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DEBATES and PROCEEDINGS

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Bill No. 57 – *The Condominium Property Amendment Act, 2012*

Mr. Forbes: Thank you very much, Mr. Speaker. It is a pleasure to stand and enter into the debate on Bill No. 57, *An Act to amend The Condominium Property Act, 1993*. And this is one that's very important in terms of the housing issues that we face in our cities, our communities right across this province. And in many ways this meets a lot of concerns but I think it falls short, and I need to have questions for the committee. I do want to acknowledge the minister and thank the minister in terms of some of the work that's been done in terms of consulting, not quite as far and deep as I would have liked to have seen it, but it was there.

I do have to say that I have two documents in front of me, both from July 2011. One is the review of *The Condominium Property Act, 1993* that was done by the legislative services of the public law division, Ministry of Justice, that went out to some of the folks that are stakeholders. And that was quite a thorough piece. There were some questions that weren't quite asked, but of course you know that at that period of time we were going into an election mode. And so this may have been overlooked by many people because clearly that fall we had lots of stuff on our mind.

And as well I want to say and I want to acknowledge that this piece of work that was done by my legislative intern, Nicole Hamm, in July 2011, *Concerns and Emerging Issues for Condo Owners in Saskatchewan*, this is the kind of good work that the interns can do for MLAs. And this was made public, and in fact we gave it to the ministry. I don't know if they used it or not.

But when we have interns, they come and they do some very good non-partisan research. And I really wanted to thank her for the work because condos are a new kind of idea in terms of ownership, home ownership that really many of us don't really understand, and we think of these things as just apartments that we bought and we go from there.

But I do want to say that, if I can, just to give a little brief history. I don't know if you

know this, Mr. Speaker, but the first condo in Canada was built in Edmonton in the Brentwood Village townhouse complex in 1967. Prior to 1967 there were no such thing as condos in Saskatchewan. The first high-rise was built in 1969 in Nepean, Ontario. And we actually put legislation into place in 1968, and the first condo in Saskatchewan or the first condo in Saskatoon was built in Sutherland area late 1969. A two-bedroom unit, the first condo, sold for \$11,600, and a three-bedroom unit was \$12,850 with a down payment of \$790. Those were probably big prices in those days. But we've come a long way and this is a really important, important debate because it affects the people, particularly those owners.

And what's interesting about this, and Nicole found from her research, there's two specific groups that really are impacted by condos and the legislation around them. Of course it's the whole range of people from young adults right to seniors. But the two groups that really are impacted are young adults because it'll be the first thing they buy, and seniors because it will be the last thing they buy. And as you go through their housing continuum of buying a house in a neighbourhood, raising a family, that type of thing . . . But condos are very, very important. And so legislation is very important that we get it right, that we get it right.

And so this piece that is before us addresses some of those concerns. But I want to make sure I highlight a couple of concerns. And as you may know, as you may know, in my riding I have a lot of condos. Downtown Saskatoon are a lot of condos. And they are owned by both seniors, and they are owned by young people, and they are owned by all sorts of folks. So this is a big, big issue to me.

And of course one of the things that happened — and this happened late 2006; 2007, continued a bit — was that whole issue around condo conversions. And this legislation goes further along that road to resolve that issue. But clearly that was something that was a bit of a perfect storm in a way, with the Saskatchewan economy starting to really take off, and condos, apartment buildings were being sold. The idea was to be converted. And so there were some real issues here.

And of course in fact we did, as the government on this side, in October 2007 we did some changes to regulations to slow that down. The city of Saskatoon did some changes to try to slow that down so there's more fairness in this. And of course Regina placed a moratorium on condo conversions until their policy was complete, and that happened in 2008.

So the issues that Nicole had identified — my intern, of course — was the issue around particularly non-resident owners and condo corporation boards. And this is one that's emerging as a real concern. And it was one that was brought forward to me by my constituents because they have some real concerns that when you're buying into a condo, particularly if you're a senior, that in fact that you think you're buying into a community of like-interested people, whether they be seniors or whatever. But people are looking for others of common interest, a common-interest community.

