	1
	Rest of Canada (639)	69	19	8	5
Disclosure statements	Ontario (500)	69	18	8	5
	BC (369)	71	22	3	4
	Rest of Canada (639)	70	15	8	7
Owner insurance requirements	Ontario (500)	80	15	5	1
	BC (369)	71	26	2	2
	Rest of Canada (639)	71	16	8	5

Management of (Contingency) Reserve funds	Ontario (500)	78	15	6	1
	BC (369)	78	17	2	2
	Rest of Canada (639)	64	22	8	5
Rules/bylaws and responsibilities of shared facilities	Ontario (500)	84	10	6	1
	BC (369)	80	14	2	5
	Rest of Canada (639)	70	17	6	7
Rules regarding selling and leasing	Ontario (500)	70	19	9	2
Bylaw restrictions (such as age restriction, rental, pets)	BC (369)	81	15	3	1
	Rest of Canada (639)	65	22	9	4

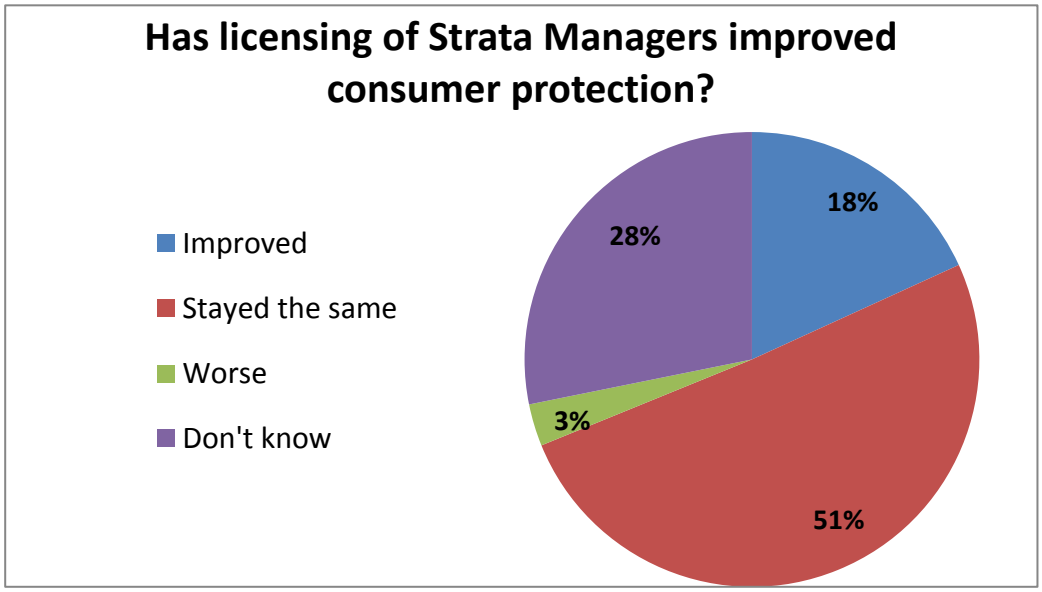
British Columbia-Specific Questions

Survey respondents from British Columbia were asked questions to determine views on the current regulatory environment in the province. Only owners who owned a strata property prior to 2006 were included.

Impact of Licensing on Consumer Protection

Question: "In your opinion, has mandatory licensing of strata managers in BC improved the protection of strata lot owners, have things stayed the same or are they worse?"

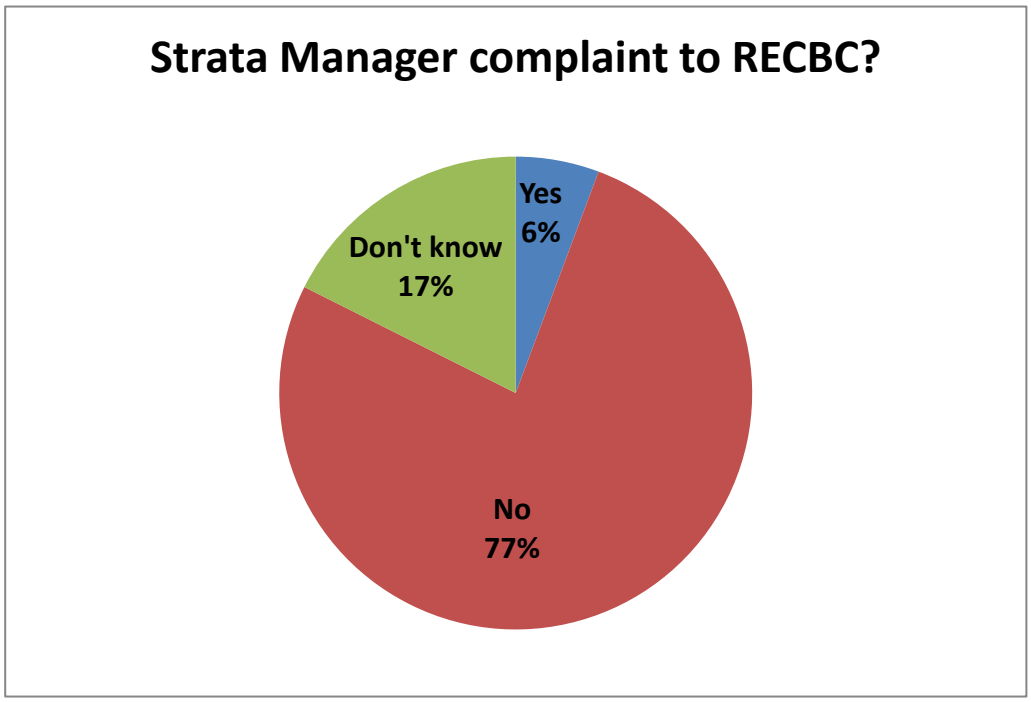
Results:



Complaints about Strata Management to RECBC

Question: "To your knowledge, has your strata council registered a complaint to the Real Estate Council of BC against your strata manager?"

Results:

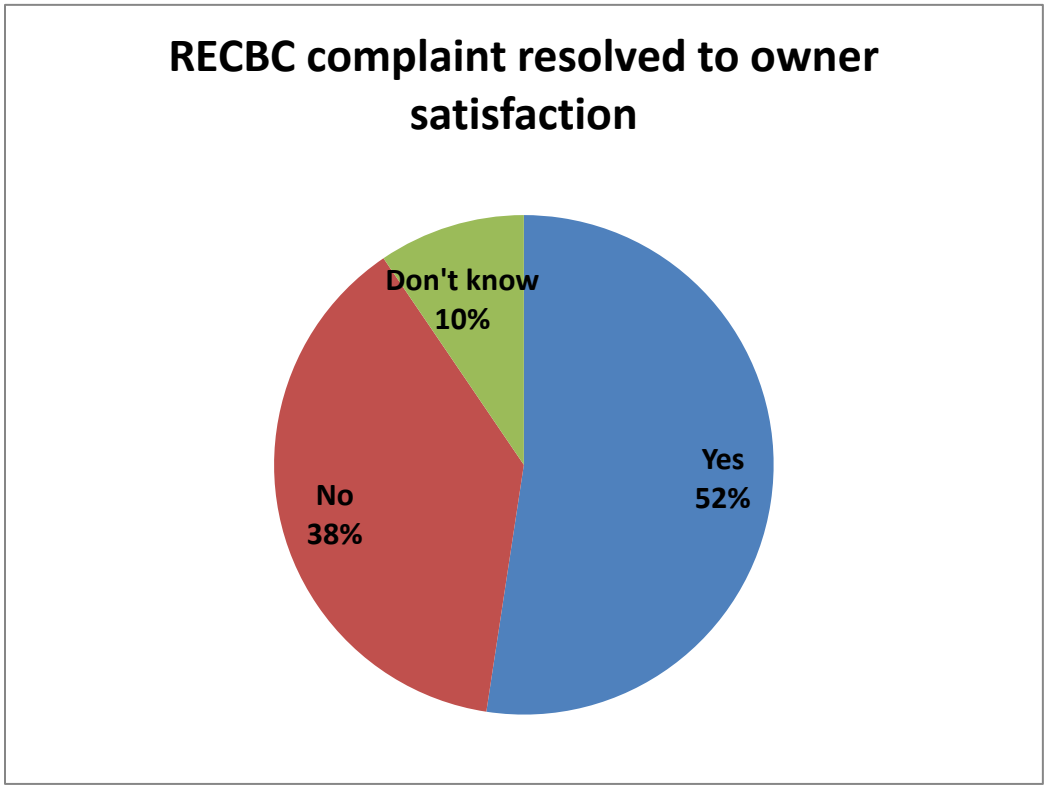


Resolution of Complaints to RECBC

Only those owners (21 of 369) who indicated that their strata council had complained about their strata manager to the RECBC were given the following question:

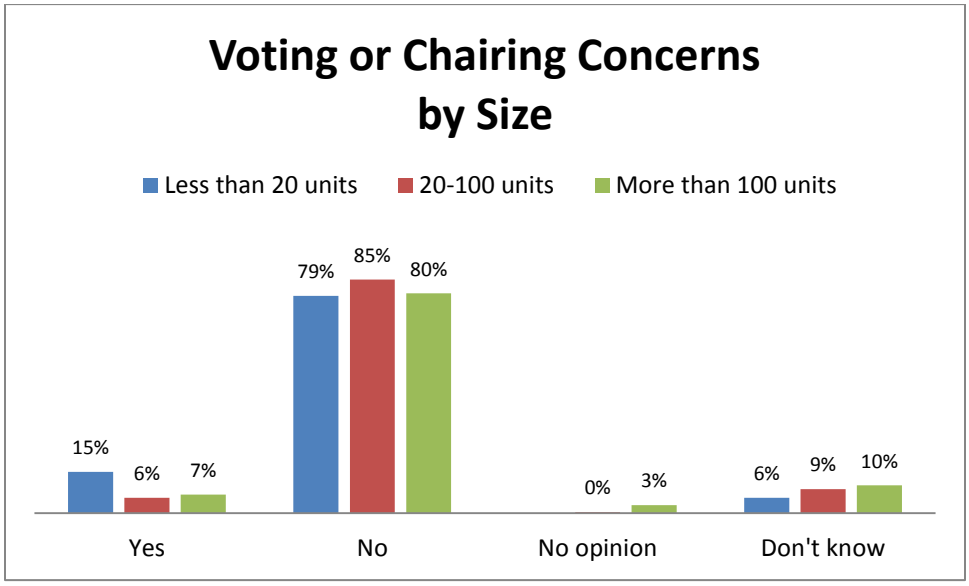
Question: "Was the issue or complaint handled and resolved to your satisfaction?"

Results:

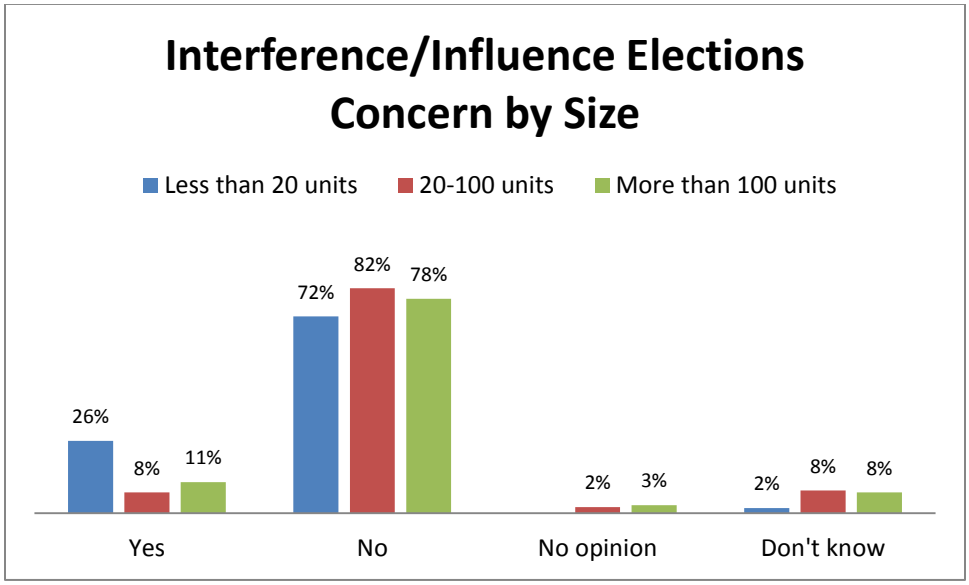


Select Cross-Tabulations by Building Size, Building Age, and Board Experience

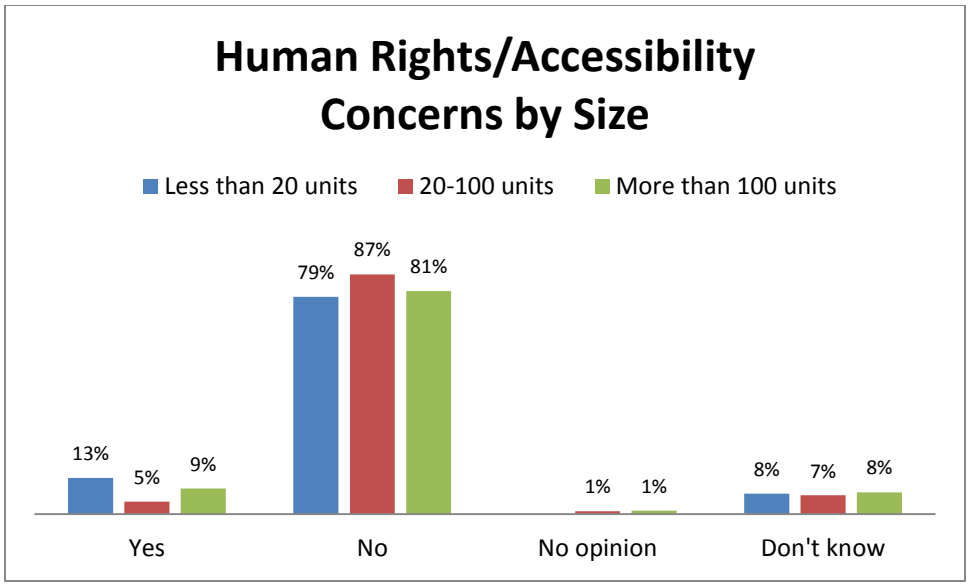
National Cross-tabulations for Size of Condo



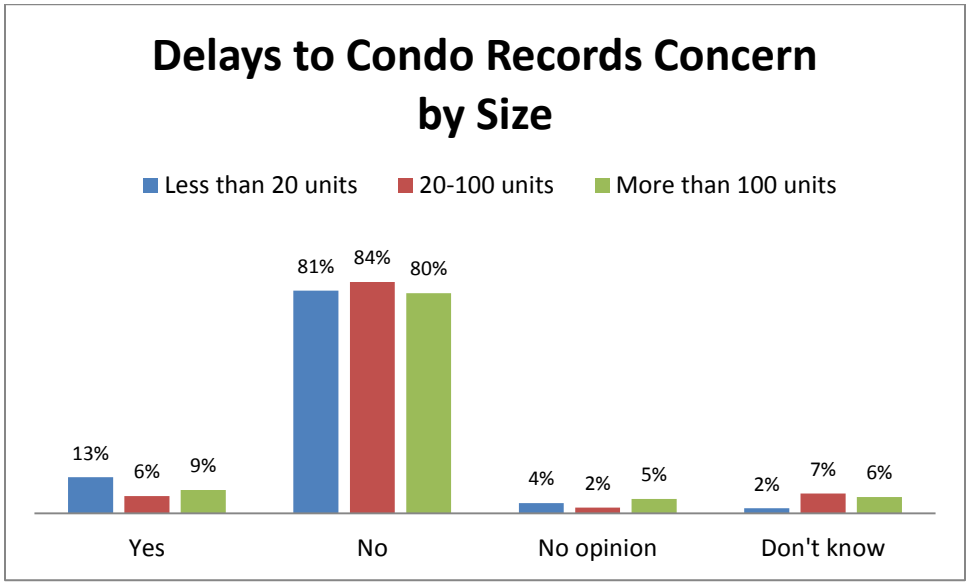
- Owners of properties with less than 20 units (15%) were most likely to have concerns with condominium property managers regarding voting or chairing of meetings, followed by those in 100+ unit properties (7%) and those in 20-100 unit properties (6%)



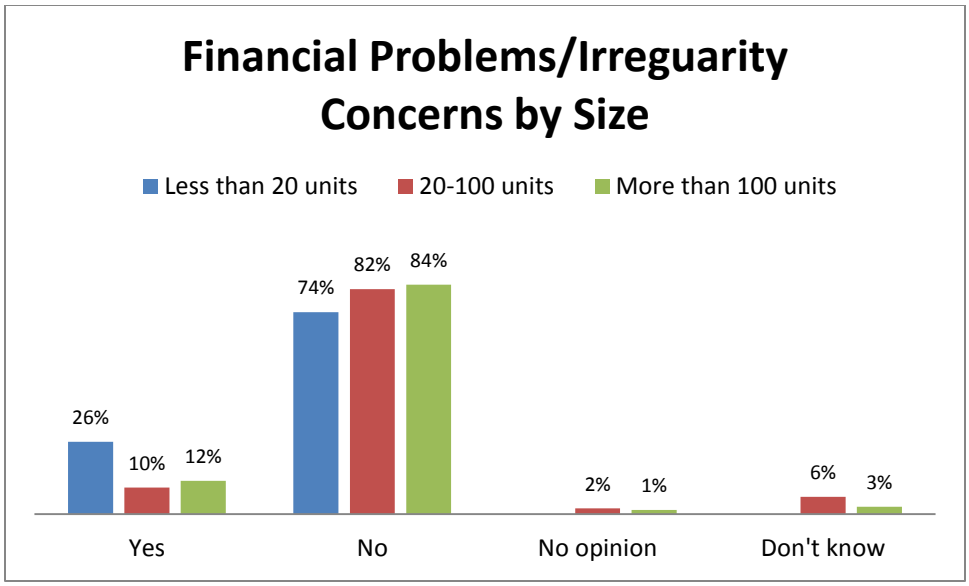
- Owners of properties with less than 20 units (26%) were most likely to have concerns with condominium property managers regarding interference or influencing elections, followed by those in 100+ unit properties (11%) and those in 20-100 unit properties (8%)



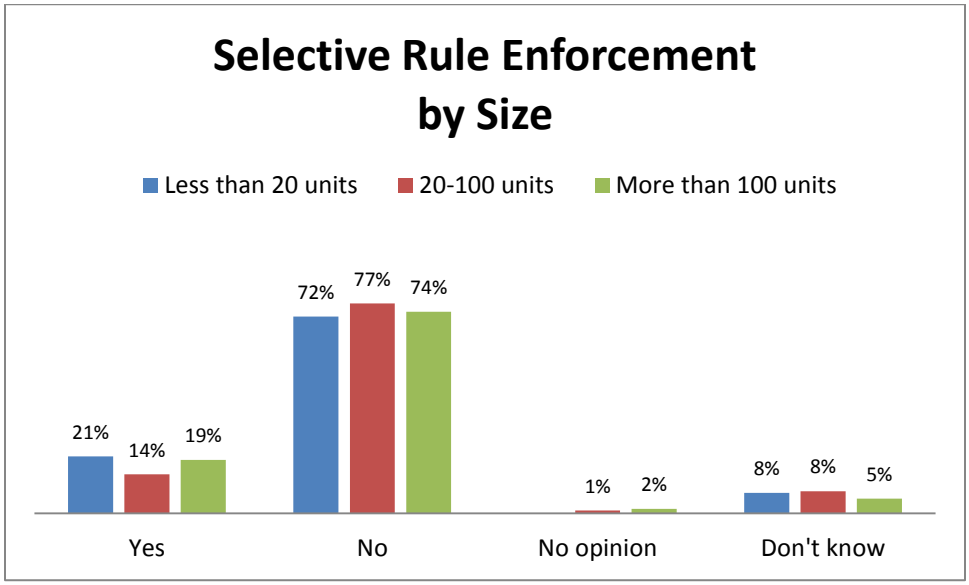
- Owners of properties with less than 20 units (13%) were most likely to have concerns with condominium property managers regarding respecting human rights, accessibility and other rights, followed by those in 100+ unit properties (9%) and those in 20-100 unit properties (5%)



