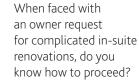


Let's Talk Money





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Renovating Happily Ever After!

Condominium corporations are receiving more and more requests to carry out major renovations in their units, whether it's an existing owner or an owner who just bought a unit in the building. These requests happen more commonly in older condominiums, where the layouts are not originally designed with an open concept layout or are just generally outdated.

The simplicities of replacing floor coverings to a basic paint job are long gone. Nowadays, property managers and boards are being faced with greater modification requests such as re-locating plumbing or electrical fixtures to opening or removing partition and structural walls within the unit. While most condominium declarations have a provision explaining how to proceed with these types of requests, it is best for all those involved to understand how to go about it should the request arise. Here's some helpful advice:

1. Know Your Declaration.

As mentioned, most condos have a provision in the declaration that specifies what is and isn't permitted. Major structural changes usually require 'board approval.' It may even specify that a certified engineer or architect (accredited in Ontario) must examine the unit in question and provide a report before and after the modification to ensure it is structurally safe and sound. A copy of the engineer's letter or report should be kept in the unit file as it provides good record keeping should the unit be sold to another owner, or for future reference if needed. A diligent Board should follow the requirements of the declaration to ensure a qualified person reviews the modification and certify that the structural integrity of the building is protected. Property Managers should never allow a major modification to be done in a unit without prior approval of the Board unless the declaration states otherwise.

2. Create a Policy.

A renovation policy can be created and implemented based on the provisions of the declaration. Information details can include the proposed work to be done, contractor information, materials to be used, proper disposal of debris, use of elevator, expectations

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of contractors and maintenance of the common areas. This document can be given to owners who are contemplating a major renovation so that they are aware of what is expected from the condo corporation, the owner and the contractor assigned to undertake the renovation. The policy would act as an official written document of the corporation and as a sign-off for approval (and reference in future) should the owner not comply with what has been agreed upon between the owner and the condo corporation. This avoids any misunderstandings or miscommunication of what is and isn't permitted during the renovation undertaking.

3. Good Communication.

By providing information and concise details regarding the proposed renovation in the policy allows for property managers to be in the know about what to expect at given points of time during the renovation. For example, if there will be demolition or equipment noise on certain dates, the property manager can properly communicate to neighbouring units in advance. This way, it can avoid numerous complaints from residents and allow for alternative plans to be made for those days. Most of the time property managers have to deal with residents conducting a renovation in their unit without notifying anyone. Neighbouring residents get frustrated and it becomes a wild goose chase to find out which unit is causing the disturbance. Having clear and open communication throughout the renovation process can turn a possibly irritating situation into a positive and encouraging one.

4. Standard Unit Bylaw and Individual Unit Insurance Coverage.

As previously mentioned communication is key for the property manager, staff and residents who will be affected during the planned renovation. However, the unit owner conducting the renovation needs to also understand the potential changes that may arise from an insurance perspective. For example, replacing standard

fixtures to high-end fixtures, upgrading floor coverings, removing stucco ceilings to a smooth finish, can change insurance coverages and responsibilities to repair in the event of damage. Property managers should inform owners and provide this information in the policy advising that any modifications or changes done in the unit which are not within the Standard Unit Bylaw must be included in the owner's insurance coverage as a betterment or improvement made to the unit. This way, should the unit sustain major damage after the renovations are completed, the owner's insurance would replace 'like for like.' The condo corporation's insurance policy does not cover contents or any upgrades or betterments made to the units.

By educating owners through newsletters or other forms of preferred communication managers can assist in achieving collaboration and ensuring condo communities are ... living happily ever after!

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