



FOR RELEASE
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Government of Yukon prepares new *Condominium Act*

WHITEHORSE—The Government of Yukon is preparing a new *Condominium Act* to improve governance of the territory's growing condominium housing supply.

Legislative drafting will begin soon with participation from a dedicated stakeholder committee that includes Chamber of Commerce representatives and the City of Whitehorse. Input will also be sought from other stakeholders, including condominium owners.

"The new *Condominium Act* will provide certainty to the industry by introducing a strong legal framework for future developments and their governing corporations," Minister of Justice Mike Nixon said.

The act will clarify the rights and responsibilities of developers, condominium corporations and unit owners and will also help ensure that condominiums in Yukon are suitably financed and operated.

"Our *Condominium Act* dates from 1976 and has fallen far behind industry standards and practices," Nixon said. "Today's condominium owners need many protections, such as reserve funds, which were not considered in the 1970s."

It is expected that public engagement and drafting will take place up until fall 2014 when a new *Condominium Act* will be tabled in the Yukon Legislative Assembly.

Condominiums make up a growing portion of the housing Yukoners are buying. In 2012, 224 condominiums were purchased, up from 39 in 2004.

For more information about the Land Titles Modernization project see the backgrounder and visit www.justice.gov.yk.ca.

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See backgrounder below.

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Backgrounder: Proposed new *Condominium Act*

In 2012, the Department of Justice consulted with stakeholders on improvements to Yukon's Condominium Act and researched options for regulating condominium development, management and consumer protection introduced in other jurisdictions. The department then prepared a What We Heard paper and posted it online.

The Government of Yukon has now had the opportunity to consider public input and information gathered relating to condominiums and will proceed with a new *Condominium Act* with the objective of tabling it in the Yukon Legislative Assembly in fall 2014.

Condominiums are unique corporations in which unit owners are members of the corporation and elect a board of directors from among themselves. Unit owners share ownership and maintenance of common areas, while keeping individual ownership of their units.

There are four major areas to be addressed in the new legislation.

Governance

The new act will:

- specify more clearly the powers, duties and responsibilities of condominium boards of directors;
- ensure Members of boards of directors are indemnified, provided certain standards, such as conflict of interest policies, are met;
- specify voting thresholds for important changes to the condominium corporation and requirements for holding meetings;
- improve the ability of the board to collect unpaid fees from unit owners; and
- improve bylaw requirements, including providing a standard bylaw.

Reserve fund and reserve fund studies

The new act will:

- introduce a reserve fund requirement for major repairs for all condominiums;
- allow condominiums that do not have a reserve fund three years to phase in a fund;
- require a reserve fund study to be carried out for new condominiums, conversions before they are turned over by the developer to an elected board and condominiums that have more than 10 units; and
- prescribe a formula for calculating the reserve fund amount.

Creation of the condominium

The new act will:

- clarify the requirement for documents and information to be filed in the Land Titles Office to create the condominium;
- clarify the requirements for the condominium plan filed in the Land Titles Office, setting out boundaries and location;
- establish special requirements for phased condominiums, bare land condominiums, hooked condominiums and commercial condominiums; and
- stipulate that at least four units are required in order to register a condominium.

Consumer protection

The new act will:

- improve minimum standards for disclosure of information;
- improve insurance requirements and provisions for bare land condominium insurance;

- provide for offences under the act for filing false certifications, attestations or affidavits, and set out penalties; and
- provide for dispute resolution under the Arbitration Act.

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