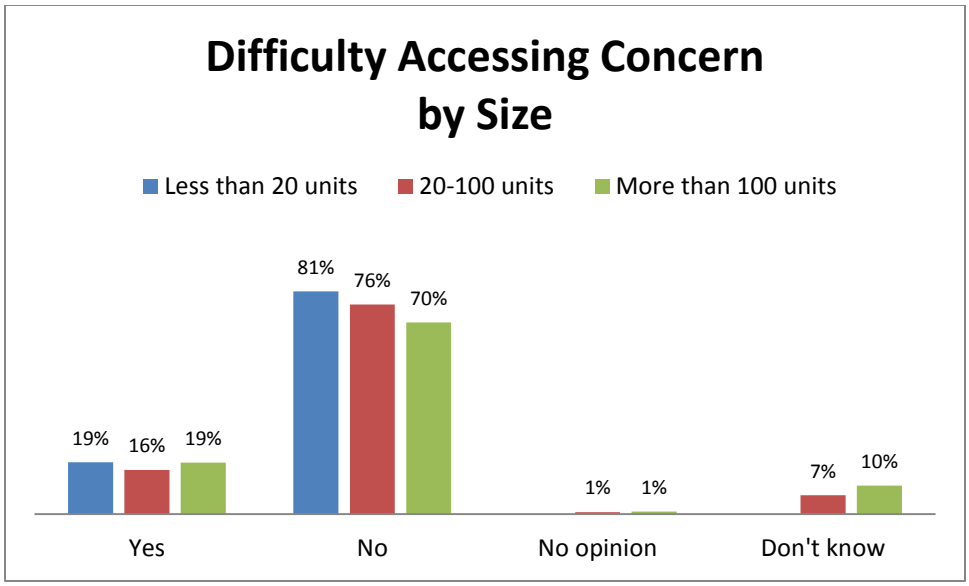
- Owners of properties with less than 20 units (13%) were most likely to have concerns with condominium property managers regarding delays/refusal to provide records, followed by those in 100+ unit properties (9%) and those in 20-100 unit properties (6%)



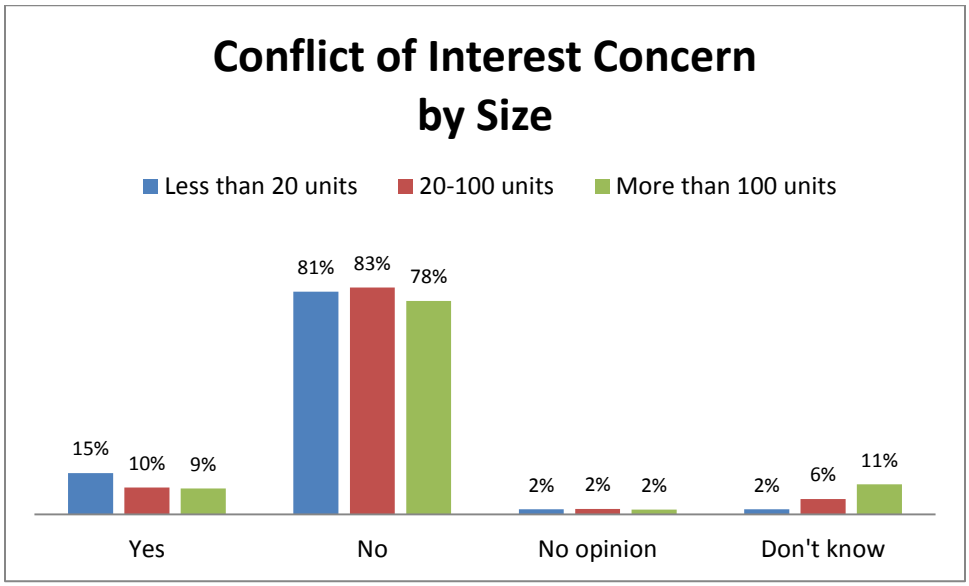
- Owners of properties with less than 20 units (26%) were most likely to have concerns with condominium property managers regarding financial problems and irregularities, followed by those in 100+ unit properties (12%) and those in 20-100 unit properties (10%)



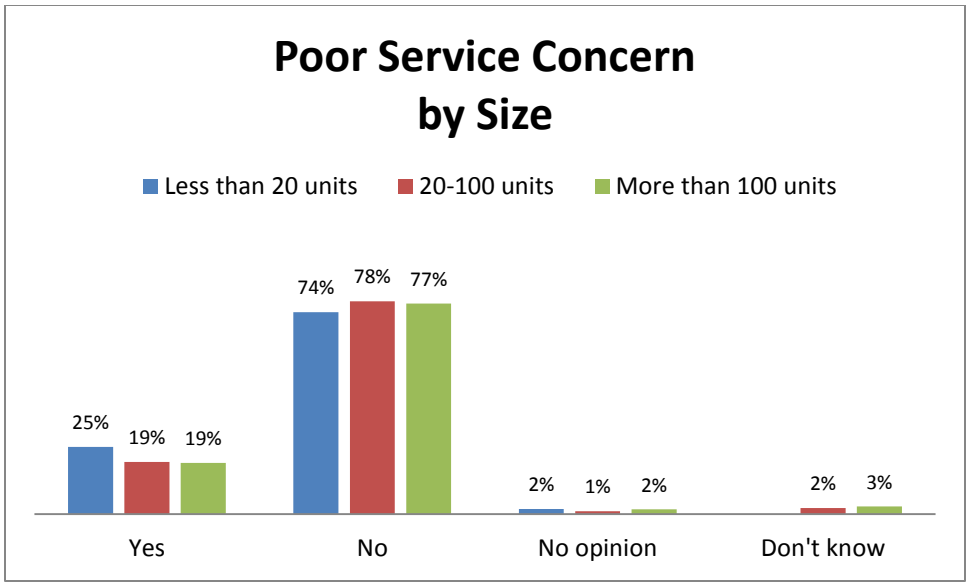
- Owners of properties with less than 20 units (21%) and those in 100+ unit properties (19%) were most likely to have concerns about selective enforcement of bylaws and rules by condominium property managers, followed by those in 20-100 unit properties (14%)



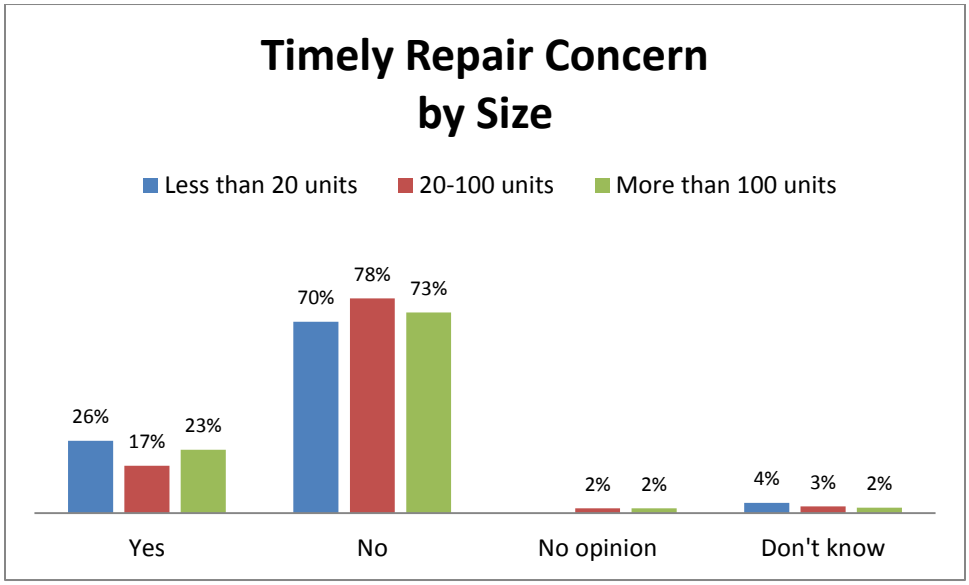
- No outliers



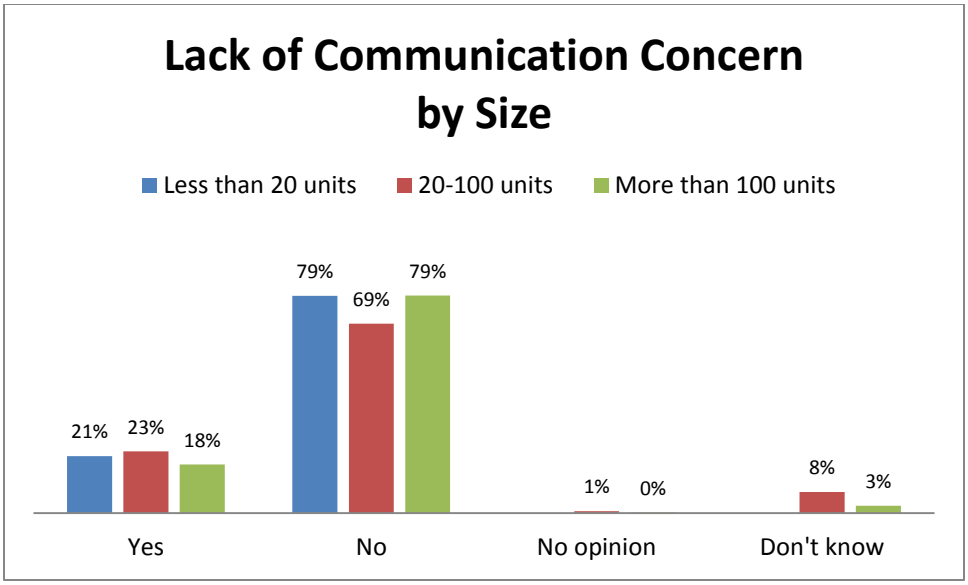
- Owners of properties with less than 20 units (15%) were most likely to have concerns about condominium managers and conflict of interest, followed by those in 20-100 unit properties (10%) and those in 100+ unit properties (9%)



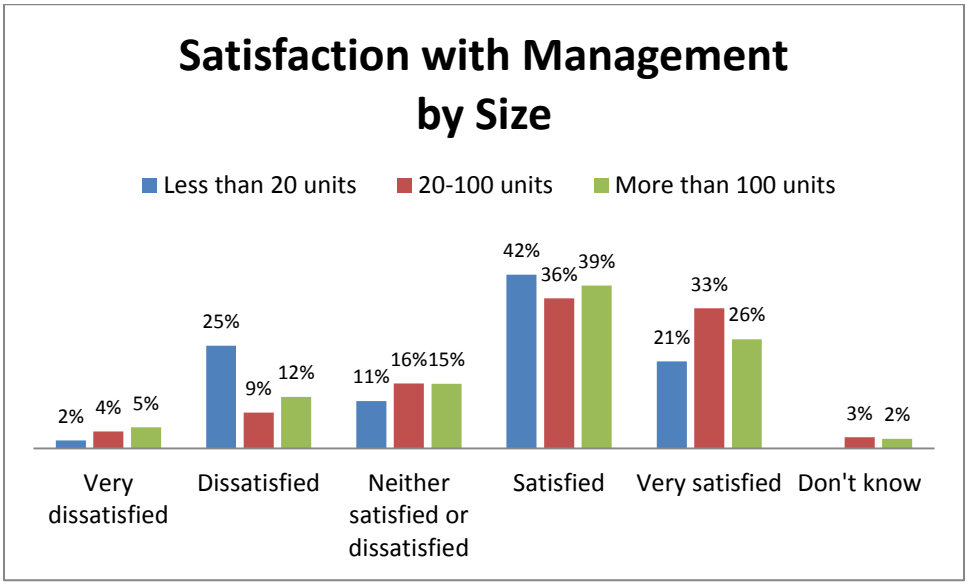
- Owners of properties with less than 20 units (25%) were more likely to have concerns about poor service than those in larger properties (19% each)



- Owners of properties with less than 20 units (26%) were most likely to have concerns about timeliness of repairs, followed by those in 100+ unit properties (23%) and those in 20-100 unit properties (17%)

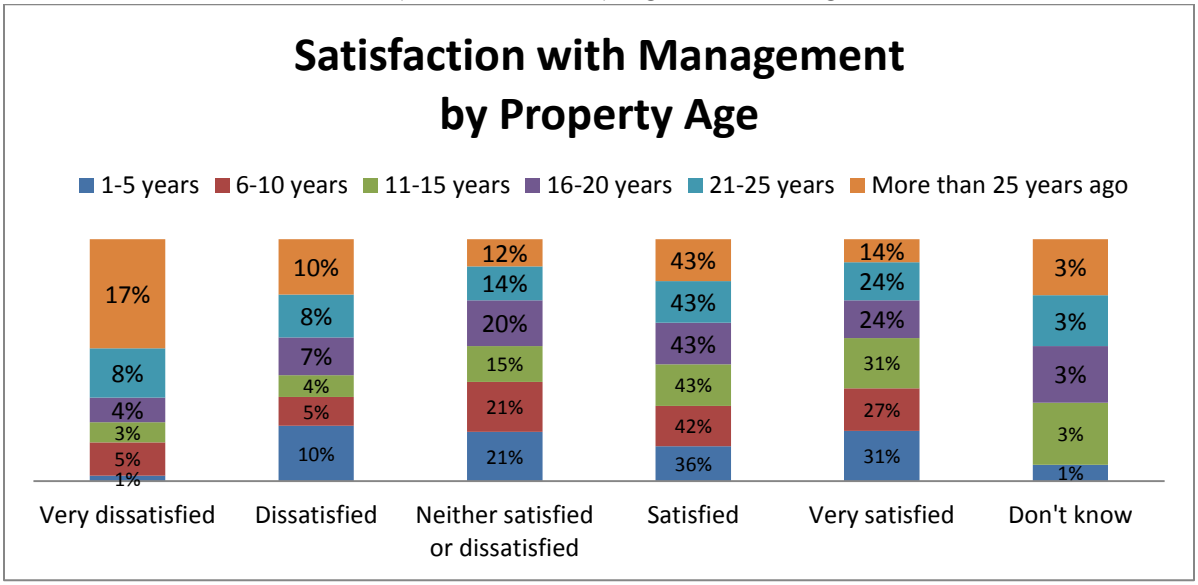


- No outliers

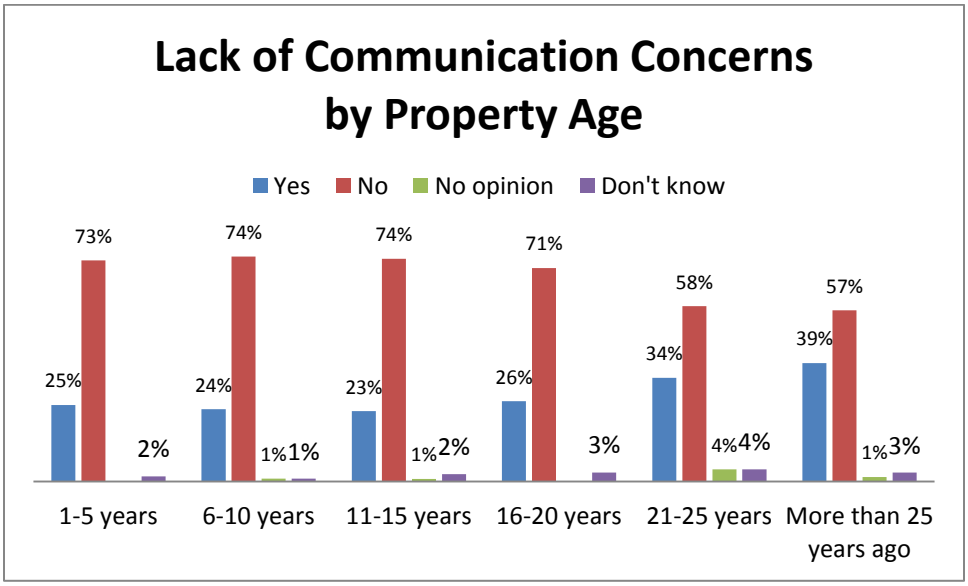


- Owners in properties with less than 20 units were more dissatisfied with condominium property management (25%) than owners in 20-100 unit properties (9%) and owners in 100+ units (12%)
- However, owners in properties with less than 20 units were also most likely to be satisfied.
- Owners in 20-100 unit properties (33%) were most likely to be very satisfied, followed by 100+ unit owners (26%) and less than 20 unit owners (21%).

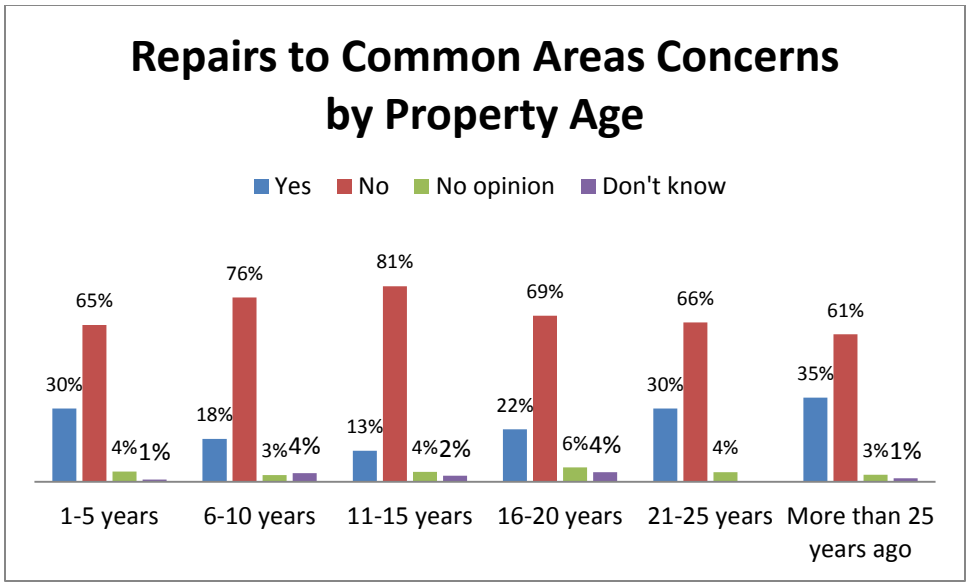
National Cross-tabulations (Minus Ontario) Age of Building



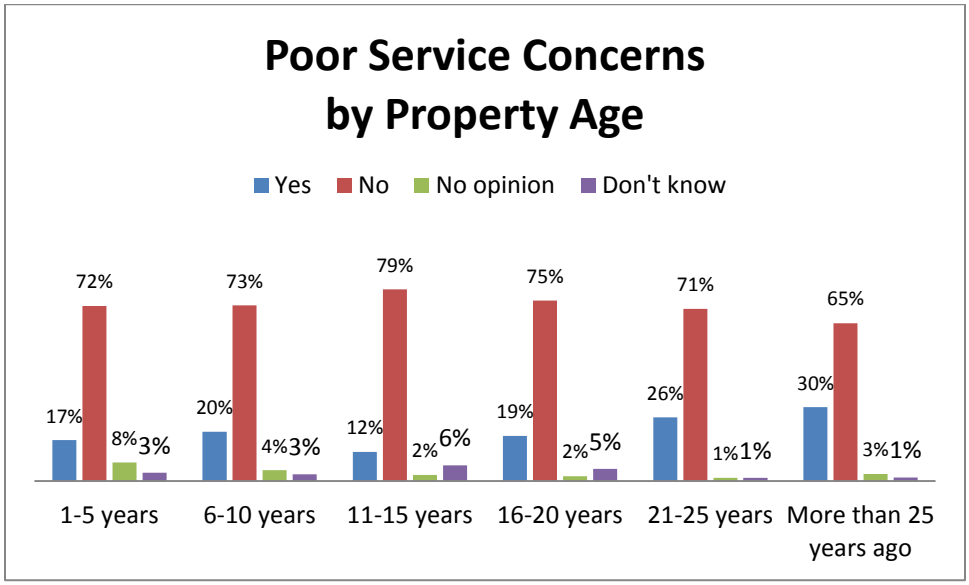
- Owners of properties over 25 years old are more likely to be very dissatisfied (17%) and dissatisfied (10%) with their condominium property management than owners of newer properties. The second highest levels of dissatisfaction are with owners of 21-25 year old properties.
- This information is consistent with the views of the key informants who expected owners in older buildings to have more maintenance and repair issues that can strain relations with management.



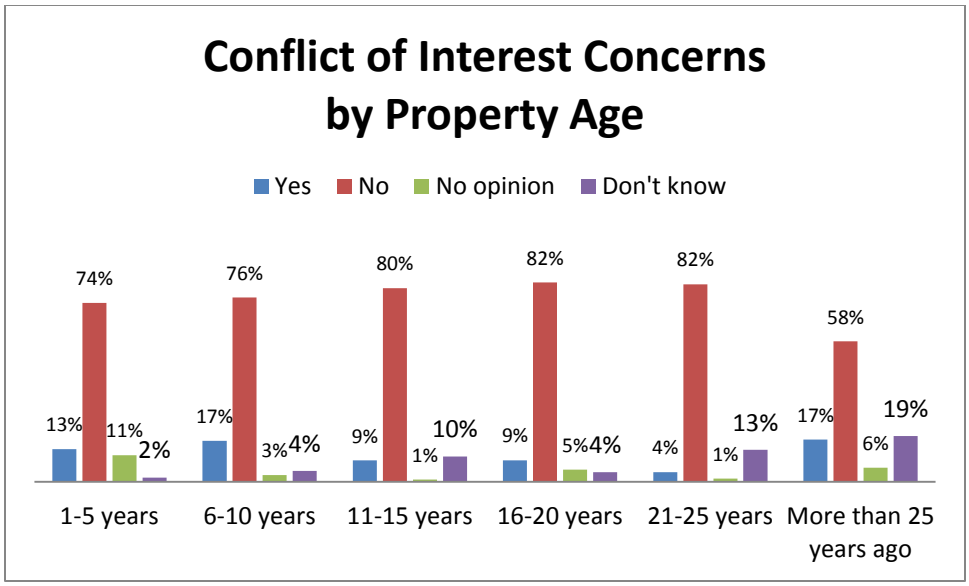
- Concerns about lack of communication are highest among owners of older properties with 39% of those in 25+ year old buildings (39%) and 21-25 year old buildings (34%).



