



Thomas Kortko, RCM
Vice President of Operations,
Maple Ridge Community
Management

The Challenges & Rewards of Managing Aging Townhome Communities

Working in the industry over the past 25 years, I have managed many condominium communities that vary in age, condition, scale and design. Each has been a different experience. A considerable amount of my time has been with older townhome communities constructed in the 1970s and 80s. Due to their age and decisions and choices made over the past 40-50 years, these communities have unique experiences that provide us with a wealth of knowledge and perspectives from past successes and failures that newer communities cannot offer and shouldn't be ignored. An awareness of outcomes from past approaches and methods is critical to ensure success and a bright future for all communities. This article outlines some challenges experienced along with proven solutions that can be challenging but also very rewarding.

When older communities were constructed, they did not benefit from the decades of cumulative condominium experience that we have access to now. It was indeed the "wild west," with the first

corporations, boards and various industry professionals planning a future with limited experience and few points of reference. As a result, every day was a new adventure. Many assumptions were made based on poorly prepared declarations, bylaws and rules that continued to evolve and expand in recognition. I have had the privilege to work with directors involved in these formative years who took on the task with the best of intentions. However, some choices were made because of their limited experience and lack of guidance, resulting in unanticipated consequences and damage. At the same time, many communities started out strong and have stayed that way for their entire history. These should be seen as role models to study and follow.

From a lack of past experience came a limited vision for these communities' future; some did not perceive or consider long-term outcomes from their decisions. When looking to the future, progressive boards seek and obtain advice from professionals and weigh their options

with quality and cost at the forefront. For example, where many misguided townhome communities fail is with their roofs. In the 1980s, many townhouses installed two layers of shingles to save money but did not realize that the added weight on the roof deck dramatically reduced roof life span. These projects also had minimal legislative support as contributions to Reserve Funds were meagre, with many boards unwilling to exceed an unrealistically low 10% of annual operating budgets. Sadly, others occasionally made selfish decisions for personal or political gain. This was detrimental to the corporation's future and often resulted in the deferral of critical maintenance or modifications to minimize increases in operational costs.

Other communities took a more progressive approach to learning new methods to challenge the status quo. They were instrumental in the evolution of their communities and the industry. These boards took a more balanced approach with services and costs, recognizing the importance of investing in the





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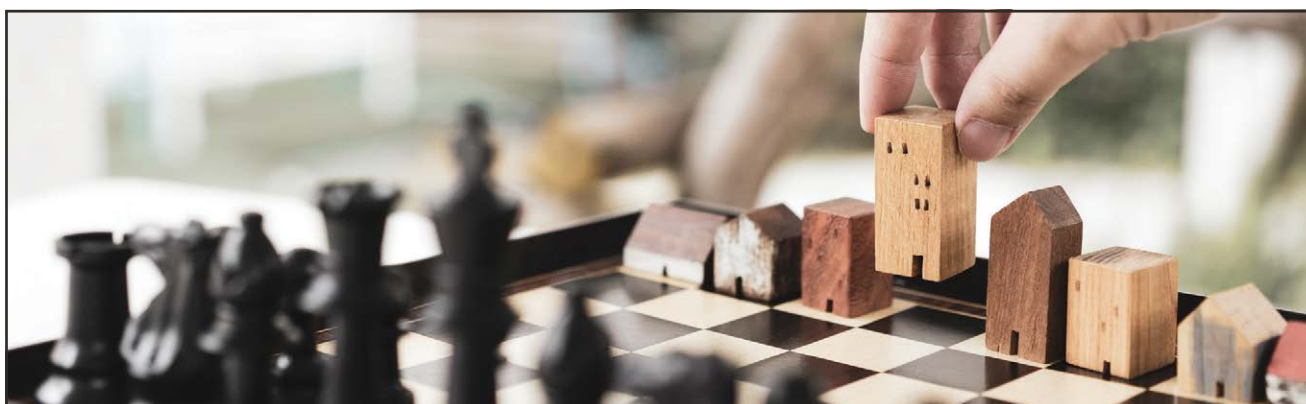
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Partner | Toronto

jrivait@millerthomson.com

416.596.2112

Justin McLarty

Partner | Toronto

jmclarty@millerthomson.com

416.597.6014



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present for a prosperous future. They were the first corporations to embrace Reserve Fund Studies before they were mandatory in 2001 and did not face the steep increases many struggled with when the requirement was introduced. Over their lifetimes, these communities have continued to change to ensure they never do the “same old, same old,” always considering new options that will ensure their continued prosperity.

The outcomes from actions taken by older condo communities were often not fully realized until the mid to late 1990s. This is when I began my career and witnessed some negative impacts. I was given the daunting task of finding viable solutions, many of which were costly, aggressive in scope, and had to be completed in the immediate future. However, these situations also presented an opportunity to learn and implement positive changes to ensure a better, more sustainable future. With most projects, limited funding due to low maintenance fees was the most immediate challenge. Many communities did not have a long-term plan and could not effectively undertake major projects without sacrificing the project scope and/or quality of materials. With the introduction of Reserve Fund Studies, over the last 20 years, the narrative has changed from “we have lots to do, but no money” to “we have the money, so what do we want to do next?” This was revolutionary, with many positive results for communities that had stagnated for years due to limited funds and vision and were now forced to evolve

and grow. This enabled older communities to remain competitive with newer communities, particularly given their advantages, including large open spaces, swimming pools, tennis courts, etc., and amenities that are less frequent in newer condo communities.

These collective histories of older condo communities provide us with a significant knowledge base to learn from and avoid past errors. It is crucial to reflect on this history when planning and making decisions for the future of our communities and to consider these best practices:

- Do your utmost to foster a sense of community so everyone appreciates we are “in it together.”
- Ensure budgets are not fee-centric and meet the community’s long-term needs and expectations.
- Funding options and loans, once considered taboo for many, have become commonplace and are effective solutions.
- Recognize labour and material limitations in the present economy and plan for the future.
- Encourage education and discuss experiences with your directors. Some boards are now multi-generational in older communities, and their knowledge can be invaluable.
- Continue to expand your experience in the field and take advantage of resources and continuing education opportunities offered by ACMO and other reputable organizations.
- Learn from everyone everywhere; much of my experience has come

from the least likely sources.

- Understand your legal limitations as a property manager and understand when you should seek and recommend expertise from other industry professionals.
- Maintain a sustainable balance between physical site time and administrative requirements.
- Be aware of the increasing time required for reporting to various institutions as their scope and jurisdictions expand.
- Understand and appreciate that the right path is not always the easiest but will yield the best results.

Learning from our past, it is clear that our communities’ evolution is never ending, change is inevitable, and managers must be prepared. We will continue to learn from our missteps and our successes and those made by others. From these experiences, I look forward to being a partner with change, will never stand in the way of progress, and will never stop asking questions to make the best decisions for the communities we proudly serve. ■

Thomas Kortko, RCM, is a Vice President of Operations at Maple Ridge Community Management – An Associa® Company, where he has worked since entering the industry in 1997. Thomas draws experience from a diverse personal and work history and oversees the management of industrial, low and high-rise residential properties.
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