



News Release

For Immediate Release

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Ontario Consumers Need More Information to Make Best Condo Purchasing Choices: Auditor General

(TORONTO) People need more consumer information and protection about purchasing and living in a condominium because of the potential hidden issues they could encounter, warns Ontario Auditor General Bonnie Lysyk in her *2020 Annual Report*, tabled in the Legislature today.

“The existing legislative model for the condo sector does not address the risks that exist for condo owners and buyers,” says Lysyk. “For example, in our survey of condo owners, we found developer-set condo fees increased as much as 30% in the first two years after the condo’s registration, and as much as 50% in the five years prior to August 2020.”

The audit uncovered a number of potential concerns for condo buyers:

- The majority of condo boards surveyed in the audit were required to increase reserve fund contributions by an average of 50% to cover future repairs and replacements of the building’s assets and common areas, as they did not have adequate amounts set aside.
- In a sample of owner complaints, the audit found that the Condominium Management Regulatory Authority of Ontario (Management Regulatory Authority) took limited action and closed nearly half of the condo owners’ complaints too soon, without the underlying issues related to leaks, floods and other significant repairs being resolved in a timely manner.
- The Condominium Authority of Ontario (Condo Authority) has a limited mandate to oversee the condo sector. It lacks the ability to inspect or investigate potential abuses or misconduct by condo boards, or investigate non-compliance and enforce compliance with the relevant legislation and regulations.
- Condo owners face barriers accessing information relating to their condo corporations.

The audit also found government enforcement powers are weak and not used enough and that many of the legislative reforms identified in 2015 are still not implemented.

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For more information, please contact:
Bonnie Lysyk
Auditor General
(647) 267-9263

Read the report at www.auditor.on.ca

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Background and Other Findings:

- In 2018, the estimated combined value of the entire condo sector in Ontario was at least \$300 billion, based on the average assessed value of a condo apartment of \$340,000 (for a 930-square-foot condo apartment according to Statistics Canada) and the roughly 890,000 condo units in Ontario. However, Toronto assessments were much higher.
- The GTA also ranks as one of the top three most unaffordable markets for housing in general in Canada, along with Vancouver and Victoria in British Columbia.
- Condos are generally more affordable than detached houses, leading to an increasing reliance on the condo market in Ontario.
- Unlike British Columbia and Alberta, Ontario’s condominium legislation does not enable the government to appoint an inspector or investigator to look into potential offences or non-compliance relating to developer misconduct.
- The Condominium Authority Tribunal only hears limited type of cases, such as those relating to access to records, as of the end of September 2020. Therefore, condo owners facing many key issues—including condo board governance, condo fees, infestation and noise in their homes—have no recourse other than to seek relief through private mediation and arbitration or through the courts, depending on the issue (or ultimately seek to change their condo board or stand for election themselves).
- Condo owners also lack a level playing field with condo boards at the Condominium Authority Tribunal.
- Over 470 unlicensed individuals and companies are listed in the Condo Authority’s public registry as providing condo management services. The Management Regulatory Authority does not proactively identify these unlicensed individuals and companies.