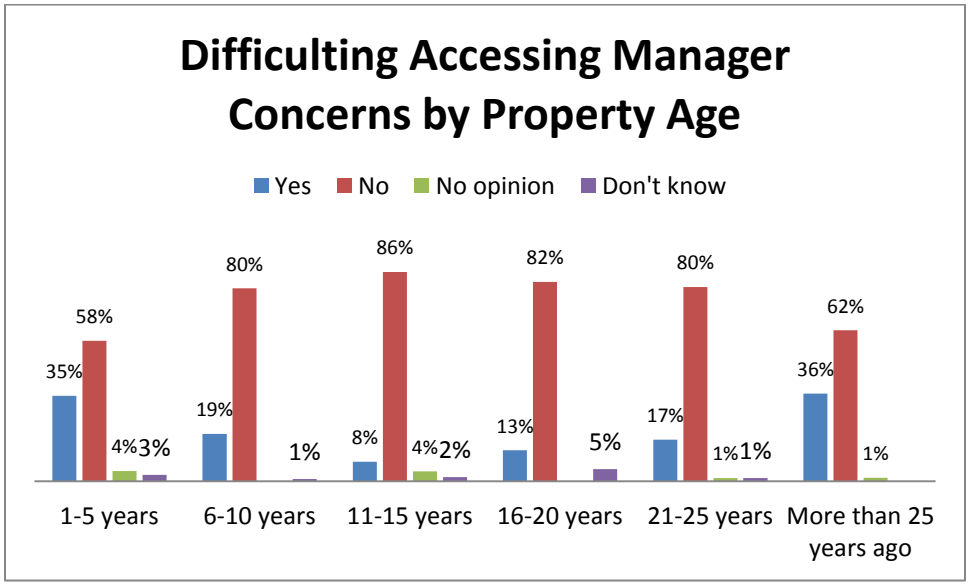
- Concerns about repairs to common areas are highest among owners of older properties with those in 25+ year old properties at 35% and 21-25 year old properties at 30%. Owners of newer 1-5 year old properties were also among those with the highest levels of concern at 30%.



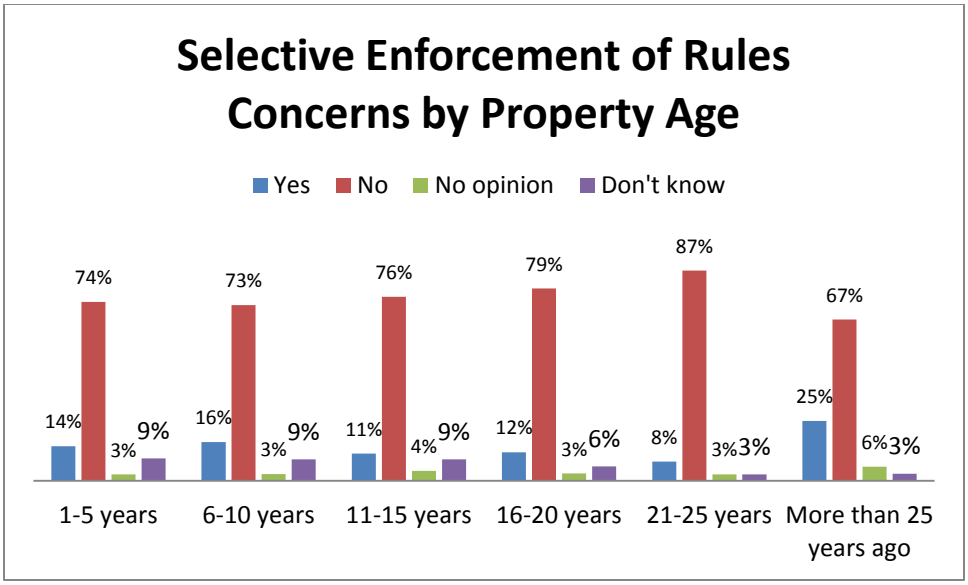
- Concerns about management providing poor service are highest among owners of older properties with those in 25+ year old buildings at 30% and 21-25 year old properties at 26%.



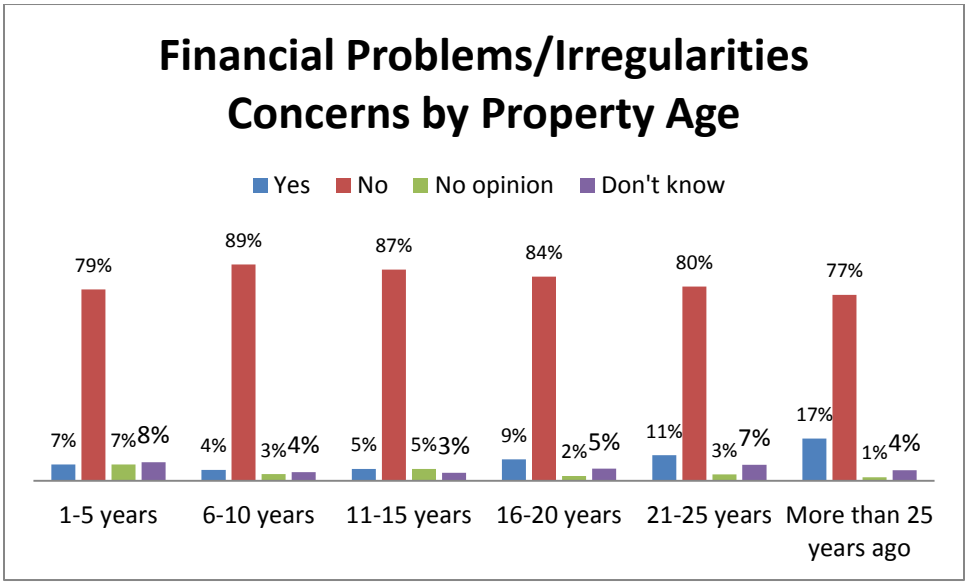
No outliers



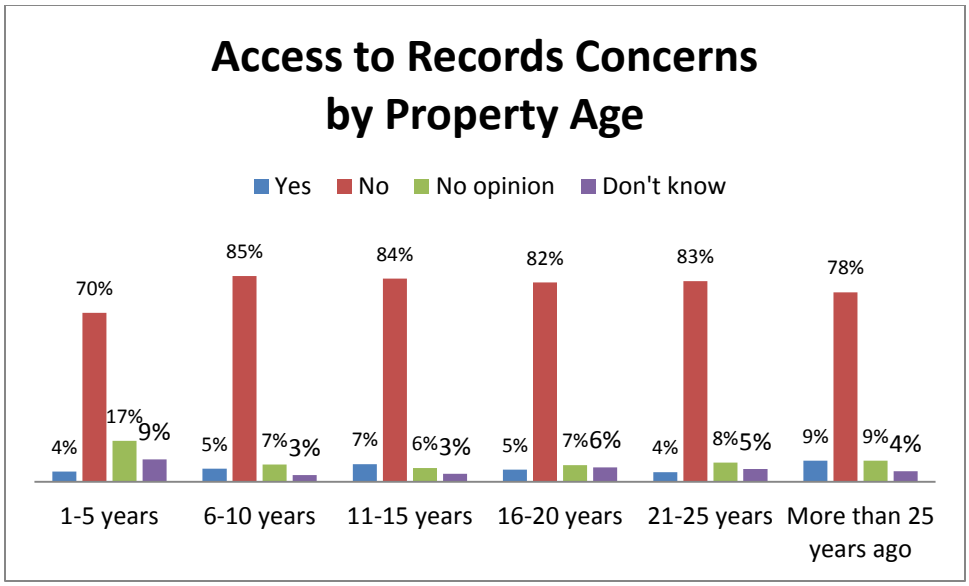
- Concerns about difficulty reaching a condominium manager were highest among owners in 25+ year old properties (36%) and owners of 1-5 year old properties (35%).



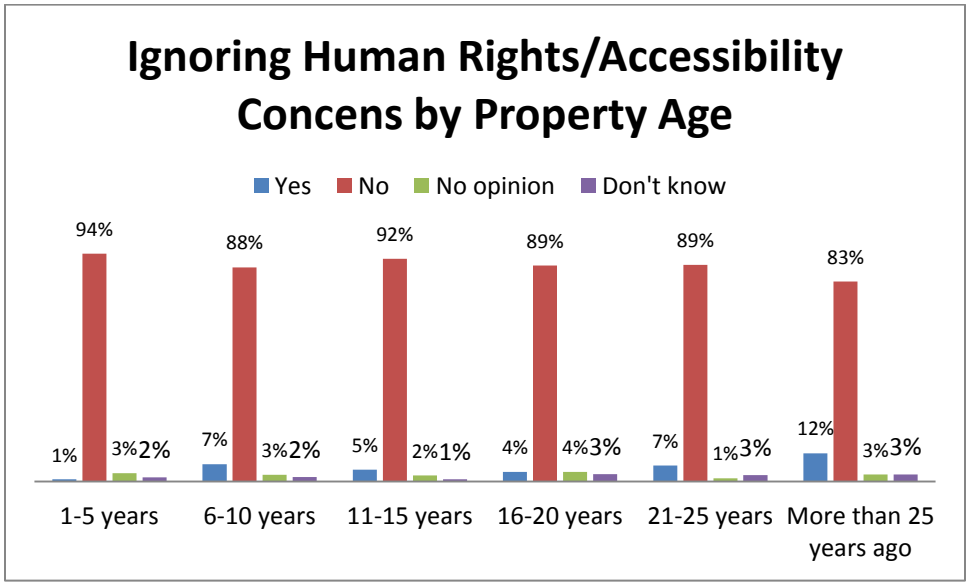
- Concerns about condominium managers applying selective or targeted enforcement of rules and bylaws were highest among owners in 25+ year old properties (25%).



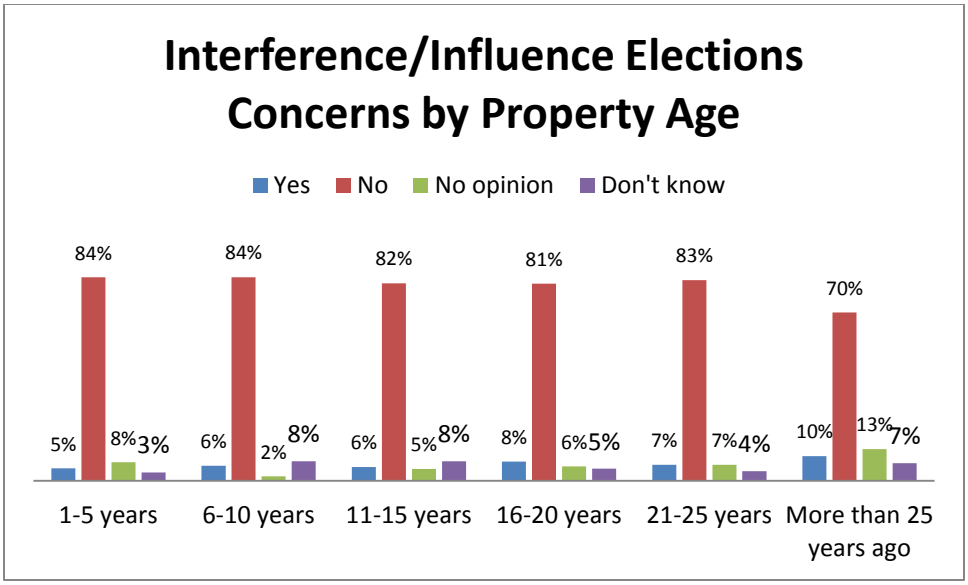
- Concerns about financial problems or irregularities involving a condominium manager were highest among owners in 25+ year old buildings (17%).



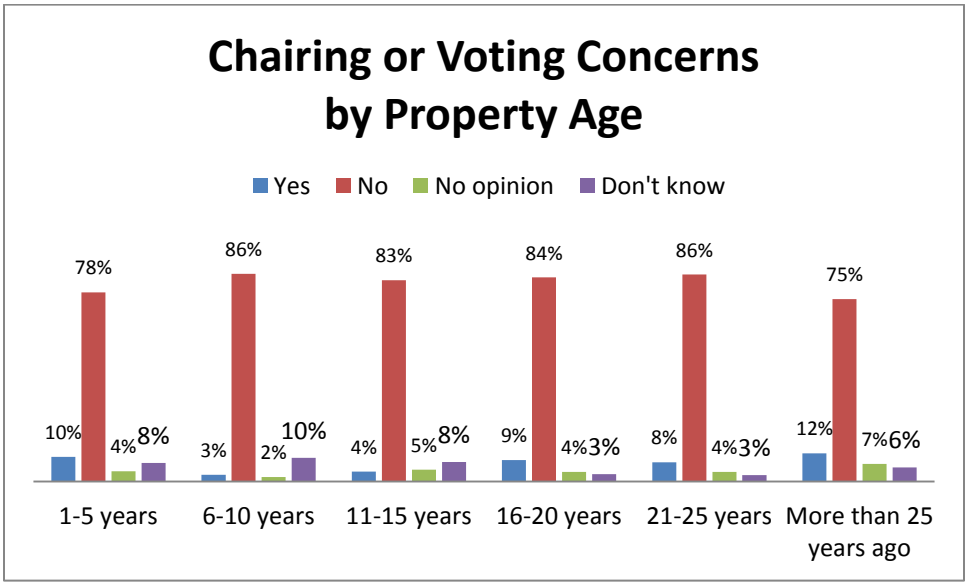
- No major outliers



- Concerns about condominium managers ignoring human rights, accessibility rights or other rights were highest among owners in 25+ year old buildings (12%).

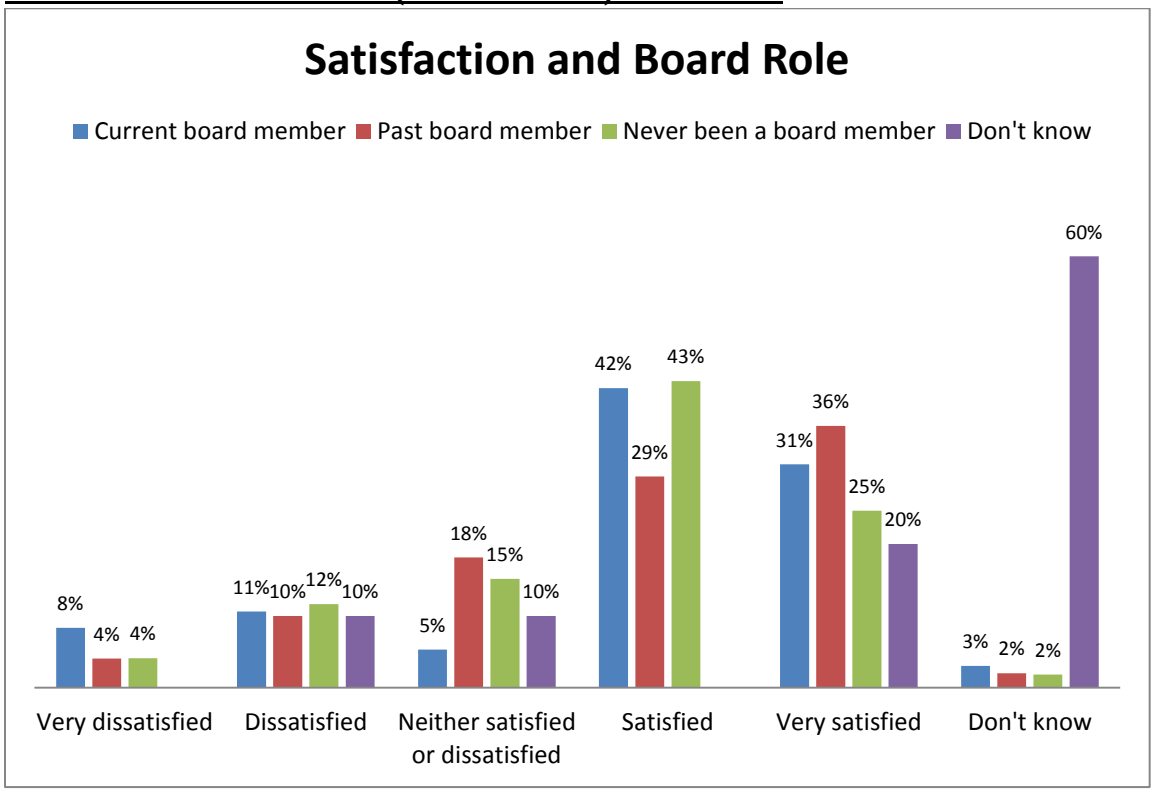


- No major outliers

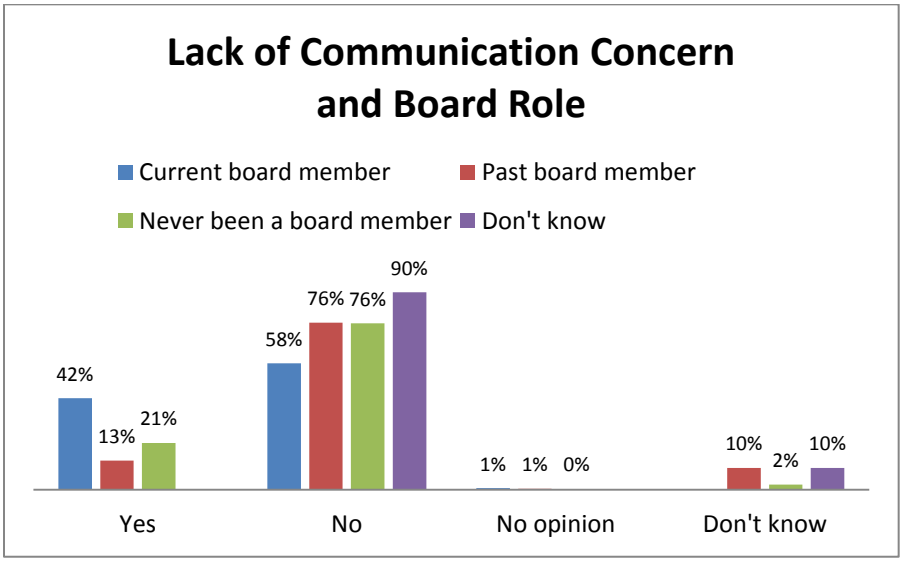


- No major outliers

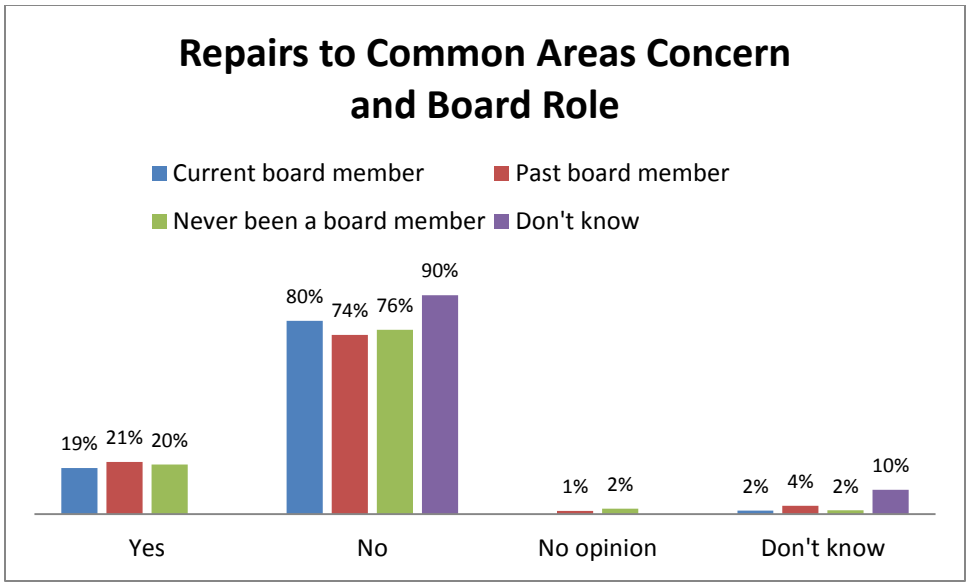
National Cross-tabulations (Minus Ontario) Board Role



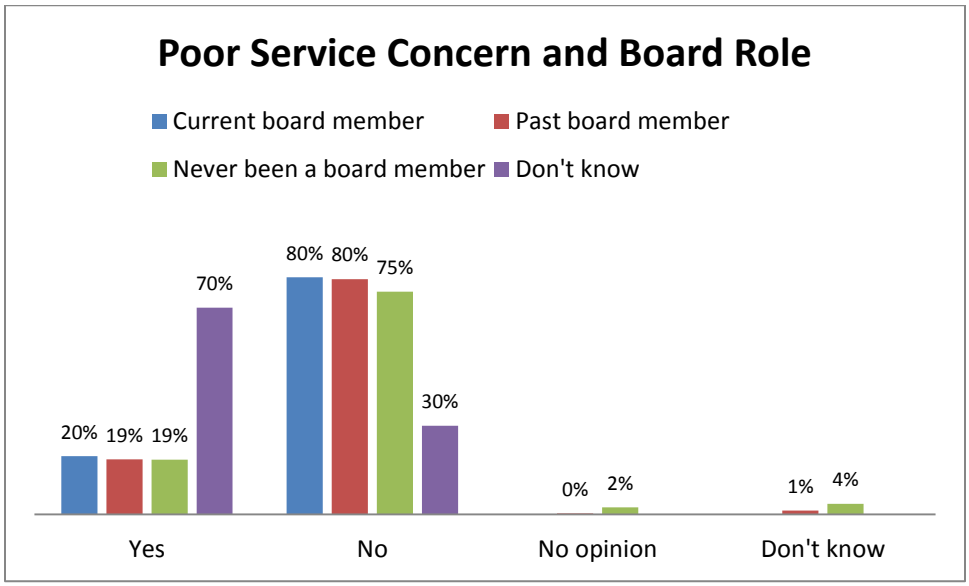
- Current board members (8%) are twice as likely as other owners (4%) to be very dissatisfied.
- Current (31%) and former board members (36%) are more likely to be very satisfied than people who have no condo board experience (25%).



