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The Differences Between
Managing New & Old Condominiums

As a tenured condominium manager in Ontario, I have had the opportunity to manage all types and ages of condominium corporations, including Ontario's oldest corporation, Peel Condominium Corporation No. 1, a 37-unit townhouse community in Brampton, registered in late 1967. If the same condo were built today, it would likely include a 300-unit stacked townhouse site on the same property. Another interesting fact about this community is that several original purchasers still lived in their units, and the board president was about to resign after serving 45 years. That type of experience is tough to replace.

While there are certainly differences in managing older housing stock vs. new, there are also many similarities. As most managers may already know, the administration of an old or new condominium does not change. The requirement to produce PICs, ICUs, NOICs, status certificates, budgets, AGM packages, annual filings with CAO, reserve fund studies, insurance renewals, board meeting preparation, and more still exists whether your corporation is 30 units or 1000, 2 years old or 40. The difference is only in the frequency of some of the abovementioned tasks.

The life cycle of a condominium corporation comes with unique challenges in managing each stage.

Newly Registered Condominiums

A property becomes a condominium corporation on the day that the declarant registers the declaration and description. The declarant will appoint the first board of directors within ten days after the registration. This board is responsible for passing bylaws and calling a turnover meeting. A property manager will work with this board as if it was a board that the unit owners elected. The board will also be responsible for providing direction to the manager and approving invoices per the provisions set out in the signed management agreement. The manager will likely coordinate move-ins in buildings with elevators, set up owner's records, collect maintenance fees and deal with maintenance and repairs. The manager must work collaboratively with the declarant to ensure they do not make repairs covered under warranty. The board of directors are typically professionals associated with the declarant; therefore, their learning curve is not that great.

Post Turnover Meeting

At the turnover meeting, the first board will resign, and the new owners now have a chance to elect their chosen

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board of directors. At times, leading up to the turnover meeting, a manager may work with a shadow board, which may also have representation from the declarant. This board is not elected and has no authority. They aim to work with the management company to understand how a condominium should function and to put forward candidates to form the eventual board elected at the turnover meeting.

During the first few years after the turnover meeting, a manager will be busy expediting the performance audit, facilitating the first reserve fund study, and learning about the building and its residents' needs. Many challenges arise during this period, including dealing with owners that may not be familiar with condominium living and may require more assistance understanding the rules and regulations. Additionally, any issues that arise are usually the responsibility of the developer or builder. It can be challenging to get timely resolutions from them within the timelines expected by the community. Keeping an open dialogue with the declarant is imperative. Many condominiums regularly see tenancy rates of post 80%, which means that the majority of owners are investors. A tool that is critical to new condominiums, and with all condominiums in general, is communication. Whether it be an owner or a tenant, a manager must ensure constant communication to be successful. Many tools can be used, including mass communication through electronic means.

A manager does not get to handpick the board of directors and, therefore, must be prepared to work with members that might be very new to serving on boards or, in some cases, already have tenure from work in other communities. Being organized, watching critical deadlines and having strong communication skills will form the basis for a successful manager/board relationship.

Another challenge in this period is the 2nd year budget. A reserve fund study is completed in the first year and will be implemented at the beginning of the second year. If you are lucky enough to have a surplus in the first year and a contribution of at least 20%, then your problems won't be severe versus a large deficit and a 10 – 15% contribution. Most condominiums reserve contributions will jump 25 – 30% in the second year, which can conflict with why some members ran for the board to control maintenance fees. Once again, working closely with the board to ensure they understand that you didn't cause the problem and that you are offering solutions can assist greatly.

3 to 15-year-old Condominium Corporations

During this period, there will be maintenance and repairs; however, most replacement expenses do not start until year 15, when sealants start failing. A manager and board work together to create rules and policies to serve the community during this period. It is the time to shape the future community. Once again, the three skills essential to management are required – Organization, communication and common sense. Preparing for board meetings, creating meaningful board packages and working with residents to educate them on condominium living is essential.

Post 15-year-old Condominiums

This is the time when the long-term repair and replacement cycle begins. A manager and board's focus shifts from community building to managing the reserve fund. However, boards and managers with project management skills will likely excel in this environment. Communicating with residents when requiring access to their units, or having them relocate their vehicles during an underground repair project, must be timely and meaningful to ensure they do their part to make a project successful.

As you can see from the above, each condominium corporation does have its own lifecycle. Changing your management style to be most effective is essential for a manager to adapt to the cycles. The three skills boards and managers require to manage during these times effectively do not change – Organization, communication and common sense. ■

John Damaren, RCM, is the Vice President, Community Development & Governance, at FirstService Residential and oversees all facets of developer consulting in addition to successfully onboarding all new clients. He also is responsible for governance and adherence to applicable legislation. John has been an RCM for 23 years with 32-plus years of experience in condominium management. John has been awarded ACMO's Manager of the Year and President's Awards, and served six years on ACMO's Board, including two years as president, co-chaired two Annual Condominium Conferences, chaired the Certification & Standards Committee, and served on several ACMO committees.
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