

Status Certificates: What Are They? What Do They Mean?

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Clients thinking of buying a condominium unit often ask about Status Certificates and what they say. Here are some of the basic points they should be aware of:

1. What is a “Status Certificate”? Why is it important? Who should review it?

- It’s a key document, provided by the condominium corporation, containing information about its finances, property management, insurance, reserve fund details, etc.
- The form and contents are prescribed by Ontario condominium legislation. It must bear the date on which it was prepared.
- You and your lawyer should review it to help you decide whether to buy a particular unit.

2. How and when do I get one?

- This is set out by legislation too; you make a written request to the condominium corporation, with a fee of \$100 including taxes.
- The corporation has 10 days to provide it. If the corporation fails to do so, then on the 11th day, the certificate is deemed to include certain information.

3. What information does the Status Certificate contain?

It must contain certain information and documents including (but not limited to):

- The common expenses for the particular unit, any increases since the current budget, and whether they are in default.
- Special assessments levied against the unit since the current budget, and whether it has been paid.
- Outstanding legal judgments and the status of any actions.
- Reserve Fund Study information, and a summary.
- The current declaration, by-laws rules, fiscal budget, and the last audited financial statements.
- A list of all current management agreements.

4. What do I do with all this information? What does it all mean?

- The Status Certificate binds the corporation, and is a “snapshot” of its affairs.
- It tells you a lot about what obligations and liabilities you will have if you buy the unit, plus give you a glimpse of some of the more practical day-to-day aspects. It can also raise red flags.
- It can answer question such as “is this a good building?” “Are there restrictions on leasing, pets, etc.?” “Are there rented units as opposed to owner-occupied ones?”

5. What if the Status Certificate contains an unpleasant surprise?

- Now that you’ve seen the Status Certificate, maybe you are having second thoughts.
- Fortunately you may have a way out – even if you have signed an offer – if your agent has included a conditional clause giving you several days after receipt to review and satisfy yourself as to the information provided.
- Unless you are satisfied, the offer becomes void and you are entitled to a full refund of your deposit.
- **Ensure that the condition is included in the offer.**

6. So what’s the bottom line?

- If you are thinking of buying a condominium unit, then getting and reviewing a Status Certificate is a simple but essential part of the process.
- Lenders who provide financing will require the information provided. Make sure you understand what it’s telling you!

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