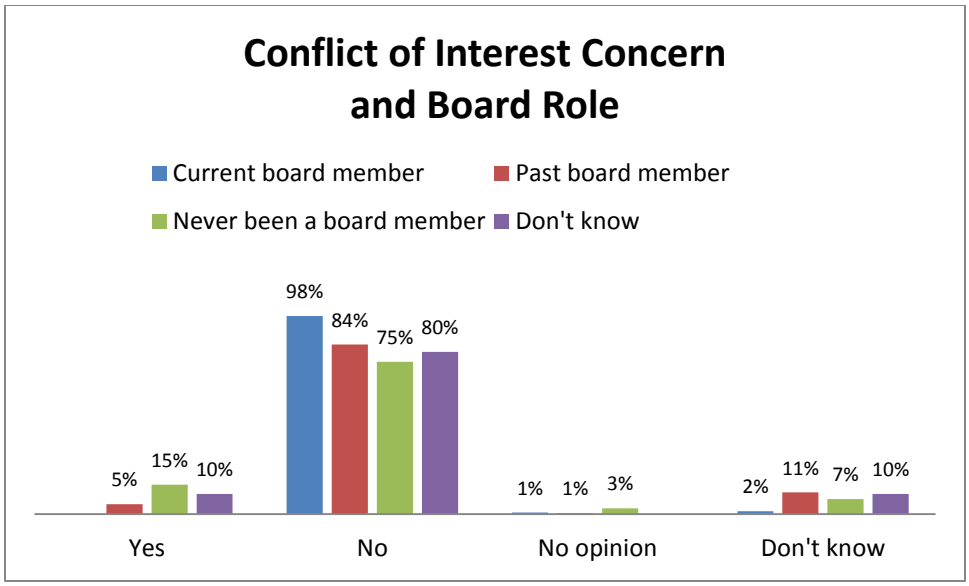
- Current board members (42%) are much more likely than past board members (13%) or people with no condo board experience (21%) to cite lack of communication as a concern



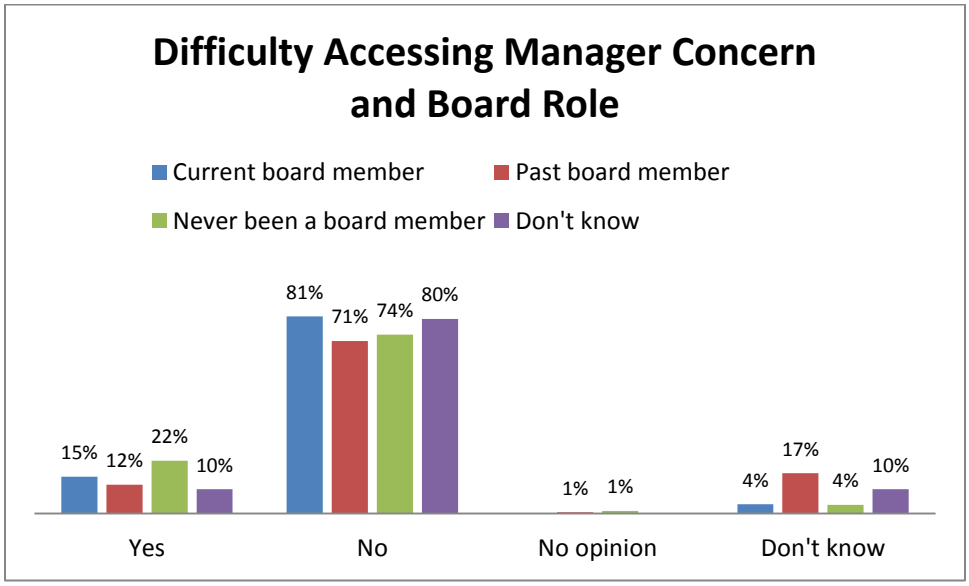
- No outliers



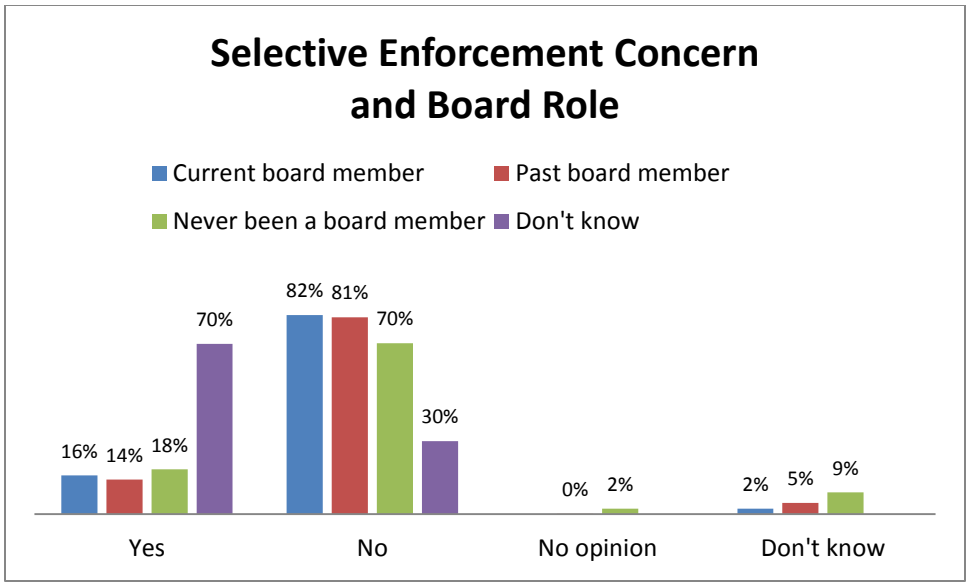
- No outliers



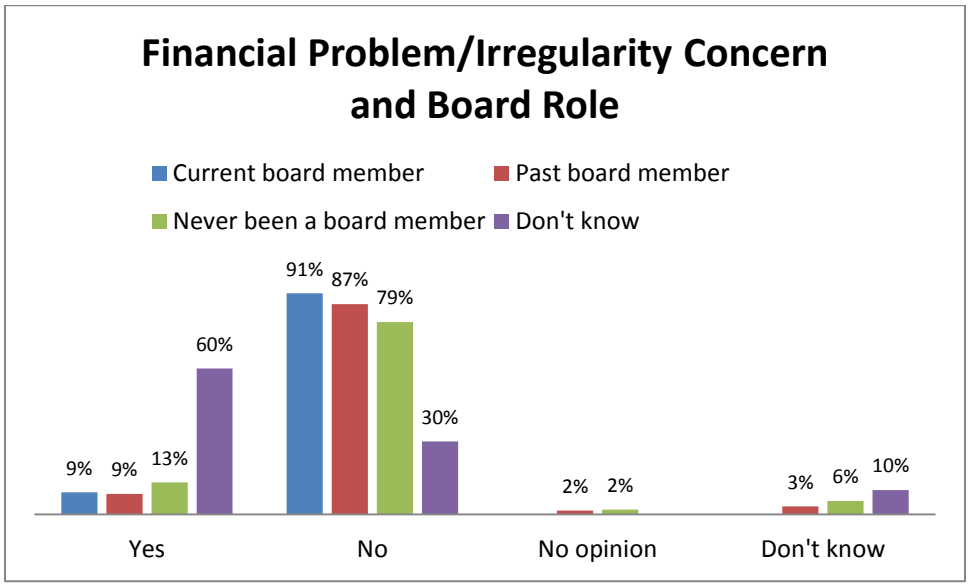
- Current board members (97.7%) and past board members (83.7%) have no concerns about conflict of interest and their condominium manager. Persons with no board experience were most likely to see this as a concern (14.5%).
- This may suggest that concerns about condominium managers and conflict of interest are connected to transparency issues.



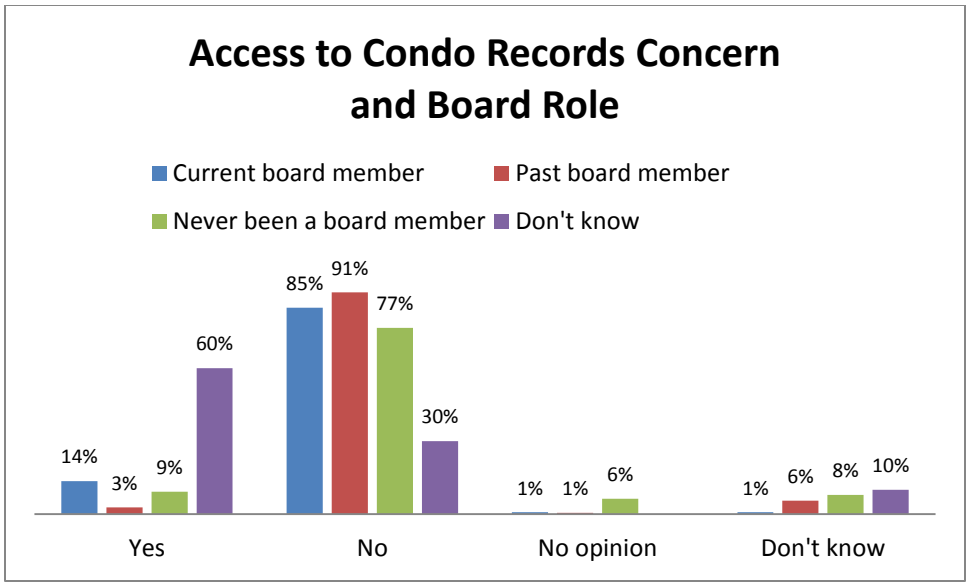
- Owners without board experience are most likely to have concerns with difficulty accessing the manager (22%)



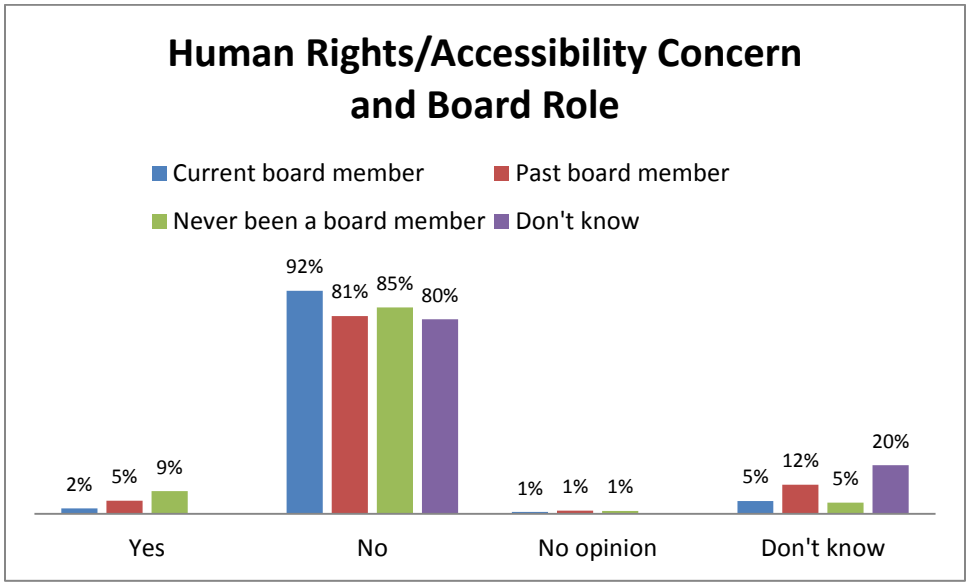
- No major outliers.



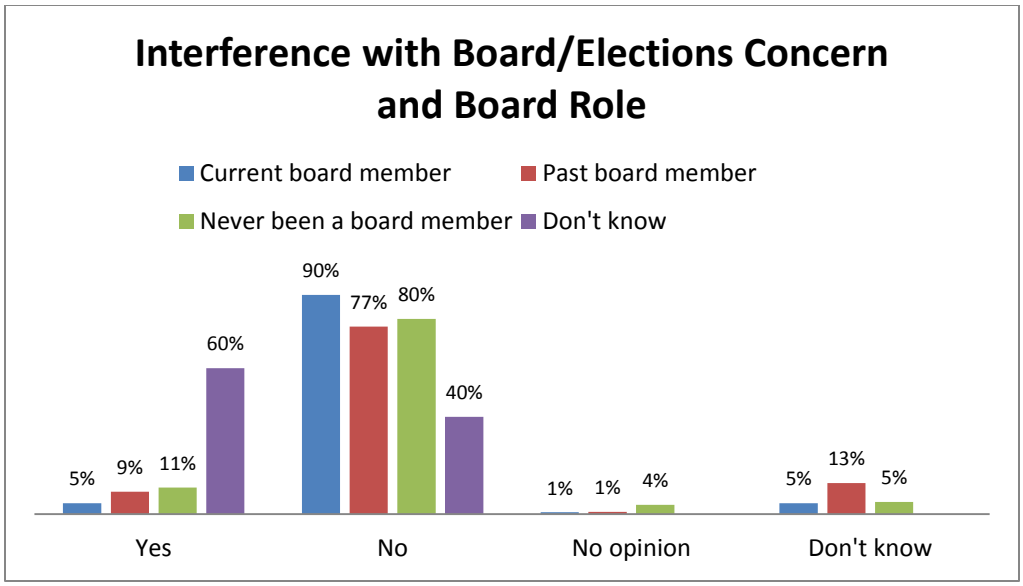
- No major outliers. Persons with no board experience were slightly more inclined (13%) to have concerns about selected or targeted enforcement of bylaws and rules.



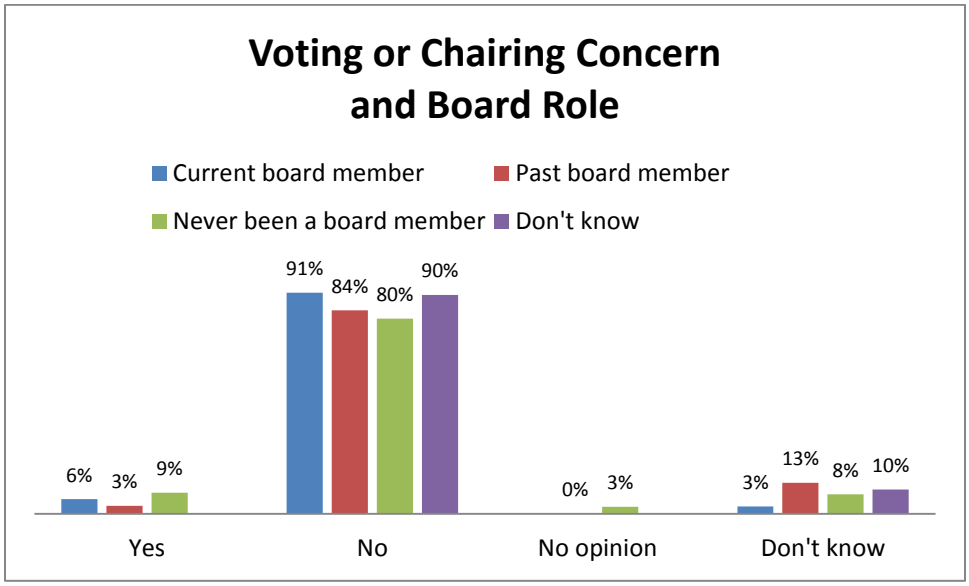
- Current board members (14%) are more likely to have concerns over difficulty gaining access to condo records from management. This is however, not a large concern among past board members (3%).



- Persons without board experience (9%) are more likely to have concerns about the ignoring of human rights, accessibility rights and other rights than others.

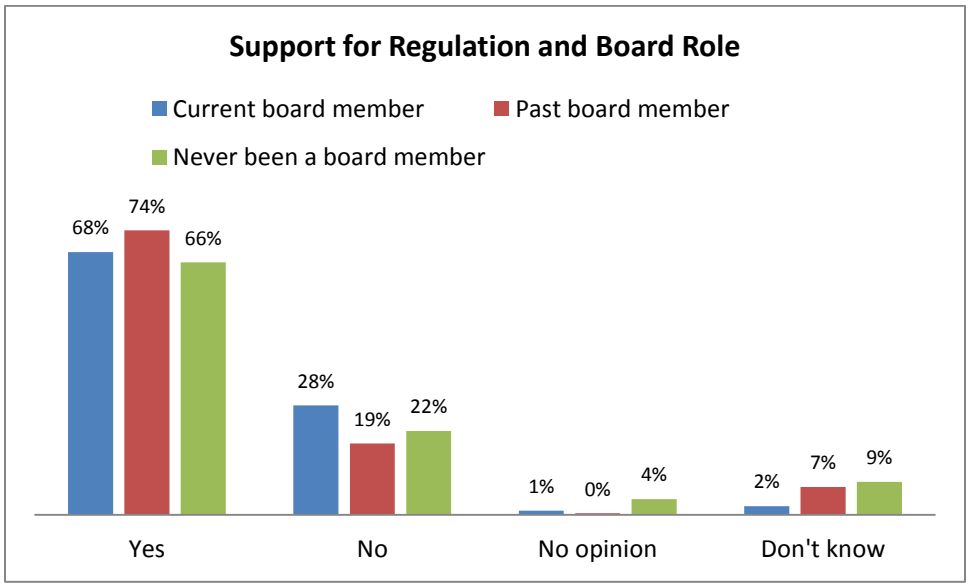


- Current board members (5%) are less likely to have concerns over management interference with board activities and elections than former board members (9%) and persons with no board experience (11%).

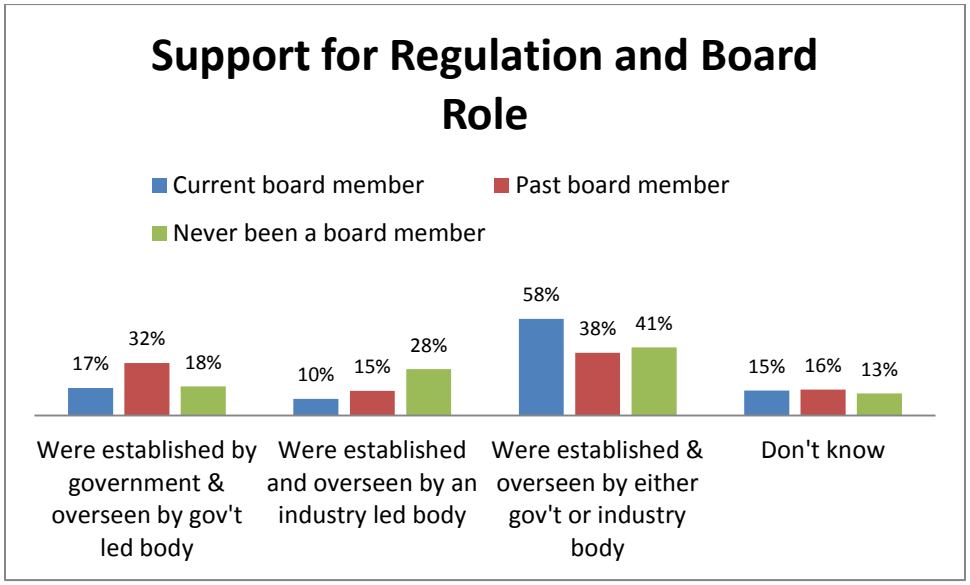


- Former (3%) and current board members (6%) are less likely to have concerns over management interference with voting or chairing activities than persons with no board experience (9%).

