

Condo Law for Albertans

condolawalberta.ca/finances/condominium-contributions/

Every condo owner is required to pay condominium contributions (also known as condominium fees) to the condominium corporation. These contributions go towards the cost of repairing and maintaining common property (for example, landscaping, plumbing and heating systems), administrative expenses (for example, property manager), insurance premiums, and to the reserve fund.

Potential Purchasers: What you need to consider

Before you purchase a condo, think about the following questions.

Are you planning to use all of the complex's amenities?

Consider how much you'll pay in condominium contributions (fees) in comparison to the amenities provided. If you aren't planning to use many of the amenities (for example, fitness centre, swimming pool) then you may want to look for a similar unit in a condominium with fewer amenities and lower contributions.

Do the contributions seem low compared to other properties?



Be wary if you're looking at a condominium with many services and unusually low monthly contributions. This may be a sign that the condominium corporation doesn't have enough money in its reserve fund to cover future capital repairs and replacements. Ask your lawyer and document reviewer to look over the corporation's documents to see if the corporation has a history of special assessments and whether there is adequate money in the reserve fund for capital repairs or replacements. .

Does the seller have unpaid contributions?



Always ask for an estoppel certificate before making an offer to purchase on a unit. It will indicate whether the current owner has paid contributions in full or if any fees are unpaid. Any unpaid fees transfer to the new owner, so they will become your responsibility if you purchase a unit with unpaid contributions.

How are contributions calculated?

Condominium contributions (fees) are usually set annually by the condominium board after considering all of its operating and reserve fund needs of the condominium. The total amount required to cover the condominium's expenses is split amongst the unit owners based on the unit factor assigned to their specific unit, unless the bylaws specify another

method. Unit factors are typically proportional to the size of the unit and increase with the size of the unit. If you're unsure of how unit factors are assigned in your condominium, check the schedule attached to your condominium plan.



Be aware that the condo board can increase condominium contributions. As operating expenses increase, contributions will increase. If more money is needed to increase the reserve fund, the condo board can decide to either increase contributions or levy a special assessment.

What happens if contributions aren't paid?

As an unit owner, it is your responsibility to pay your condominium contributions in full and on time. If you don't pay your contributions, the condo board could take any of the following actions:

- charge interest on the unpaid amount (up to 18% per year);
- file a caveat against your property title;
- sue you for the contributions, interest, and any legal costs;
- if you have a mortgage, ask your mortgage company to pay the outstanding amount (note: many banks consider failure to pay condo contributions as an act of default that could result in foreclosure);
- if you have a tenant in your unit, require the rent to be paid to the corporation to cover the unpaid amount; or
- foreclose on the title to your unit.

How do I get information about condo contributions?

When an owner, purchaser, mortgagee, or their lawyer makes a request in writing for an estoppel certificate, the condominium board must provide it.

An estoppel certificate is a document that contains information on the condominium unit's contributions such as:

- The amount of the contribution;
- How the contribution is payable;
- How much contribution the owners has paid; and
- The interest owing on any unpaid contribution

If an owner, purchaser, or mortgagee of a unit makes a request in writing for a statement regarding unit contributions, the corporation must meet that request within 10 days after receiving the request.



The corporation may charge a reasonable fee for providing an estoppel certificate or a statement setting out condominium contributions for a unit.

Further Resources

[Condo Insight: The Condo's Lifeblood](#) (Maria Bartolotti)



The *Condominium Property Amendment Act* will bring changes to condo contributions in Alberta. This website will be updated once the changes come into force.

Last updated: September 2016