

THE CONDOMINIUM ACT – SUGGESTIONS FOR IMPROVEMENT



We are continuing to receive suggestions to improve the Provincial condo act (The Act) <https://web2.gov.mb.ca/laws/statutes/2011/c03011e.php> and the associated regulations <https://web2.gov.mb.ca/laws/regs/current/164.14.pdf> and we thank you wholeheartedly for your efforts.

We had been compiling the suggestions and were ready for when the Provincial Government was ready to consider updating The Act and consulting with stakeholders. We recently had the opportunity to meet the Minister responsible, [James Teitsma](#), along with the Deputy Minister and the Assistant Deputy Minister. It was a short but productive meeting, and hopefully the first of many. We identified several items that we thought could be dealt with prior to the fall election plus a few others that would take much longer and require much stakeholder consultation.

Now that we have our E-newsletter article library on our website, you can easily find prior submissions to improve the MB Condo Act, by going to our website and doing a search using the text string "Improve the MB Condo Act". https://cci-manitoba.ca/cci-manitoba-magazine?text_query_article=Improve+the+MB+Condo+Act

One of our members submitted four suggestions:

1. "Changes to the verbiage in the Conflict of Interest disclosures to better explain what constitutes a direct & indirect conflict, and requirements of disclosing".

- This pertains to sections 104 through 107 of The Act <https://web2.gov.mb.ca/laws/statutes/2011/c03011e.php#A104>

2. "Developer / Declarant specific rules while serving on Boards (particularly after hand over) - this could include 1 person = 1 vote, regardless of how many units a declarant has remaining (to prevent years of strangle hold)". This pertains to multiple sections in Part 5 - The Declarant and the Declarant's Board <https://web2.gov.mb.ca/laws/statutes/2011/c03011e.php#A62>, sections 62 to 83.

3. "Ability for one party to request mediation and/or arbitration, rather than go through the courts". This pertains to Part 12 - Compliance and Dispute Resolution

- Mediation and Arbitration, sections 220 to 222 <https://web2.gov.mb.ca/laws/statutes/2011/c03011e.php#A220>
- Court Orders, sections 223 to 228 <https://web2.gov.mb.ca/laws/statutes/2011/c03011e.php#A220>
- In lieu of going to the courts, some other Provinces have tribunals that provide a more timely and less expensive process
 - BC - has a Civil Resolution Tribunal (CRT) <https://www2.gov.bc.ca/gov/content/housing-tenancy/strata-housing/resolving-disputes/the-civil-resolution-tribunal>
 - AB - has a project underway to improve the condo dispute resolution process <https://www.alberta.ca/condominium-dispute-resolution-engagement.aspx>

- SK - the Chair of the CCI National Board is advocating for a tribunal <https://globalnews.ca/video/8163354/tribunal-in-saskatchewan-would-go-a-long-way-to-resolving-condo-disputes>
- ON - has had the Condominium Authority Tribunal (CAT) for several years now <https://www.condoauthorityontario.ca/tribunal/>
- NS - has a Condominium Dispute Officer <https://beta.novascotia.ca/apply-have-condominium-dispute-heard-condominium-dispute-officer-form-26>

4. "Reserve Funds - look at how Ontario & BC does its pre-reserve fund study requiring 10% ratio (1\$ reserve contribution for every 10\$ common contribution). New builds in Manitoba are being sorely underfunded". For this topic I recommend reading the report from the Canadian Institute of Actuaries "Longevity of Infrastructure – Reserving and Risk Management in Condominium Maintenance in Canada" <https://www.cia-ica.ca/docs/default-source/research/2022/rp222024e.pdf>. Pages 92-93 of the report discuss minimum reserve fund contributions across the country, and on page 85 provides their recommendation:

"Minimum annual contribution and reserve fund balance"

There is a need for all legislation to review the minimum annual contribution and impose a clear threshold of what should be the minimum amount contributed annually to the reserve fund. In the absence of an up-to-date (not older than 3 years) independent reserve fund study, the minimum annual reserve fund contribution should be 1% of the full reconstruction cost of the condo building.

Also, the reserve fund balance should never be, at any time, below the amount of deductible for property damage on the condo corporation's insurance policy (possibly several multiples thereof). The reserve fund study (not expired) should dictate the minimum annual reserve fund contribution, and be reviewed and updated by legislative mandate every 3 years to insure proper funding."

We encourage you to submit suggestions for improving the Provincial Condo Act to us via <https://cci-manitoba.ca/resources/the-condominium-act-suggestions-for-improvement>. For reference, the Province has a useful website with a guide to the Act and links to the Act itself, and the associated regulation and various related forms. The website link is <https://www.gov.mb.ca/condo/>.

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