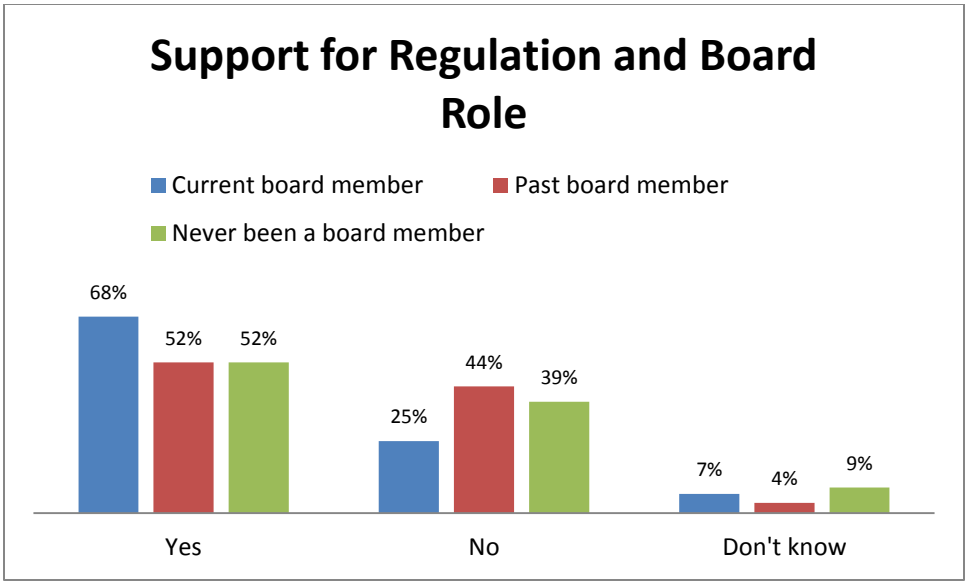
National Minus BC Crosstabs



- Current board members more likely to not support regulation (28%).

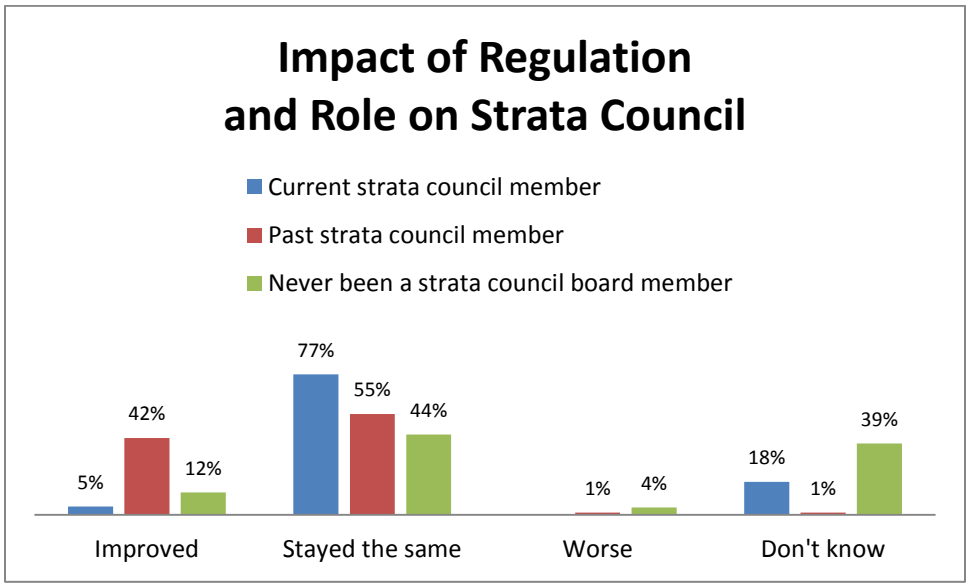


- Former board members who support regulation are more likely to support government-led regulation (32%) than current board members (17%) or owners with no board experience (18%).
- Owners with no board experience who support regulation are most likely to support an industry-led regulatory solution (28%) compared to current board members (10%) or past members (15%).
- Current board members are most likely to support either alternative.

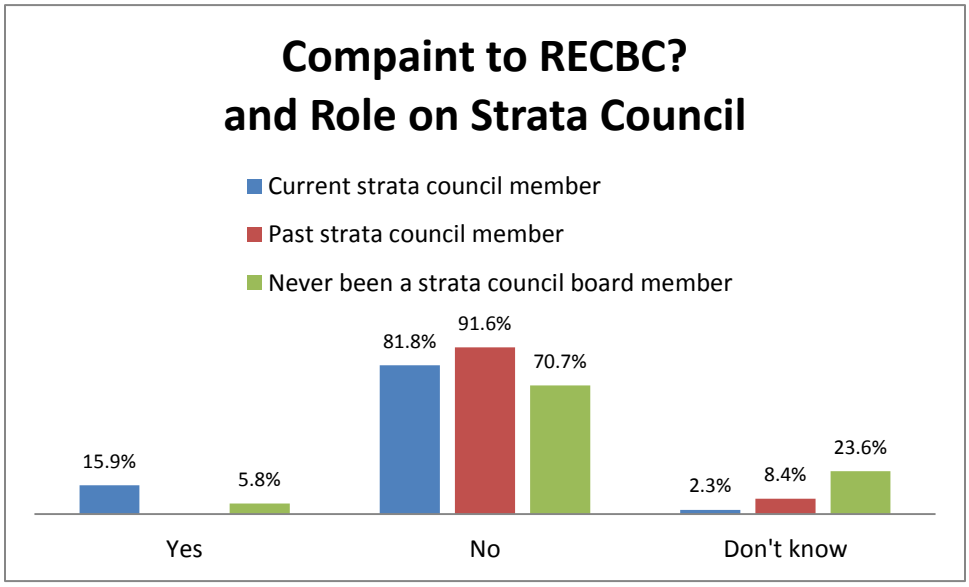


- If regulation includes a small fee, support for regulation decreases most among former board members (44% no) and owners with no board experience (39% no). Current board members (68%) are most likely to remain supportive of regulation.

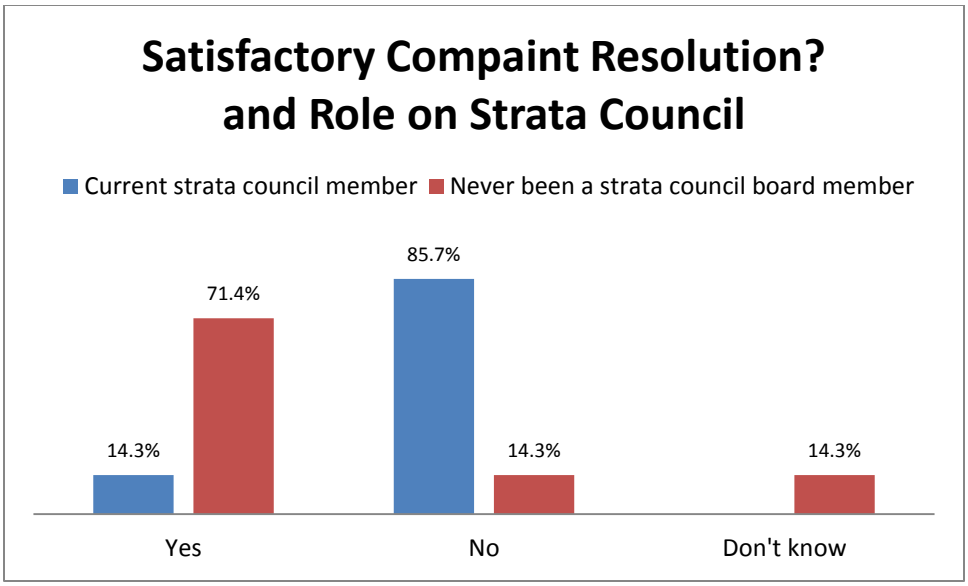
BC-Only



- Past strata council members (42%) were much more likely to indicate an improvement in consumer protection since licensing was implemented in BC, compared to 5% of current council members and 12% of those with no council experience.



- Since RECBC mostly only takes complaints about strata managers from strata councils, it is unsurprising that current council members are most likely to be aware of a complaint made to RECBC.


Satisfactory Compaint Resolution?
and Role on Strata Council
Current strata council member
Never been a strata council board member
14.3%
71.4%
85.7%
14.3%
14.3%
Yes
No
Don't know

APPENDIX D – ONTARIO FOCUS GROUP QUESTIONS

Warm Up Questions
Thank you for attending this focus group. Each person attending is a person who has owned a condominium for at least 5 years, lives in their condominium unit, and lives in a condominium that is managed by condominium property management firm. The focus of our session is to discuss whether there is a need for mandatory standards and regulation for condominium managers – this is an issue actively being considered by the Ontario government and our hope is to better understand the views of condominium owners on this topic.

We are going to ask a few questions on condominium property managers/management, including condominium property managers and property management companies – also known as condominium managers and condominium management companies.

In Ontario, a condominium's Board of Directors ("Board") are elected by and represent the owners and are responsible for making major decisions on behalf of the community regarding the maintenance of building and grounds, its finances, and compliance with the *Condominium Act, 1998*.

The Board can delegate different duties to be carried out by a condominium property manager/management as set out in a management agreement. Typically, condominium property managers/management are responsible for carrying out maintenance and repairs, supervising staff, completing paperwork, bookkeeping, attending to owners' needs, and carry out a range of duties. Condominium property managers/management operate under the direction and supervision of the Board and report back to the Board, typically during Board meetings, held regularly.

First, we would like to ask you a few **general questions**:

Q1: Describe the condominium where you live. (How many units? High-rise or low-rise? Age? Where is it located?)

Q2. How long have you lived in your condominium?

Q3: Is your condominium your primary residence?

Q4: Please describe your involvement/interaction with your Board.

Q5. How well maintained is your condominium?

Q6. How well managed is your condominium corporation?

Condominium Property Management - General and Roles
"Like the buildings they manage, condominium property managers/management firms come in many shapes and sizes. Lots of different responsibilities fall under the term "property management", and the firms who perform them vary greatly, ranging from small, one or two-person operations, to large organizations with specialized staff." (From Condo Stage 1 Report*) **ONTARIO'S CONDOMINIUM ACT REVIEW: Stage One Findings Report, JANUARY 2013, The Public Policy Forum, released with the Ontario Ministry of Consumer Services http://www.ppforum.ca/publications/ontarios-condominium-act-review-stage-one-findings-report* (19)

Q7: Tell us about your condominium property manager/management. (At this point we are just looking for your overall thoughts as we will be getting into specifics a litter later on)

Q8: What is the role of your condominium property manager/management and how is it different from the role of your Board?
[Possible prompts}

Board Roles

- Ensure appropriate building insurance

- Ensure adequate funds are maintained in the reserve fund to cover major repairs and replacements

- Oversee the financial accountability of the condominium

- Organize an Annual General Meeting of the condominium unit owners, and any other owner meetings that may be required

- Propose by-laws dealing with the responsibilities and powers of the board, how meetings will be run, and the collection of common expense fees

- Pass rules to promote the safety, security and welfare of the owners.

Condominium Manager Roles

- Ensure the building and property are properly maintained and that common area

repairs are carried out as needed (could be seen as both Board and property mgr)

- Collect and process common element fees

- Maintain condominium records

- Respond to owner complaints

- Hire and monitor service providers and trades, for example security companies

Condominium Property Management - Satisfaction and Service Quality
Q9: I would now like to discuss your satisfaction with your condominium property manager/management firm **– REFERNCE RESULTS FROM QUESTIONNAIRE/HOMEWORK DISTRIBUTED Q1**

"While many of these managers are well-trained professionals of high integrity, others are not. In Ontario, there are no requirements to become a property manager, so anyone can start up a business. Although a variety of organizations offer training and educational programs to improve quality, such training is voluntary and the uptake is low." (From Condo Stage 1 Report*)
Q10: What type of qualifications does your condominium property manager have?

Q11: Can you provide examples where your condominium property manager demonstrated a lack of knowledge, skills, or professionalism? Please describe (without prompts).

Q12: **REFERENCE AND DISCUSS RESULTS FROM HOMEWORK QUESTIONS 2-6**
(Please agree or disagree with the following)

HQ2. The Ontario government held public information sessions and received online submissions that were filled with stories of managers who allegedly do not understand the Condominium Act.

- *Agree*
- *Disagree*
- *Don't know*

HQ3. Condominium property managers do not understand the declarations, by-laws and rules of the community they manage HQ4. Condominium property managers are unclear of their obligations, duties and responsibilities as managers.

HQ5. Condominium property managers are unclear of the rights and responsibilities of owners.

HQ6. Condominium managers have no training or experience in contracting, building maintenance or financial management.

DISCUSS THE FOLLOWING & REFERENCE HOMEWORK Q7
Q13: I am now going to read a list of potential concerns that some condominium owners have raised in the past about property manager/management services.

Please rank the following allegations as they apply to your own condominium : [Please rank in order of concern (1 up to 12 where one is most and 12 least) the following allegations as they apply to your own condominium. If they do not apply, mark as N/A]

- Financial problems or irregularities
- A lack of communication from your condominium manager
- Repairs to common areas not being carried out or not carried out in a timely fashion
- Interference with or influencing the elections of condominium board members
- Delays or refusal to provide access to condominium records
- Poor or lack of customer service
- Difficulty accessing or reaching condominium managers to ask questions or make complaints
- Ignoring human rights, accessibility, or other rights of condominium owners
- Selective or targeted enforcement of declaration, by-laws, rules
- Conflict of interest
- Fraud and/or kickbacks taken by condominium managers

- Other (include Q.4 answers then rank)

Condominium Manager – Where to Complain
Q14: If a condominium owner has a problem with their condominium property manager, what avenues exist to raise those complaints?

Q15: Have you had any experience with those avenues? Are they effective? Why?

Condominium Property Management - Solutions and Options Discussion
Condominium owners who responded to Ontario government consultations *"want property manager/management firms to meet appropriate standards and they want individuals who work onsite to have the appropriate education and training. But it is not clear what kinds of standards, education and training are appropriate and how should they be implemented"* (From Condo Stage 1 Report *).

Standards
"Standards define the minimum level of performance that is expected for each task that a firm or manager must perform. This, in turn, allows various competencies to be identified that should be required of a person or firm to do the job. For condominium managers, these would likely include adequate knowledge of the Condominium Act, 1998 and effective skills in financial management and contracting practices." (From Condo Stage 1 Report*)

Q16: Do you believe that condominium property managers should be required to meet minimum qualification standards?

Q17: Who should establish and set the standards for certification/ accreditation?

Q18: Which of the following statements to you agree with? **REFERENCE RESULTS FROM HOMEWORK Q8**

- Standards should be developed by stakeholders and should be voluntary and condominium boards and management firms should be encouraged to use this standard to inform hiring practices.

- Standards should be developed by stakeholders in conjunction with an educational institutions such as a college to create a certification program where qualified persons would hold a certificate and condominium boards and management firms should be encouraged seek candidates who have a recognized certification.

- Government should lead the development of standards and work with stakeholders to develop a certification program that is mandatory and implement a licensing requirement through a regulatory body

- Status quo is acceptable.

Q19: Should standards include training in the following areas?:

- Adequate knowledge of the Condominium *Act* 1998 and other relevant Ontario laws

- Roles, rights and responsibilities of owners and condominium property managers

- Effective skills in financial management

 Effective skills and practices for contracting and overseeing maintenance and repair services

 Communications and conflict avoidance – such as training in diversity and human rights issues, dispute resolution approaches.

OTHER PROBE
Q20: Should standards include the development of binding standards of professional behaviour and ethical conduct for the profession?

Q21. Education and training standards can range in other professions from university degree requirements to management school requirements, to college and association-level requirements. How demanding and comprehensive should the standards be? Should existing condominium property managers be required to meet any new standard?

Standards Enforcement
Q22: How should standards or a code of ethics be enforced? For instance, if qualifications aren't met, if codes of ethics are breached, if a license needs to be revoked, how should they be enforced and by whom?

Cost of Regulation
READ: The costs to maintain an effective regulatory body can be high, and these costs would likely be passed on to condominium owners.

Q23: Would you support mandatory standards and regulation of condominium property managers and management firms if a small fee to cover the cost of regulation is passed on to the condominium owner? How much would you be willing to pay (or what is reasonable)?

Information Gaps
Q24: Did you receive a Resident's or Condominium Owner's Manual that outlines the roles, rights and responsibilities of condominium owners, the Board, and condominium property management?
Q25: If yes, has this Manual been useful to you and do you sometimes refer to it for information?

Q26: **WHAT THEY NEED MORE INFORMAITON ON – REFERNCE Q9 OF HOMEWORK**
What do you feel condominium owners need more information on? (unprompted) [Then prompt with list below plus unprompted issues] Please rank in order from greatest to lowest need for information:

- Rights and responsibilities of the Condominium Owner
- Roles and responsibilities of the Condominium Board
- Roles and responsibilities of the Property Management
- Where to complain if issues are encountered
- Understanding your responsibilities about your unit compared to the rest of the condominium property or common areas
- Understanding the calculation of condominium square footage
- General information on the declaration, by-laws and rules
- Disclosure statements
- Owner insurance requirements
- Reserve funds
- Rules and responsibilities of shared facilities
- Rules regarding selling and leasing
- Status Certificate
- Other

Q27: Where do you or would you get such information today if you needed it?

Q28: Who should be responsible to provide that information?

Q29: In what format/medium should that information be provided? (pamphlets, meetings, online, etc.)

Conclusion:
Q29: Are there any final issues regarding condominium property management that we have not discussed that you would like to leave us with?

Ontario Focus Group Handout ("Homework")

In Ontario, a condominium's Board of Directors ("Board") are elected by and represent the owners and are responsible for making major decisions on behalf of the community regarding the maintenance of building and grounds, its finances, and compliance with the *Condominium Act, 1998 ("Act")*.

The Board can delegate different duties to be carried out by a Condominium property manager/management' as set out in a management agreement. Typically, condominium property managers/management are responsible for carrying out maintenance and repairs, supervising staff, doing paperwork, bookkeeping, attending to owners' needs, and carry out a range of duties. Condominium property managers/management operate under the direction and supervision of the condominium board of directors and report back to the Board regularly.

Q1: What is your level of satisfaction with your condominium property manager/management?

- ☐ Very satisfied
- ☐ Satisfied
- ☐ Neither satisfied nor dissatisfied
- ☐ Dissatisfied
- ☐ Very dissatisfied
- ☐ Don't Know/Have Not Interacted With Him/Her

Please agree or disagree with the following.

Q2: The Ontario Government held public information sessions and received online submissions that were filled with stories of condominium property managers/management who allegedly do not understand the *Act*.

- ☐ Agree
- ☐ Disagree
- ☐ Don't know

Q3. From my experience, I think that condominium property managers/management do not understand the declaration, by-laws and/or rules of the community(ies) they manage.

- ☐ Agree
- ☐ Disagree
- ☐ Don't know

Q4. From my experience, I think that condominium property managers/management are unclear of their obligations, duties and responsibilities to the community(ies) they manage.

☐ Agree

☐ Disagree

☐ Don't know

Q5. From my experience, I think that condominium property managers/management are unclear of the rights and responsibilities of owners.

☐ Agree

☐ Disagree

☐ Don't know

Q6. From my experience, I think that condominium property managers/management have minimal or no training or experience in contracting, building maintenance or financial management.

☐ Agree

☐ Disagree

☐ Don't know

Q7. The following is a list of potential concerns that some condominium owners have raised in the past about property management services. Please rank in order of concern (1 up to 12 where one is most and 12 least) the following allegations as they apply to your own condominium. If they do not apply, mark as N/A

☐ _____Financial problems or irregularities

☐ _____A lack of communication from your condominium property manager

☐ _____Repairs to common areas not being carried out or not carried out in a timely way

☐ _____Interference with or influencing the elections of condominium board members

☐ _____Delays or refusal to provide access to condominium records

☐ _____Poor or lack of customer service

☐ _____Difficulty accessing or reaching condominium property managers to ask questions or make complaints

☐ _____Ignoring human rights, accessibility, or other rights of condominium owners

☐ _____Selective or targeted enforcement of declaration, by-laws, rules

☐ _____Conflict of interest

□ _____Fraud and/or kick-backs taken by condominium property managers from contractors

□ _____Condominium Property Manager – Where to Complain

OTHER RECORD_____

Q8. Which of the following statements do you agree with?

□ Standards should be developed by stakeholders and should be voluntary and Boards and management firms should be encouraged to use this standard to inform hiring practices.

□ Standards should be developed by stakeholders in conjunction with an educational institution, such as a college to create a certification program where qualified persons would hold a certificate and Boards and management firms should be encouraged to seek candidates who have a recognized certification.

□ Government should lead the development of standards and work with stakeholders to develop a certification program that is mandatory and implement a licensing requirement through a regulatory body.

□ Status quo is acceptable.

Q9. In what areas do you feel condominium owners need more information?
Please rank in order of preference (1-12 where one is most and 12 least) the following areas as they apply to your own condominium.

□ _____Rights and responsibilities of the Condominium Owner

□ _____Roles and responsibilities of the Board

□ _____Roles and responsibilities of the Condominium Property Manager or Firm

□ _____Where to complain if issues are encountered

□ _____Understanding your responsibilities about your unit compared to the rest of the condominium property or common elements

□ _____Understanding the calculation of condominium square footage

□ _____General information on the declaration, by-laws and rules

□ _____Disclosure Statement

□ _____Owner insurance requirements

□ _____Reserve fund

□ _____Rules and responsibilities of shared facilities

□ _____Rules regarding selling and leasing
□ _____Status Certificate

APPENDIX E – BC FOCUS GROUP QUESTIONS

Warm Up Questions

Thank you for attending this focus group. Each person attending is a person who has owned a strata lot for at least 5 years, lives in their strata lot, and lives in a strata property that is managed by strata manager or management firm.

