

Condo Law for Albertans

condolawalberta.ca/finances/special-assessments/

A special assessment (also known as a special levy) is a financial contribution that can be imposed on condominium unit owners in addition to their condominium contributions (fees). It may be levied as a one-time lump sum or as an additional regular payment.

Before You Buy: What you need to know

Sellers must disclose if there is a pending special assessment that is not included in the condominium documentation. The requirement to pay the special assessment remains with the unit and becomes the responsibility of the new owner. Carefully consider whether you want to purchase a condominium unit with a pending special assessment, as it will increase your costs significantly.

You should also consider why a special assessment was levied. For example, was it levied to repair a leaky roof? Are there ongoing issues with the structural integrity of the building? Review the condo's reserve fund documents and ask questions of the condo board, property manager, and other unit owners.

It is also important to consider if the condominium has a history of imposing special assessments. Ask your lawyer and document review company to help you review the condo corporation's documents to determine if there will be ongoing issues due to financial mismanagement.

Living There: When can a special assessment be imposed?

A condo board can impose a special assessment in certain situations, for example:

- If there is not enough money in the operating budget to pay for an emergency expense, or
- If the reserve fund does not have enough money to pay for a capital repair or replacement.

Why did I get a special assessment notice when the reserve fund seems adequate?

A condominium corporation's operating budget and reserve fund are separate and distinct accounts with their own rules. For example, money from a reserve fund can only be used to cover the cost of repairing and replacing capital common property; it cannot be used to cover operating expenses. However, a special assessment may be levied against condo owners to cover an emergency operating expense.

Living There: How is a special assessment calculated?

Each owner's portion of a special assessment is calculated based on unit factor unless the bylaws say otherwise. The unit factor is also used to assign condominium contributions (fees). If you're unsure of how unit factors are assigned in your condominium, check the schedule attached to your condominium plan.

Living There: Do I have to pay? What if I disagree with the special assessment?

As an owner, it is your responsibility to pay your portion of the special assessment when it is due, even if you disagree with it. If you don't pay the special assessment, the condo board could take any of the following actions:

- charge interest
- file a caveat against your property title
- sue you for the special assessment, 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) or
- if you have a tenant, require rent to be paid to the corporation to cover the outstanding amount.

If you want more information about why the special assessment was imposed, talk to your condo board and ask questions. It is your responsibility as an owner to keep yourself informed about the finances of the corporation. Consider becoming a member of the condo board if you want to have greater input on the financial direction of the condominium corporation.

Further Resources

[Ask Maria: The Special Assessment Quandry](#)

[Ask Maria: Reserve Fund v Special Assessment](#)

[Condo Concepts: Special Assessment – The Last Resort](#) (Maria Bartolotti)



The *Condominium Property Amendment Act* will bring changes to special assessments (levies) in Alberta. This website will be updated once the changes come into force.

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