

Seven in ten survey respondents support regulating condominium property managers and companies, study says

Oversight of the profession would reduce the potential risk to consumers if managers fail to fulfill their duties.

(Toronto, ON March 31, 2014) As governments consider the need to regulate condominium property management, the Homeowner Protection Centre (HPC) set out to examine the owner views on the management of their condominiums. The study, *Condominium Property Managers: Examining the Impact of Regulation on Consumers*, suggests that 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.

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.

“The condominium market has grown and expanded over the last few decades, especially in Canada’s largest cities. As the number of Canadians living in condominiums continues to grow, the need for knowledgeable and experienced condominium property managers will likely increase,” stated Scott James, Chair of HPC’s Board of Directors and author of the study.

National surveys conducted for this study show that two-thirds of the condominium owner survey respondents across the country are satisfied with their current condominium property management. Although the majority of respondents 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 surveyed 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.

Owner vulnerability could be addressed through regulation and licensing of managers. This should include three things:

1. The establishment of an independent regulator that is able to receive complaints and take disciplinary action when required.

2. 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.
3. The establishment of alternative dispute resolution avenues outside the traditional court system.

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.

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*The **Homeowner Protection Centre** was established to advocate for homeowners and their important issues. It is a network of homeowners, builders, renovators, and home product and service suppliers who are committed to improving housing and housing-related services across Canada. The HPC is not-for-profit, and is supported through memberships and donations by homeowners and companies.*