This focus group forms part of a larger national study looking into the views of strata or condominium owners across the country about the need for regulation of strata or condominium managers. Because British Columbia is the only Canadian province to require minimum qualifications and licensing of strata managers, the study team wished to hear the views of BC strata owners on their experiences with strata management.

As well, this focus group is using terminology that is different from terms used in other parts of the country. The following terms have been changed:

Canada-wide term	BC Term
condominium corporation	strata corporation
condominium or condo unit	strata lot
condominium property manager	strata manager
condominium management company	strata management company

The focus of our session is to discuss your views on the qualifications of strata managers and your overall satisfaction with: strata management at your strata corporation. We also hope to discuss any views you may have about the licensing of strata managers in British Columbia and the consumer protection that this provides.

Brief Background on Strata Manager Licensing
Since 2006, Strata Managers and companies in BC have been required to be licensed by the Real Estate Council of British Columbia (RECBC) under the requirements of the *Real Estate Services Act*.

RECBC has established educational requirements for those required to be licensed to provide strata management services. Licensing is required for strata managers and their strata management companies (called brokerages) when strata management services are provided for a fee. Some exemptions exist for owner/developers, caretaker/managers employed by a strata corporation, and in limited circumstances strata lot owners providing services for a fee to a strata corporation.

According to the RECBC, "Brokerages and their licensees are legally obligated to protect and promote the interests of their principals (strata corporation) as they would their own. Specifically, the brokerage and the licensee have the following duties:

- undivided loyalty;
- to obey all lawful instructions of the principal;
- to keep the confidences of the principal;
- to exercise of reasonable care and skill in performing all assigned duties; and

- to account for all money and property placed in the brokerage's hands while acting for the principal."

In BC, a strata council (or board of directors) are elected by and represent the owners and are responsible for making major decisions on behalf of the community regarding the maintenance of the building and grounds, its finances, and compliance with the *Strata Property Act.*

The strata council can delegate different duties to be carried out by a strata manager as set out in a management agreement. Typically, strata managers/management are responsible for carrying out maintenance and repairs, supervising staff, completing paperwork, bookkeeping, attending to owners' needs, and carry out a range of duties.

Common law duties for agents, the Real Estate Services Act, and RECBC Rules "establish conduct requirements for those who are licensed to provide strata management services. As an agent of the strata corporation, the brokerage and its licensees are obligated to act on the instructions of the strata corporation which are given by the strata council.

It is up to the strata council to give clear direction to the strata manager or brokerage on an on-going basis, whether it be at a regularly scheduled strata council meeting or between meetings.

Strata brokerages and their licensed strata managers operate under the direction and supervision of the Strata Council and report back to the Council, typically during Council meetings, held regularly."

First, we would like to ask you a few <u>general questions</u>:

Q1: Describe the strata corporation where you live.
(Prompts: How many units? Age? Where is it located?)

Q2. How long have you lived in your current and any past strata lots?

Q3: Is your strata lot your primary residence?

Q4: Please describe your involvement/interaction with your Strata Council.
(Probe for strata council membership present or past, no involvement, attendance at special/annual meetings, bringing any issues to the council)

Q5. How well maintained is your strata compared to other stratas in BC?
(Better maintained, as well maintained, or maintained worse? More specific satisfaction and concern questions re strata manager roles to follow)

Q6. How well managed is your strata compared to other stratas in BC? (Better managed, as well managed, or managed worse? More specific satisfaction and concern questions to follow)

Q7. Have you had any significant or unexpected increases in fees or costs related to your strata corporation? If so, please describe.
(Facilitator to probe if owners had received special assessments if this is not raised)

Strata Management - General and Roles

READ: Strata managers and brokerages can come in different shapes and sizes, much like the strata corporations they manage. A range of responsibilities can be delegated or assigned to a strata management company, and the brokerages and managers who carry out these responsibilities can range from small, one or two-person operations, to larger organizations that may employ a range of specialized staff.

Q8: Tell us about your strata manager or strata management company.

READ: *At this point we are just looking for your overall thoughts as we will be getting into specifics a little later on.*

[The facilitator should try to probe whether unprompted views are directed at an individual manager, the management company or both throughout the session. As well, the facilitator should probe here whether there has been any turnover in managers or management companies if this is not raised.]

Q9: We want to learn what you understand to be the responsibilities of your strata council and those of your strata manager. I am going to read a list of responsibilities, please state whether you believe this is primarily a strata management responsibility; a strata council responsibility, a shared responsibility (both), or don't know.

[Facilitator is asked to mix up each of these prompts that are roughly categorized by expected answer.]

Council Roles
- Ensure appropriate building insurance
- Ensure the building and property are properly maintained
- Ensure adequate contingency reserve funds are maintained to cover major repairs
- Oversee the financial accountability of the strata corporation
- Organize an annual meeting of the strata unit owners
- Pass bylaws dealing with the responsibilities and powers of the strata council, how meetings will be run, and the collection of common expense fees
- Pass rules to promote the safety, security and welfare of the owners/residents

Strata Manager Roles
- Ensure the building and property are properly maintained and that common area
- repairs are carried out as needed (could be seen as both Council and property mgr)
- Collect common expense fees
- Keep strata records
- Respond to owner complaints
- Hire and monitor service providers and trades, for example security companies

Strata Management - Satisfaction and Service Quality

READ: Some owners may have separate views about their strata council. For this survey we hope to focus specifically on understanding your views about your strata manager or strata management company.

Q10: I would now like to discuss your satisfaction with your strata management services. In your homework, participants provided the following answers…Would you care to elaborate on your answers?

[REFERENCE RESULTS FROM QUESTIONNAIRE/HOMEWORK DISTRIBUTED Q1- Using a scale from one for very dissatisfied to five for very satisfied, how would you rate your overall satisfaction with the services provided by your strata management services?"]

Q11: What type of qualifications does your strata manager have?

Q12: Can you provide examples of any situations where your strata manager or your strata management company demonstrated a lack of knowledge, skills, or professionalism? Please describe (without prompts).

Q13: REFERENCE AND DISCUSS RESULTS FROM HOMEWORK QUESTIONS 2-6
(How do you respond to the following statements – Agree, Disagree, I don't know – engage the group to expand on their answers from the homework)

HQ2. Some strata owners have suggested that some strata managers do not sufficiently understand the Strata Property Act and its requirements.
- *I agree*
- *I disagree*
- *I don't know*

HQ3. Strata managers do not sufficiently understand the by-laws and rules of the community they manage.

HQ4. Strata managers are unclear of their obligations, duties and responsibilities as managers.

HQ5. Strata managers are unclear of the rights and responsibilities of owners.

HQ6. Strata managers have insufficient training or experience in contracting, building maintenance or financial management.

DISCUSS THE FOLLOWING & REFERENCE HOMEWORK Q7

Q14: I am now going to read a list of potential concerns that some strata lot owners (in provinces and territories where there are no licensing requirements) have raised in the past about strata management services.

Please rank the following allegations as they apply to your own experience as a strata lot owner.

[In order of concern 1 up to 11 where one is most and 11 least. If they do not apply, mark as N/A – note to include any unprompted issues raised in Q12 to the discussion]

- A lack of communication from your strata manager
- Repairs to common areas not being carried out in a timely way
- Poor or lack of customer service
- Conflict of interest
- Difficulty accessing or reaching strata managers
- Selective or targeted enforcement of by-laws, rules
- Financial problems or irregularities
- Delays or refusal to provide access to strata records
- Ignoring human rights, accessibility, or other rights of strata owners
- Interference with or influencing the elections of strata council members
- Concerns over voting or chairing of meetings
- Other

REGULATION

READ: *Since 2006, strata managers and strata brokerages have been regulated through licensing requirements established by the government of British Columbia and are administered by the Real Estate Council of BC.*

The Real Estate Council of BC does not enforce the Strata Property Act or deal with complaints regarding violations of this Act, they strictly deal with the requirements under the Real Estate Services Act and the licensing regulations and rules for strata managers. The RECBC has the authority to license both strata managers and brokerages. This includes requiring that strata managers meet good reputation guidelines, take and pass the Strata Management Licensing Course and Exam, take continuing education courses, abide by practice standards and other licensing requirements.

Other provinces are also considering the need to develop of mandatory rules of conduct and minimum qualification requirements for property managers.

Q.15. How many among you have owned your current, or a different, strata lot prior to 2006? I would like to focus this question on those of you who have owned a strata prior to when the BC government put in place licensing requirements for strata managers and companies. Have you noticed any difference in the way your strata has been managed from before 2006 to today? How has it changed?

Also ask the following specific prompts:

- 15a. Has the management of your strata corporation's finances and reserves improved, stayed the same, gotten worse? Explain
- 15b. Has the customer service and communication from your strata manager or management company improved, stayed the same, gotten worse? Explain

- 15c. Has the timeliness of repairs to common areas improved, stayed the same, gotten worse? Explain
- 15d. Has your access to strata records improved, stayed the same, gotten worse? Explain

Other concerns mentioned before prompting should also be probed against [improved, stayed the same, gotten worse? Explain]

Q16. READ: Although you may or may not have experienced these issues, some strata owners and advocates have expressed opinions about regulatory requirements for strata managers today. What are you feelings about the following?

- A. Should strata managers be able to receive commissions from suppliers? Would your views change if the commissions were properly disclosed? (facilitator: disclosure is required today)
- B. In general, RECBC accepts only complaints that come from a strata council rather than from individual lot owners. Should owners be able to complain directly in specified circumstances? What circumstances?

Q.17. To your knowledge, have you, people you know, or your strata council registered a complaint to the *Real Estate Council of BC* against your strata manager?

[YES, NO, Don't know, please describe – was it an individual or the council that complained?]

Q17b. Was the issue or complaint handled and resolved to your satisfaction? [only ask of participants who answered yes]

READ: A proposed new Civil Resolution Tribunal is expected to be established in 2014 consisting of members that have strata property expertise to help resolve issues and conflicts within strata properties. According the a BC Housing Ministry release, the tribunal will address strata disputes by:

- providing access to information to assist parties to prevent/manage disputes by themselves wherever possible, without the assistance of the Tribunal, including an online dispute resolution service;
- actively managing disputes the parties are not able to resolve themselves, through facilitated dispute resolution discussions and, where necessary, by a quick and efficient hearing of the issues in dispute. Parties can be strata owners, council members, and strata managers.

Q17c. What are your thoughts on such a Tribunal and its impact on the protection available to strata owners? [YES, NO, Don't know, please describe]

Q.18. In your view, is there any area where the licensing for strata managers could further protect strata owners from potential problems with strata management?

Cost of Regulation

READ: The costs to maintain an effective regulatory body can be high, and these costs are most often passed on to strata owners – either directly or indirectly.

Q19: To your knowledge, has the regulation of strata managers had any impact on your maintenance fees or ownership costs? If so, please describe.

Information Gaps

Q20: Did you receive a Resident's or Strata Owner's Manual that outlines the roles, rights and responsibilities of strata lot owners, the strata council, and strata management?

Q21: If yes, has this Manual been useful to you and do you sometimes refer to it for information?

Q22: WHAT THEY NEED MORE INFORMATION ON – REFERENCE Q8 OF HOMEWORK

What do you feel strata owners need more information on? (unprompted) [Then prompt with list below plus unprompted issues] Please rank in order from greatest to lowest need for information:

- Rights and responsibilities of the strata lot owner
- Roles and responsibilities of the Strata Council
- Roles and responsibilities of Strata Management
- Where and how to complain if issues are encountered
- Understanding your responsibilities about your unit and for the rest of the property or common areas
- Understanding how unit entitlements are calculated
  General information on the by-laws and rules
- Disclosure Statements
- Owner insurance options
- Management of Contingency Reserve Funds
- Bylaws and responsibilities for common facilities
- Bylaw restrictions (such as age restriction, rental, pets)

Q27: Where do you or would you get such information today if you needed it?

Q28: Who should be responsible to provide that information?

Q29: In what format/medium should that information be provided? (pamphlets, meetings, online, etc.)

Conclusion:
Q30: Are there any final issues regarding strata management that we have not discussed that you would like to leave us with?

APPENDIX F - FOCUS GROUP RESULTS

Participant Profiles

Ten persons were invited to each session, all ten invitees attended the North York focus group and seven attended the session in Vancouver. Each session lasted approximately 1.5 hours.

The gender and age ranges of participants are shown in the adjacent table. The North York session included one person who was a current member of their condominium's board of directors and one person who was a former board member. The Vancouver focus group had one person who was a current member of their strata council.

Ontario		British Columbia	
Age	Gender	Age	Gender
18-34	female	35-54	male
18-34	female	35-54	female
35-54	female	25-34	female
35-54	female	55 or older	male
35-54	female	55 or older	male
35-54	female	refused	female
18-34	male	35-54	female
35-54	male		
55 or older	male		
55 or older	female		

Participants in the North York focus group were primarily in high rise condominiums of 100 or more units, and one in townhouse complex. The Vancouver focus group had a greater mix of owners in smaller strata properties and owners in high rise properties.

North York Participants			Vancouver Participants		
Years Owned, Age of Condo	**Units**	**Location**	**Years Owned, Age of Condo**	**Units**	**Location**
n/a	200	Oakville	6 mo, 10 yrs	n/a	Vancouver area
2.5 yrs, 2.5 yrs	300	Toronto	6 yrs, 6 yrs	10	Burnaby
5 yrs, 5 yrs	300	Mississauga	7 yrs, 18 yrs	25	Vancouver area
4 yrs, 4 yrs	120	Toronto	15 yrs, 15 yrs	3 buildings, 21 fl.	Vancouver area
5 yrs, 5 yrs	300	Scarborough	12 yrs, ?	125	Vancouver area
10 yrs, 10 yrs	88	GTA	21 yrs, 40 yrs	150	Vancouver area
4 yrs, 4 yrs	180	GTA	15 yrs, 15 yrs	105	Vancouver area
6 yrs, 6 yrs	188	GTA			
15 yrs, 15 yrs	47 story	Toronto			
n/a	55	GTA			

Impressions of maintenance of condominium property and condominium management

Questions: **"**How well maintained is your condominium/strata property? How well managed is your condominium/strata corporation?"
"Tell us about your strata manager or strata Management Company"

Facilitator's Summary Findings:

Ontario Focus Group	BC Focus Group
"For the most part owners are moderately satisfied with their condominium and how they are kept, although there are some maintenance issues. There was concern expressed on the turnover of management and some issues with respect to conflicts of interest and or "kickbacks" with providers or sub-contractors. Board issues were raised as it related to conflicts and the lone current board member expressed frustration in his relation with his peers." (Oraclepoll Ontario Focus Group Report)	"Participants were split over opinions on the maintenance of their strata. While minor repairs and maintenance did not appear as issues, there were gaps revealed over longer term or structural types of repairs that require more intensive and capital dependent work. Concern areas included lengthy waits and gaps related to funding." "Management companies vary in size with their being a split of small and large firms. For the most part they are seen as responsive, however the biggest concerns or gaps mentioned related to a slow response time and difficulties in reaching them or staff. A lack of predictability or consistency seemed to be common." (Oraclepoll BC Focus Group Report)

Participant Comments:

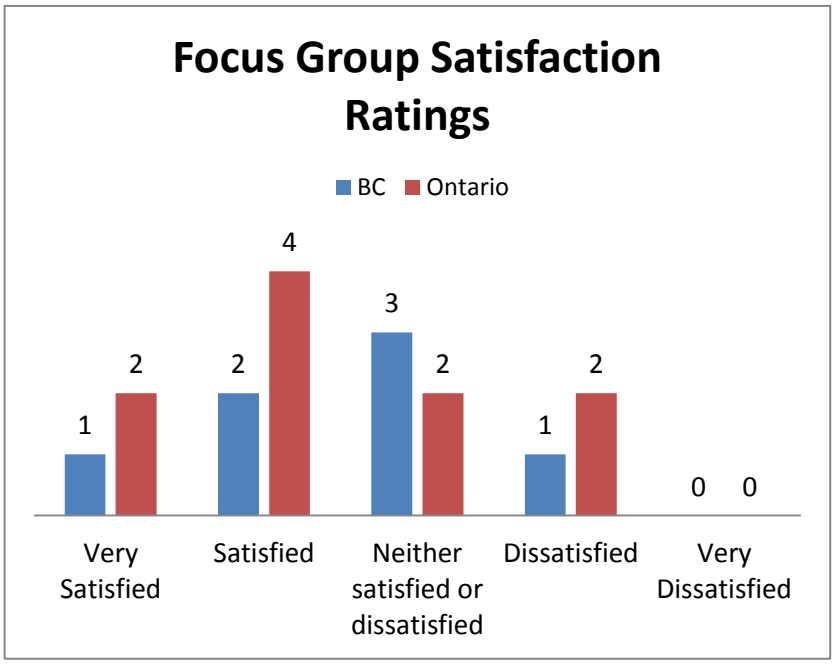
Ontario Focus Group	BC Focus Group
• My condo is changing property management companies every year or two years. It is good now and no problems. • Very well maintained, no problems we have had the same property manager for years. • It's quite new. There has been a lot of turnover with management. It is clean but there have been three floods in the basement in the storage area and they pass the buck, claim there is no insurance. The garage door is not working and cars have been damaged. There have been small claims court issues due to the damage and we have gone through a lot of nonsense due to the faulty underground door with a lot of run-around. • It is owner operated by the property management company; there have been conflicts of interests and a real hell. • Very pleased. The condo is relatively new, clean and while the builder is also the property manager it's not an issue. With the new property management company it has been seamless and the turnover is the only one in six years • Very good service as far as cleanliness. Last year there were problems with board members: two against three board members. I think the property manager gets kickbacks from service providers • No problems • No issues with mine it is well maintained and we generally receive responses within 48 hours. • Its new four or five years, but the elevator breaks down at times and once for over a two week period. • Building is very well run and nice but the fees keep going up. There is no value in the fees despite being well maintained. It is frustrating to deal with my fellow board members and while thought I could make some change being on board it did not work that way.	• No major problems, or repairs and no big concerns • Pretty poor, it's the third strata management company. We have a long process for repairs, fence repairs, leaky pipes and the building is 6 years old • Don't know what to expect, but the overall general areas are tended to and am satisfied with the monthly cleaning • Satisfied, no leakage, minor stuff that is dealt with in a couple weeks • Good, no issues, they do yearly checkups • Issues and different opinions on where money should be spent • Common area maintenance problems that should have been fixed years ago. We have a poor garden area that looks bad. We want to approve money but there are budget or fraud issues • The management company does not engage us or replace things and they don't consider long term expenses • Huge gap in terms of maintenance. Don't know how financial reserves are being maintained. The council is setting up a maintenance fee that is too low and the building is depreciating • Not a big company, personable, see them around regularly • Small, no staff, or contract • Professional and large • See them quite often • Large and represents themselves well with good communication • No turnover, he is the original one • Large, they have multiple people and the manager has multiple properties and it's hard to get a hold of them – takes days to reach • Good representative but they barely answer the phone • Typically 2 days response • Unpredictable, hours sometimes days to respond

Rating of Satisfaction with Condominium Manager

Question: "What is your level of satisfaction with your condominium/strata manager of condominium/strata management company?"

Findings:

- In the BC focus group, most responses fell in the neutral to satisfied range with three participants being neither satisfied nor dissatisfied and two participants being satisfied. The facilitator commented that three comments of seven were negative in tone compared to four leaning positive.
- In the Ontario focus group, four of the ten participants were satisfied, and two participants each being very satisfied, neutral, and dissatisfied.



Fee Increases (BC-only):

Question: "Have you had any significant or unexpected increases in fees or costs related to your strata corporation?"

Findings:

- All participants had experienced increases in fees that were, for the most part, expected or warranted.
- The group appeared to recognize the need to increase fees, in particular to ensure the overall health of contingency reserve funds. Two participants mentioned that residents have historically pushed back against proposals to increase fees, one indicating that it took three special meetings to successfully implement a fee increase.

Roles and Responsibilities of Board vs. Management

Question: We want to learn what you understand to be the responsibilities of your condo board/strata council and those of your condo/strata manager. I am going to read a list of responsibilities, please state whether you believe this is primarily a condo/strata management responsibility; a board/council responsibility, a shared responsibility (both), or don't know.

Findings:

Responsibilities	Focus Group	Condo Board	Condo Mgmt.	Shared / Both	Don't know
Ensure appropriate building insurance	Ontario	most	some		
	BC			most	
Ensure the building and property are properly maintained	Ontario	some	some	most	
	BC			most	
Ensure adequate funds are maintained in the reserve fund to cover major repairs	Ontario	all			
	BC			most	
Oversee the financial accountability of the condominium	Ontario	all			
	BC			most	
Organize an annual meeting of the condominium unit owners	Ontario	all			
	BC	most			
Pass bylaws dealing with the responsibilities and powers of the board, how meetings will be run, and the collection of common expense fees	Ontario	all			
	BC			most	
Pass rules to promote the safety, security and welfare of the owners	Ontario	all			
	BC	most			
Collect common expense fees	Ontario		most		
	BC		most		
Keep condominium records	Ontario		most		
	BC		most		
Respond to owner complaints	Ontario		most	some	
	BC			most	
Hire and monitor service providers and trades, for example security companies	Ontario		all		
	BC		most		

Qualifications of Condominium Property Managers

Questions: "What type of qualifications does your condominium/strata property manager have?" "Can you provide examples where your condominium property manager demonstrated a lack of knowledge, skills, or professionalism?"

Findings:

Ontario Group Comments	BC Group Comments
• My management firm brokers third party professionals, they are not certified, but they get the right people • Like project managers, people skills are important, being well-connected with trades, I wish they knew the condo act better – our board has had to hire expensive lawyers. It would be nice to have certification. • Yes, managers should have training to assess repair options. People skills are important. Understanding the community they are serving is important. Most owners in my condo are Asian, PM can't communicate with them. • One thing they must do is inspire confidence. Either through experience on the job or that they are certified in some way. It is a mind-boggling set of responsibilities and managing the people and their requirements is a big job. • Biggest challenge is to deal with residents; managers receive a barrage of complaints by others. One PM we had asked to be moved because she couldn't handle the harassment. Also didn't know the ins and outs of the Condominium Act, also need personnel management skills. • Most important qualification is to know your community. • Experience: we had a big crisis – an explosion on Eglinton – I want someone who can take command when there is real trouble – make the tough critical decisions. • Should have experience. Especially in a large multi-unit building – need good communications skills. • Should have some exposure to trades & facilities mgmt. Effective delegation of what needs to be done. Mine is not well versed in that • Not happy with mine. Unapproachable, in your face. East Indian community, lots of kids – good people, clean, immaculate, neighbor is a complainer (keep kids quiet) – complained to manager – "I can't get involved in that stuff". He doesn't know Human Rights aspects. • They don't want to get involved in conflict. • Education – having a certification or college degree (like an Electrician) – get a certification and an apprenticeship period to gain experience.	• Has taken a course… found out by talking to others so I heard. • Don't know, he said he is qualified. • Don't know. • Yes they are, there is an education qualification on their card. • Yes they are, has all the credentials, there is a new course now they have to take. • Through AGM heard that she got her qualification. • Don't know not something I pursue.

Specific Concerns Regarding Condominium Management

A series of specific prompted concerns were provided to participants to respond to individually during the focus group sessions and then were discussed as a group. The questions, focus group responses, and summary comments of the facilitators are summarized in the table below:

Findings:

"The Ontario Government held public information sessions and received online submissions that were filled with stories of condominium property managers/management who allegedly do not understand the Condominium Act?" **"Some strata owners from across Canada have complained in the past that strata managers allegedly do not understand the requirements of relevant legislation such as the Strata Property Act."**	**Response**	**Ontario**	**BC**
	Agree	3	2
	Disagree	0	1
	Don't know	7	4
	Total	10	7
Summary of Comments	With respect to the understanding of the Act, most participants were unaware or did not know how well managers understand it (Ontario)		
	Only one participant disagreed with the statement while four were unsure or did not know (BC)		
"From my experience, I think that condominium property managers/management do not understand the declaration, by-laws and/or rules of the community(ies) they manage."	**Response**	**Ontario**	**BC**
	Agree	5	2
	Disagree	5	5
	Total	10	7
Summary of Comments	There was a split of opinion when it came to the perceived understanding by managers of the declarations, by-laws and rules of the communities they manage. (Ontario)		
	Two participants agreed with the statement and comments in this area related to the selling of a unit and issues related to a lack of knowledge of their specific unit. (BC)		
"From my experience, I think that condominium property managers/management are unclear of their obligations and responsibilities to the community(ies) they manage."	**Response**	**Ontario**	**BC**
	Agree	2	0
	Disagree	7	6
	Don't know	1	1
	Total	10	7
Summary of Comments	Most or seven of ten participants disagreed with the statement about managers being unclear of their		

<table>
<tr><td></td><td colspan="3">obligations and responsibilities. (Ontario)</td></tr>
<tr><td></td><td colspan="3">A six out of seven majority disagreed with the statement and the consensus was that the rules are themselves vague. (BC)</td></tr>
<tr><td rowspan="5">“From my experience, I think that condominium property managers/ management are unclear of the rights and responsibilities of owners.”</td><td>Response</td><td>Ontario</td><td>BC</td></tr>
<tr><td>Agree</td><td>4</td><td>1</td></tr>
<tr><td>Disagree</td><td>5</td><td>6</td></tr>
<tr><td>Don't know</td><td>1</td><td>0</td></tr>
<tr><td>Total</td><td>10</td><td>7</td></tr>
<tr><td rowspan="2">Summary of Comments</td><td colspan="3">When it came to managers being clear or unclear of the rights and responsibilities of owners there was a split of opinion among participants. (Ontario)</td></tr>
<tr><td colspan="3">While there were no follow up comments six out of seven also disagreed with the statement. (BC)</td></tr>
<tr><td rowspan="5">“From my experience, I think that condominium property managers/ management have minimal or no training or experience in contracting, building maintenance or financial management.”</td><td>Response</td><td>Ontario</td><td>BC</td></tr>
<tr><td>Agree</td><td>4</td><td>3</td></tr>
<tr><td>Disagree</td><td>3</td><td>3</td></tr>
<tr><td>Don't know</td><td>3</td><td>1</td></tr>
<tr><td>Total</td><td>10</td><td>7</td></tr>
<tr><td>Summary of Comments</td><td colspan="3">There was a split of opinion on this issue and uncertainty as to credentials and hiring procedures (Both)</td></tr>
</table>

Prompted Concerns with Condominium Management

Question: The following a list of potential concerns that some strata lot owners (in provinces and territories where there are no licensing requirements) have raised in the past about condominium/strata management services. Please rank the following allegations as they apply to your own experience as a strata lot owner. (1=the most & 11=the least).

Findings:

Areas of Potential Concern (1=most & 12=least)	Ontario Mean Score	BC Mean Score
Repairs to common areas not being carried out or not carried out in a timely way	4	5
Poor or lack of customer service	4.6	5.8
Conflict of interest	4.8	5.8
A lack of communication from your condominium property manager	5	5.7
Fraud and/or kick-backs taken by condominium property managers from contractors (Ontario only)	5.2	
Delays or refusal to provide access to condominium records	5.4	10
Interference with or influencing the elections of condominium directors	5.5	4
Financial problems or irregularities	6.1	9
Difficulty accessing or reaching condominium property managers to ask questions or make complaints	6.2	3.6
Selective or targeted enforcement of declaration, by-laws, rules	6.8	8
Where to complain (Ontario only)	8.2	
Ignoring human rights, accessibility, or other rights of condominium owners	8.7	8
Concerns over voting or chairing of meetings		3.5

Ontario participants discussed their answers as a group and individual comments paraphrased in the facilitator's report are listed below:

- There is a lack of communication from property managers;
- There is a lack of communication, they are ignoring human rights;
- Not applicable for most of them;
- Nothing in particular;
- I don't know where to complain or a means of communicating;
- Poor or lack of customer service and a lack of communication; and
- Rumors of kickbacks/ conflict of interest.

Among the BC group the highest ranked mean score for a concern was related to voting or chairing meetings (3.5), followed closely by accessing or reaching strata managers (3.6) and the influencing or interfering with the elections of strata council members (4.0). Of least concern was the issue of delays or refusals to provide access to strata records.

In the Ontario group the areas of concern that ranked highest were related to repairs not being carried out in a timely manner (4.0), closely followed by poor customer service (4.6), then conflict of interest (4.8). Of the lowest concern was the issue of human rights (8.7), where to complain (8.2) and the selective enforcement of rules (6.8). The remaining issues fell into the middle range of concern with lack of communication being at the upper range.

Mandatory Qualification Standards (Ontario Only)

This question was only asked of the Ontario focus group, since separate questions recognizing BC's licensing regulations for strata managers were more appropriate for BC owners.

Statement: A statement was read to participants around minimum standards and a discussion then followed. "Condominium owners who responded to Ontario Government consultations "want property manager/management firms to meet appropriate standards and they want individuals who work onsite to have the appropriate education and training. But it is not clear what kinds of standards, education and training are appropriate and how they should be implemented."

"Standards define the minimum level of performance that is expected for each task that a firm or manager must perform. This, in turn, allows various competencies to be identified that should be required of a person or firm to do the job. For condominium managers, these would likely include adequate knowledge of the Condominium Act, 1998 and effective skills in financial management and contracting practices. (Public Policy Forum, Condo Stage One Report)

Question: "Do you believe that condominium property managers should be required to meet minimum qualification standards?"

Findings:

- There was overall consensus among participants that property managers should meet minimum qualifications or standards. Participants discussed other industries or sectors where minimum standards are enforced and where certification falls upon the individual or the manager to pursue and maintain.

The facilitator transcribed the following participant comments:

- Yes I do. I feel more secure knowing that they are qualified
- Want to know that they know what they are doing. It's like if I would go to a banker that doesn't know how to invest money with the proper licensing, qualifications
- Totally agree, what kind of experience do they have?
- When hiring they should train about the specifics of condo's requirements
- Apprentice or work term, practical experience
- They can receive certification like RCM, the new condo manager does not have this certification
- They should update the certification regularly
- They should know more, it's up to them

Setting Standards for Condominium Property Managers (Ontario-only)

Question: "Who should set the standards?"

Findings:

- The facilitator noted that "while there was a sense that the managers should be accountable with a set of standards there was also the feeling that there should be an overseeing body and this being government-led and supervised."

The facilitator transcribed the following participant comments:

- The Ontario Government
- I don't think it would make much difference.
- If standards exist we have something to turn back to. Should be a board established for condo property management
- Property management is very lenient a government body needed
- Anyone can open a properly management company there should have a standard
- It has to come from somewhere, the company does not want to pay for proper training

Question: Which of the following statements do you agree with?

- Standards should be developed by stakeholders and should be voluntary and condominium boards and management firms should be encouraged to use this standard to inform hiring practices.
- Standards should be developed by stakeholders in conjunction with an educational institutions such as a college to create a certification program where qualified persons would hold a certificate and condominium boards and management firms should be encouraged seek candidates who have a recognized certification.
- Government should lead the development of standards and work with stakeholders to develop a certification program that is mandatory and implement a licensing requirement through a regulatory body
- Status quo is acceptable.

Findings:

"Which of the following statements do you agree with?"	**Frequency**	**Valid Percent**
2. Standards should be developed by stakeholders in conjunction with an educational institution, such as a college to create a certification program where qualified persons would hold a certificate and boards and management firms should be encourage to seek	5	50
3. Government should lead the development of standards and work with stakeholders to develop a certification program that is mandatory and implement a licensing requirement through a regulatory body	4	40
4. Status quo is acceptable	1	10
1. Standards should be developed by stakeholders and should be voluntary and condominium boards and management firms should be encouraged to use this standard to inform hiring practices.	0	

- The facilitator's comments on the discussion was "no participants were of the opinion that standards should be voluntary and only one favoured the status quo. Most of the responses were split among having a government-led system or one that worked in conjunction with an educational institution that has a certification program. There was a sense that enforcement was needed no matter how the system evolved."

The facilitator transcribed the following participant comments:

- [I like the] Aspect of educational institutions
- Don't like government; 2nd one appealed to me starting with education. We need better qualified people with some industry
- Number 2, stakeholders in conjunction with institution
- Government should lead, [number 2] has merit but who is going to enforce it
- Impartial body to accompany, to enforce policies that would be government
- Number 2 or 3 but need someone to enforce it
- Need enforcement

Manager Education/Training Needs and Intensity (Ontario-only)

Question A: "Should education standards include training in the following areas?

- Adequate knowledge of the Condominium Act 1998 and other relevant Ontario laws
- Roles, rights and responsibilities of owners and condominium property managers
- Effective skills in financial management
- Effective skills and practices for contracting and overseeing maintenance and repair services
- Communications and conflict avoidance – such as training in diversity and human rights issues, dispute resolution approaches."

Question B: "Education and training standards can range in other professions from university degree requirements to management school requirements, to college and association-level requirements. How demanding and comprehensive should the standards be? "Should existing condo property managers be required to meet any new standards?"

Findings:

- All of the prompted training areas in question A were seen as being important by the participants.

Regarding types of training (Question A), the facilitator transcribed the following participant comments:

- Definitely an adequate knowledge of the condo act 1998 and other relevant Ontario laws: definitely
- Yes, the roles, rights and responsibilities of owners and condo property managers
- Effective skills in financial management - absolutely
- Effective skills and practices for contracting and overseeing maintenance and repair services
- Communications and conflict avoidance skills, such as training in diversity and human rights issues, dispute resolution approaches

- Comments on the type or intensity of the training required of managers showed a varied set of views. Some felt that a community college requirement made most sense; others felt that a private educational program was needed. Other participants cautioned not to make requirements too onerous but sufficient to reach a basic level of knowledge in all aspects of condominium management. It was also felt that there could be opportunities for managers to specialize in aspects of condominium management such as finances or high rise building issues.
- Another view that came up during discussions was the need to ensure that education was paired with on-site experience.

Regarding intensity of training (Question B), the facilitator transcribed the following participant comments:

- Community college requirements
- Not too serious
- Private educational center that specializes in property management
- Basic education should be a community based college, implementation of it, onsite experience, certify themselves in specific areas such as finances
- Basic level of knowledge
- They need a foundation to get the job
- Include elements of legislation and policy, more hands on stuff, apprenticeship

Ethical Conduct and Enforcement (Ontario-only)

Questions: "Should standards include the development of binding standards of professional behaviour and ethical conduct for the profession?"

"How should standards or a code of ethics be enforced? For instance, if qualifications aren't met, if codes of ethics are breached, if a license needs to be revoked, how should they be enforced and by whom?"

Findings:

- The group quickly agreed that ethical standards are important and should be binding.
- Regarding enforcement, the facilitator noted that "Government was seen as the best way to enforce the standards from most participants and even those not altogether convinced of a government-led system. Government would be the only body that could be able to enforce the system."

Costs of Regulation and Consumer Impact (Ontario-only)

Question: "The costs to maintain an effective regulatory body can be high and these costs would likely be passed on to condominium owners."

"Would you support mandatory standards and regulation of condominium property managers and management firms if a small fee to cover the cost of regulation is passed on to the condominium owner? How much would you be willing to pay (or what is reasonable)?"

Findings:

- There was universal resistance among focus group participants to paying any additional fees and there was a consensus that the managers or their companies should pay these costs.

Regarding costs of regulation being passed on to owners, the facilitator transcribed the following participant comments:

- We already pay enough; can't control existing costs
- What would the reaction be?
- Three would be a negative reaction, will that cost go up 3% as well as condo costs?
- Don't think condo owners should pay for it. It should be the property management company paying
- Property management company should pay the cost
- At times the employer will pay for training to ensure certification. I would expect the companies would have responsibility to ensure that their employees are certified
- New people should pay for their certification themselves

Views on the Effectiveness of Strata Manager Licensing (BC-Only)

Question: "How many among you have owned your current, or a different, strata lot prior to 2006? I would like to focus this question on those of you who have owned a strata prior to when the BC government put in place licensing requirements for strata managers and companies. Have you noticed any difference in the way your strata has been managed from before 2006 to today? How has it changed?

Findings:

- A total of four participants claimed to have owned their current or another or different strata prior to 2006. When then asked how things have changed since 2006, most have seen no difference other than minor by-law changes.
- Comments from participants included:
    - Same management company, no difference
    - Same company, no difference
    - Different company, no difference
    - Abolished some by-laws - at least 6 bylaws
    - No difference, redone by-laws but nothing radically different

The facilitator then followed up with a series of short follow-up questions on the topic to drill down on any post-2006 changes.

Question:	Findings:
Has the management of your strata corporation's finances and reserves improved, stayed the same, gotten worse?	Participants indicated some improvement in the management of finances and reserves. Comments included: o Stayed the same, good o A little more stable o It's improved o Never been questionable / sharing of information improved
Has the customer service and communication from your strata manager or management company improved, stayed the same, gotten worse? Explain.	Most participants indicated that customer service and communication have remained about the same.
Has the timeliness of repairs to common areas improved, stayed the same, gotten worse? Explain.	Most participants indicated that timeliness of repairs to common areas have remained about the same.
Has your access to strata records improved, stayed the same, gotten worse? Explain.	Some participants indicated that access to records had improved. Comments included: o Improved o Long standing council may have not read the information o Don't know whose fault it is o Always been good, quicker to receive them, process has changed for information o I'm not sure, it's grey area - charge for bylaw documentation o Online bylaws, password protected - a big improvement

- For the most part, participants have seen either no change or some minor improvements. Access to strata records is the area where it appears the most positive change has occurred.

Specific Opinions Regarding Regulatory Requirements (BC-only)

Some advocates have suggested improvements to the regulatory framework for strata manager licensing. The facilitator was asked to probe reactions to two specific issues.

Statement: Although you may or may not have experienced these issues, some strata owners and advocates have expressed opinions about regulatory requirements for strata managers today. What are your feelings about the following?

Question: Should strata managers be able to receive commissions from suppliers?

Findings:

- There was a universal consensus that commissions, whether disclosed or undisclosed should not be allowed.

Question: In general, RECBC accepts only complaints that come from a strata council rather than from individual lot owners. Should owners be able to complain directly in specified circumstances? What circumstances?

Findings:

- The discussion leaned initially to allowing owners to complain directly to RECBC about concerns with strata management. Through the discussion, the idea of restricting the kinds of complaints owners can make to some specific types of complaints was discussed. A participant suggested that complaints should be allowed regarding allegations of influence peddling, financial irregularities, human rights issues or cases of discrimination.
- Comments included:
    - Yes
    - When councils don't work with them
    - Human rights or discrimination
    - Influence peddling, financial, legal practices

BC Tribunal to Resolve Strata Disputes

Statement: A proposed new Civil Resolution Tribunal is expected to be established in 2014 consisting of members that have strata property expertise to help resolve issues and conflicts within strata properties. According to a BC Housing Ministry release, "the tribunal will address strata disputes by:

- providing access to information to assist parties to prevent/manage disputes by themselves wherever possible, without the assistance of the Tribunal, including an online dispute resolution service;
- actively managing disputes the parties are not able to resolve themselves, through facilitated dispute resolution discussions and, where necessary, by a quick and efficient hearing of the issues in dispute. Parties can be strata owners, council members, and strata managers." (23)

Question: What are your thoughts on such a tribunal and its impact on the protection available to strata owners?

Findings:

- Overall, participants thought that a tribunal was helpful for protecting strata owners. However, questions were raised over its efficacy and how it would work. One owner wanted to understand more about how it would operate and who would be selected to sit on the tribunal and other issues related to being assured about its legitimacy.

The facilitator transcribed the following participant comments regarding a dispute resolution tribunal:

- Good / sounds like it will protect us
- I agree
- Limits of power of the tribunal ex: pets
- I agree, online
- Definitely have limits
- Board [should be] fair and equitable
- Are they paid and what is their area of expertise?
- Lots of question marks
- Anything can be corrupted
- Only be as effective as the regulations and rules
- Too grey to be effective , tightening up needed

Improving the Regulation of Strata Managers (BC-Only)

Question: In your view, is there any area where the licensing for strata managers could further protect strata owners from potential problems with strata management?

Findings:

- There was limited conversation on this topic, but those issues raised related to assisting with problems pertaining to repairs (such as a general repairs course) and the general competency of strata managers.

Question: To your knowledge has the regulation of strata managers had any impact on your maintenance fees or ownership costs?

Findings:

- There was a general sense that regulation has not, itself, had an impact on rising costs, rather that fee increases are a normal part of strata living and maintenance.
- Comments included:
  - I don't know of any
  - They just keep going up
  - No discussion
  - Nothing else has changed

Avenues to Complain about Condominium Strata Management

Question: "If a condominium owner has a problem with their condominium property manager, what avenues exist to raise those complaints?" (Ontario)
"Have you had any experience with those avenues? Are they effective? Why?" (Ontario)
"Has anyone registered a complaint with the Real Estate Council? (BC)

Findings:

- Ontario participants had a discussion about where they would complain if they had issues with their condominium manager and mentioned speaking with a district manager (where the manager works for a larger property management company) or dealing with the issue through the board of directors.
- The facilitator noted that for the most part, Ontario participants were aware of options or existing protocols to escalate issues.
- One Ontario participant mentioned that the problem with complaining to the board is that the members may be "buds" with the PM
- BC participants were not aware of any complaints made by their strata council to the Real Estate Council.

Resident's or Condo Owner's Manual

Two questions were asked about their Resident's or Condominium Owner's Manual.

Questions: "Did you receive a Resident's or Condominium Owner's Manual that outlines the roles, rights and responsibilities of condominium owners, the Board, and condominium property management?"

"If yes, has this Manual been useful to you and do you sometimes refer to it for information?"

Findings:

- All participants except one claimed that they received a copy of the Owner's Manual, and all said it has been a useful source of information such as to assist with by-law issues and as a general reference. It is seen as especially valuable for new owners or those not used to condo living. Most participants also expressed the desire to have these manuals available electronically or online for easy reference.
- Comments included:
  - Nice if online and kept up to date
  - Good for new condo owners or those new to condo living
  - It is not available in other languages just English
  - New condo owners are in fact receiving it, it's part of the agreement when you purchase

Information Needs of Condominium Owners

Question: "What do you feel condominium owners need more information on? Please rank in order of preference (1-13, where one is the most and 13 least) the following areas as they apply to your own condominium."

Findings:

Information Need Prompts	Mean score (1=most 13=least)	
	Ontario	***BC***
Roles and responsibilities of the Condominium Board	4.6	2.8
Rights and responsibilities of the condominium owners	4.8	3
Information on the (BC: Contingency) Reserve Fund	4.9	4.2
Owner insurance requirements (options in BC)	5.3	4.4
Where to complain if issues are encountered	5.3	2.8
Roles and responsibilities of the condominium/strata property manager/firm	5.4	4.5
Understanding responsibilities about your unit compared to the rest of the condominium property or common elements	5.6	5.3
Rules and responsibilities of shared facilities	6.7	6.7
General information on the (Ontario: declaration), by laws and rules	6.9	8.5
Rules regarding selling and leasing (BC: bylaw restrictions age, pets, rentals)	7.8	6
Disclosure statements	8.2	5.5
Understanding the calculation of condominium square footage (BC: unit entitlements)	9	5
Status certificate (0ntario)	10.3	n/a

Other Information Needs and Preferred Format

Questions: "Where do you or would you get such information today if you needed it?"
"In what format/medium should that information be provided? (pamphlets, meetings, online, etc.)"

Findings:

- Participants mentioned that their owner manual contains a great deal of information. For other information, participants said they would start by asking their condominium manager or the management company.
- As with Owner Manual, owners all felt that online access to information was the most convenient and helpful.

APPENDIX G – KEY INFORMANTS REACHED FOR AN INTERVIEW

Carole Booth	Self-Managed Condo Owner and Director	Canadian Condominium Institute, Golden Horseshoe
Aubrey LeBlanc	President	Consumers Council of Canada
Dean McCabe	President	Association of Condominium Managers of Ontario
Sally Thompson	Exec. VP	Halsall Associates, CCI Toronto VP
Adam Wrobewski	President	Canadian Alliance for Condominium Owners Rights
Tony Gioventu	Executive Director	Condominium Home Owners Association of BC
Kevin Danner	Director of Research and Planning	Government of Manitoba, Consumer Affairs Office
Kelly Refah	Statute Administrator	Market & Industry Standards Service Alberta
Catherine Benning	Director Public Registry Administration	Government of Saskatchewan, Ministry of Justice
Karen Banks	Senior Crown Counsel/ Registrar of Titles	Government of Saskatchewan, Ministry of Justice
Veronica Barlee	Senior Policy Advisor	Government of BC Office of Housing & Construction Standards, Housing Policy Branch
Phil Simeon	Manager, Condominium Modernization Project	Government of Ontario, Ministry of Consumer Services, Consumer Policy and Liaison Branch
Luisa Tmej	Team Leader	Government of Ontario, Ministry of Consumer Services, Consumer Policy and Liaison Branch
C.A. Mark Coffin	Registrar of Condominiums- Deputy Registrar of Credit	Government of Nova Scotia, Service Nova Scotia and Municipal Relations, Program and Registry Management
Diane Gaunt	Executive Director	Canadian Condominium Institute - National
Bill Thompson	Vice President	Canadian Condominium Institute - National

APPENDIX H – ONTARIO KEY INFORMANT INTERVIEW GUIDE

About the Project

The HPC has received funding from the Office of Consumer Affairs, Industry Canada to conduct a research study into the views of condominium owners and other key stakeholders about calls for the regulation of condominium property managers and the firms that employ them.

As part of our study, condominium owners across Canada are being surveyed and participating in focus groups to determine their views on condominium property management and the prospect of establishing minimum standards of qualification and professionalism and alternatives for enforcing such standards.

In addition, our study aims to meet with identified key informants representing condo owners, condo property managers, government policy and regulatory experts, condo lawyers, and others with direct experience and knowledge of the role of condominium property managers and the challenges facing condo owners, board members and property managers today.

The Homeowner Protection Centre has no pre-set ideas about the need or the benefits of stronger regulation for the condo property management sector. Our focus is to understand the needs of average condo owners to ensure that any necessary homeowner protections are identified, carefully considered and successfully implemented.

What follows are a series of questions that we would like to discuss. The questions, for the most part, follow those questions we have asked condo owners in our surveys and focus groups. Some additional questions specific to stakeholder views on property manager regulation and on background/best practices in other jurisdictions are also included in this guide.

Confidentiality

To encourage frank opinions and feedback, all answers to interview questions will be reported in aggregate with no attribution to particular individuals or groups. We also ask you to kindly not share preliminary draft data from our survey and focus groups provided in this guide for the purpose of discussion and context. Once our report has been finalized we commit to providing you with a copy of the report.

Satisfaction with Condo Property Management

HPC contracted with an independent opinion research firm to conduct telephone surveys with 500 randomly identified condo owners to understand their views on condo property management. Slightly under two thirds of owners claim to be satisfied or very satisfied with their property manager/firm. Another 18% of owners claim to be dissatisfied while 12% were neutral, and 3% uncertain.

An Ontario focus group was held involving 10 randomly selected owners in the GTA area. Similar to the survey group, 6 of 10 owners were either satisfied or very satisfied with their property manager/firm, with two dissatisfied and another 2 were neutral.

1. Are these results consistent with your understanding of condo owner satisfaction with PM services?

2. What conclusions do these results suggest to you?

3. Are there certain types of condo properties (for example: age, size, or location) that you feel owners may be more inclined to be satisfied or dissatisfied with their property management? Please explain.

Concerns with Condo Property Management

In our Ontario condo owner survey top areas where respondents most expressed concern included lack of communication (19% concerned), properly carrying out repairs (18% concerned), and poor customer service (18%), followed by conflicts of interest (13%) and difficulties reaching a manager (12%).

In our 10-person Ontario focus group participants also identified the above top 4 issues as their greatest concerns. However, other issues that were not high areas of concern in our surveys were among the top concerns raised by participants. Some notable concerns raised by at least two participants were allegations of PMs taking kickbacks, withholding or refusing records, and influence/interference with condo board elections and directors.

Other key issues of concern to focus group participants included the rate of turnover of PMs, and poor knowledge of the Condominium Act and other condo bylaws and rules.

4. Are these top concerns consistent with your understanding of most common concerns with property management? Are there other concerns you hear?

5. Our focus group participants raised more honesty and integrity-related concerns such as allegations of kick-backs, improper tendering and interference with boards that those in our survey group. What insights could you offer?

Certification of Condo Property Managers/Firms

Focus group participants spent additional time discussing the qualifications of condo property managers prior to any discussion about regulatory options or mandatory standards. Through the discussion, a number of participants suggested some form of certification as a good idea and some important qualities, skills and experience requirements for an effective PM were raised. These included:

- *People skills and communication skills*
- *Direct experience*
- *Ability to manage conflict*
- *Experience with competitive tendering and managing contractors*
- *Understanding of condo maintenance and repair issues*
- *Knowledge of the Condominium Act*

Ontario survey and focus group participants were asked if they support mandatory rules of conduct and minimum qualification requirements for condominium property managers. An 81% majority of persons surveyed support the regulation of property managers / firms. Similarly, almost all of the focus group participants supported mandatory standards.

6. Despite almost 2/3 of condo owners being satisfied with their PM, over 4/5 of those surveyed also favour mandatory standards and regulation. Is this consistent with your understanding of owner views?

7. How might certification address some of the key concerns and suggested PM qualifications highlighted our survey and focus group participants?

8. Should certification become mandatory in Ontario? How strong is the support for this view within the industry?

9. Should certification become mandatory across Canada? What issues need to be addressed?

10. Who should establish certification standards and why?

Regulation and Licensing

29% of the 81% surveyed participants who support regulation were in favour of industry establishing and overseeing standards, while 16% favoured government in that role. 39% supported either and a measureable 18% did not know. Some focus group participants, prior to being prompted, suggested that government should establish and enforce standards.

Ontario focus group participants were additionally asked to agree with one of four options regarding the regulation of property managers outlined in a report prepared for the Ontario Government entitled *From Ontario's Condominium Act Review: Stage One Findings Report, January 2013, The Public Policy Forum*

i. *Standards should be developed by stakeholders and should be voluntary and condominium boards and management firms should be encouraged to use this standard to inform hiring practices.*
ii. *Standards should be developed by stakeholders in conjunction with an educational institutions such as a college to create a certification program where qualified persons would hold a certificate and condominium boards and management firms should be encouraged seek candidates who have a recognized certification.*

iii. *Government should lead the development of standards and work with stakeholders to develop a certification program that is mandatory and implement a licensing requirement through a regulatory body*
iv. *Status quo is acceptable.*

Five participants initially supported option 2, while four supported option 3, and one supported the status quo. Following a group discussion, the majority of participants favoured industry leading the establishment of standards with government or an independent body leading enforcement efforts.

11. Should mandatory standards include requirements for licensing and enforcement?

12. Who should enforce standards?

13. What role should government play in the establishment of standards and/or enforcement of standards?

14. What are the main concerns with self-regulation vs. government regulation? Are there other regulatory models that are favoured and why?

Knowledge / Information Gaps

15. What are the biggest knowledge or information gaps facing condo owners?

16. What are the biggest knowledge or information gaps facing property managers and firms?

17. How can minimum qualifications, professionalism and experience standards help to address information gaps?

Other

18. Are there other issues or opportunities you wish to share regarding the regulation of property management in Ontario?

APPENDIX I – BC KEY INFORMANT INTERVIEW GUIDE

About the Project

The HPC has received funding from the Office of Consumer Affairs, Industry Canada to conduct a research study into the views of condominium owners and other key stakeholders about calls for the regulation of condominium property managers and the firms that employ them.

As part of our study, condominium owners across Canada are being surveyed and participating in focus groups to determine their views on condominium property management and the prospect of establishing minimum standards of qualification and professionalism and alternatives for enforcing such standards.

In addition, our study aims to meet with identified key informants representing condo owners, condo property managers, government policy and regulatory experts, condo lawyers, and others with direct experience and knowledge of the role of condominium property managers and the challenges facing condo owners, board members and property managers today.

The Homeowner Protection Centre has no pre-set ideas about the need or the benefits of stronger regulation for the condo property management sector. Our focus is to understand the needs of average condo owners to ensure that any necessary homeowner protections are identified, carefully considered and successfully implemented.

What follows are a series of questions that we would like to discuss. The questions, for the most part, follow those questions we have asked condo owners in our surveys and focus groups. Some additional questions specific to stakeholder views on property manager regulation and on background/best practices in other jurisdictions are also included in this guide.

Confidentiality

To encourage frank opinions and feedback, all answers to interview questions will be reported in aggregate with no attribution to particular individuals or groups. We also ask you to kindly not share preliminary draft data from our survey and focus groups provided in this guide for the purpose of discussion and context. Once our report has been finalized we commit to providing you with a copy of the report.

Satisfaction with Strata Management

HPC contracted with an independent opinion research firm to conduct telephone surveys with 1500 randomly identified strata owners across Canada (369 in BC) whose properties are managed by a strata manager to understand their views on condominium property management. Overall, approximately two-thirds of respondents were either satisfied or very satisfied with their management arrangement. Regional breakdowns of satisfaction levels ranged from a high of 80% satisfaction in Manitoba/Saskatchewan to a low of 59% satisfaction in Québec. 65% of BC respondents expressed that they were either satisfied or very satisfied with their strata management.

17% of BC owners surveyed were either dissatisfied or very dissatisfied with their condominium property management which is consistent with national numbers. 16% were neutral and the remaining respondents offered no opinion.

Focus groups were also held in Ontario and BC and participants roughly echoed national survey results with a smaller majority of participants expressing satisfaction with their condominium property management.

1. Are these results consistent with your understanding of strata owner satisfaction with management services?

2. What conclusions do these results suggest to you?

3. Are there certain types of strata properties (for example: age, size, or location) that you feel owners may be more inclined to be satisfied or dissatisfied with their property management? Please explain.

Concerns with Strata Management

Condo owners surveyed were asked from a list of common concerns with management to respond if these applied in their condos. Top areas of concern included lack of communication (27% of respondents), properly carrying out repairs (18%), poor customer service (20%), difficulties reaching a manager(29%),financial problems or irregularities (17%), delays or refusal to provide strata records (15%) and concerns about conflicts of interest were also noted (15%). Other probed concerns applied to under 15% of respondents.

In our Ontario and BC focus groups, participants also identified the above issues as among their greatest concerns.

4. Are these top concerns consistent with your understanding of most common concerns with strata management? Are there other concerns you hear?

5. Some focus group participants (but less evident among those surveyed) raised a few honesty and integrity-related concerns such as allegations of kick-backs or conflicts of interest, improper tendering, and interference with boards. What insights about these concerns could you offer?

Regulation of Strata Managers/Brokerages

Surveyed owners and focus group participants outside of BC were asked if they support the regulation of condominium property managers. Responses ranged from a high of 81% support for regulation in Ontario to a low of 59% support in Québec. Focus group participants in Ontario echoed the Ontario survey results with the majority supporting mandatory qualification standards and regulation of condominium property managers.

BC homeowners surveyed were asked a different question in light of existing mandatory qualifications and licensing requirements in place today. They were asked: "In your opinion, has mandatory licensing of strata mangers in BC improved the protection of strata lot owners, have things stayed the same or are they worse?"

A small majority of 51% hold the opinion that things have stayed the same for owners as a result of the mandatory licensing of managers, while 18% claim it has improved their protection and only 3% feel they are worse off. A significant 28% did not know or were unsure.

6. Are these results consistent with what you would expect to see?

7. How, in your view, has mandatory licensing addressed concerns owners may have had prior to licensing?

8. In your view, are there continuing issues that licensing should/could address to better protect strata owners? Please provide examples and reasons.

Specific Issues

Commissions

In our BC focus group participants were asked their views on a few issues related to the current BC approach to regulation. Participants were asked whether strata managers should be entitled to receive commissions from suppliers which yielded a strong consensus that this should not be allowed. Participants were asked if this view would hold should commissions be disclosed, and again the participants felt that no commissions should be permitted.

9. Do you have any comments on owner views regarding commissions?

Direct Owner Complaints to RECBC

Participants were also asked if there were circumstances where an individual should have the right to complain to RECBC about their strata manager and participants felt that this should be allowed, but some participants felt that the grounds for filing a complaint would need to be specified and perhaps restricted to issues such as financial or legal improprieties, and possibly discriminatory practices related to human rights or accessibility.

10. Do you have any comments on owner views regarding complaints to RECBC?

Civil Tribunal

Participants were read an excerpt from a Ministry of Housing release regarding plans to implement a Civil Tribunal that could provide a new forum for dispute resolution. Focus group participants expressed support for this proposed approach.

11. What are some of the advantages and/or disadvantages of this proposed Tribunal solution?

Knowledge / Information Gaps

12. In your view, what are the biggest knowledge or information gaps facing strata owners?

13. What are the biggest knowledge or information gaps facing strata managers and firms?

14. How can any gaps be addressed?

Other

15. Are there other issues or opportunities you wish to share regarding the licensing of strata managers in BC?

APPENDIX J – NATIONAL KEY INFORMANT INTERVIEW GUIDE

About the Project

The HPC has received funding from the Office of Consumer Affairs, Industry Canada to conduct a research study into the views of condominium owners and other key stakeholders about calls for the regulation of condominium property managers and the firms that employ them.

As part of our study, condominium owners across Canada are being surveyed and participating in focus groups to determine their views on condominium property management and the prospect of establishing minimum standards of qualification and professionalism and alternatives for enforcing such standards.

In addition, our study aims to meet with identified key informants representing condo owners, condo property managers, government policy and regulatory experts, condo lawyers, and others with direct experience and knowledge of the role of condominium property managers and the challenges facing condo owners, board members and property managers today.

The Homeowner Protection Centre has no pre-set ideas about the need or the benefits of stronger regulation for the condo property management sector. Our focus is to understand the needs of average condo owners to ensure that any necessary homeowner protections are identified, carefully considered and successfully implemented.

What follows are a series of questions that we would like to discuss. The questions, for the most part, follow those questions we have asked condo owners in our surveys and focus groups. Some additional questions specific to stakeholder views on property manager regulation and on background/best practices in other jurisdictions are also included in this guide.

Confidentiality

To encourage frank opinions and feedback, all answers to interview questions will be reported in aggregate with no attribution to particular individuals or groups. We also ask you to kindly not share preliminary draft data from our survey and focus groups provided in this guide for the purpose of discussion and context. Once our report has been finalized we commit to providing you with a copy of the report.

Satisfaction with Condominium Property Management

HPC contracted with an independent opinion research firm to conduct telephone surveys with 1500 randomly identified condominium/strata owners who also have managed properties to understand their views on condominium property management. Overall, approximately two-thirds of respondents were either satisfied or very satisfied. Regional breakdowns of satisfaction levels ranged from a high of 80% satisfaction in Manitoba/Saskatchewan to a low of 59% satisfaction in Québec.

Close to 17% of owners who responded were either dissatisfied or very dissatisfied with their condominium property management, ranging from a high of 20% in Alberta to a low of 7% in Manitoba/Saskatchewan. Significant numbers of respondents offered a neutral opinion – ranging from a high of 29% in Québec, and a low of 14% in Alberta.

Focus groups were also held in Ontario and BC and participants roughly echoed national survey results with 60% of respondents expressing satisfaction with their condominium property management.

1. Are these results consistent with your understanding of condo/strata owner satisfaction with management services?

2. What conclusions do these results suggest to you?

3. Are there certain types of condo/strata properties (for example: age, size, or location) that you feel owners may be more inclined to be satisfied or dissatisfied with their property management? Please explain.

Concerns with Condo Property Management

Condo owners surveyed were asked from a list of common concerns with management to respond if these applied in their condos. Top areas of concern included lack of communication, properly carrying out repairs, poor customer service, difficulties reaching a manager, and some concerns about conflicts of interest were noted. Other concerns probed applied to under15% of respondents.

In our Ontario and BC focus groups, participants also identified the above issues as among their greatest concerns. However, other issues that were not high areas of concern in our surveys were among the top concerns raised by participants including suggestions of possible kickbacks from suppliers, the withholding or refusing of records, and possible influence/interference with condo board elections and directors.

Other key issues of concern to focus group participants included the rate of turnover of some managers PMs, poor knowledge of legal requirements other condo bylaws or rules.

4. Are these top concerns consistent with your understanding of most common concerns with property management? Are there other concerns you hear?

5. Some focus group participants (but less evident among those surveyed) raised a few honesty and integrity-related concerns such as allegations of kick-backs, improper tendering and interference with boards that those in our survey group. What insights could you offer?

Regulation of Condo Property Managers/Firms

Surveyed owners and focus group participants were asked if they support the regulation of condominium property managers. Owners in BC where regulation is already in place were not asked this question. Responses ranged from a high of 81% support for regulation in Ontario to a low of 59% support in Québec. Focus group participants in Ontario echoed the Ontario survey results with the majority supporting mandatory qualification standards and regulation of condominium property managers.

Focus group participants in Ontario spent additional time discussing the qualifications of condo property managers prior to any discussion about regulatory options or mandatory standards. Through the discussion, a number of participants suggested some form of certification as a good idea and some important qualities, skills and experience requirements for an effective PM were raised. These included:

- *People skills and communication skills*
- *Direct experience*
- *Ability to manage conflict*
- *Experience with competitive tendering and managing contractors*
- *Understanding of condo maintenance and repair issues*
- *Knowledge of the Condominium Act*

6. Despite approximately 2/3 of condo owners being satisfied with their PM, the majority of owners surveyed across the country also favour mandatory standards and regulation. Is this consistent with your understanding of owner views?

7. How might certification address some of the key concerns and suggested qualifications highlighted by our survey and focus group participants?

8. Should provincial certification be mandatory? Provide reasons for this view.

9. Are there plans in your province to consider such regulation of condominium managers and/or what issues need to be addressed?

10. If you feel that certification standards should be established, who should establish certification standards and why?

Regulation and Licensing

In Ontario,27% of the surveyed participants who support regulation were in favour of industry establishing and overseeing standards, while 17% favoured government in that role. Over 44% supported either a government or industry-led approach, and approximately 15% did not have an opinion.

11. Should mandatory standards include requirements for licensing and enforcement?

12. Who should enforce standards?

13. What role should government, if any, play in the establishment of standards and/or enforcement of standards?

14. What are the main concerns with self-regulation vs. government regulation? Are there other regulatory models that are favoured and why?

Knowledge / Information Gaps

15. In your view, what are the biggest knowledge or information gaps facing condo owners?

16. What are the biggest knowledge or information gaps facing property managers and firms?

17. How can minimum qualifications, professionalism and experience standards help to address information gaps?

Other

18. Are there other issues or opportunities you wish to share regarding the regulation of condominium property management in your province?

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