And what they found was the trend has been, over the course of time, that there is

becoming more and more tenants in the building, and there were not owners. And this is a real concern.

It's happening right across Canada. This is not just something that's happening here in Saskatchewan or Saskatoon, but in fact I know in Vancouver it's something they're wrestling with.

Well how many people in a condo building should be tenants? How many should be owners? It's a very tough question. It's a very tough question. And I know it's a bit of a Pandora's box to open up, because what do you do? What is the correct number?

A person should be able to buy. In fact I know many of my friends who are close to retirement age say, I'm going to buy a condo now, invest in it, get a big chunk of it paid off by having a tenant in it, but it's where I want to retire when I'm 75 or older. That's their thinking. But if you have a condo building where everybody's thinking that, that becomes a problem. It's not bad when it's one or two or three people, but it's a problem when it's 30 or 40 or 50 per cent.

So this is something I think we're going to have to wrestle with over the course of time. And so I would like to have seen this . . . This was an issue that was raised with me because people would go to an AGM [annual general meeting] . . .

An Hon. Member: — Are tenants in a condo bad?

Mr. Forbes: — The question is, are tenants in a condo bad? Not necessarily. Tenants are not bad, necessarily. But what happens, this is what happens, and this is the concern they would have . . . [inaudible interjection] . . . There you go.

What they would do is, the complaint that I had to me was that they would go to the AGM, and then when it came to electing a president and all the positions on the condo board, they found out there was a shrinking pool of volunteers, a shrinking pool of volunteers. And the tenants would say, I'm a tenant. I'm paying rent. It's not my responsibility to be a volunteer in this building. Whereas the owners would say, I really want to be a volunteer, but I can't volunteer for everything. So that's an issue we have to wrestle with.

And so it's a reality. It's a reality. And I know the Minister of Housing, you know, may not think it is, but this is what seniors and older folks are saying because they don't have the energy over the course of time, whether it's five or ten years. You get more tired and you say, I can't do all the things that I did when I was younger. And I think that's a reality that we have to deal with. And so this is an issue that they brought up.

The other issue that they brought up was the idea of having some sort of bylaw that they could pass so they would have the same age type of group in it. And of course there are issues around that that we have to wrestle, right? And that is around the Human Rights Code. Can you pass bylaws that in fact are age specific? And of course that's something that we have to deal with. And of course issues around insurance. That's an important one, and that's one I think that has come up.

So, Mr. Speaker, I find this a very interesting discussion because there are issues. And as we get further down the road with this, we see all different kinds of housing open. Prior, you know, the big thing that we saw in the '60s too were co-op housing facilities, and of course we still see that happening. Of course the difference there is, of course, people do not own their individual units. And now we see — now it's just outside my riding — one of the first, I think in the province, Wolf Willow, where it's co-housing where it's sort of a blend of co-op housing and condo living. You actually own your unit, but they very much live in a structured type of thing.

And so anyways, these are some of the issues that the condo discussion talked about, condo corporation boards. That was very important, how they dealt with that. And this is true. The issue is a listing of directors for a condo corporation is not publicly available. This causes unit owners, renters, potential unit purchasers, and others difficulty when attempting to resolve disputes with the condo corporation. And I know our reality as candidates, when we want to go enter buildings, we can't find out who is on the board to ask permission. We don't know who the president of the condo board is. And while we would like to have a conversation with them, we just don't know who they are. And so this will be interesting. So the recommendation that they had under consideration was to make this list available through the annual notice so there's a listing of directors of the condo corporation available to the public. And so that's a very important thing.

Sale of unit by developers. This is one that's very important and is addressed in the Act. Turnover from the developer to the condo board, some of the information about what was happening during the building of the condo. And this talks about agreements, warranties, plans, lists of subcontractors, financial records for corporation, certificates and approvals from government — these kind of things. So this was a concern that was raised in my riding because people, when they took over a building, it was hard to find out who actually did the work on the building. And where were the plans? Where were the warranties? And there was nothing really to force the developer to give the information to the condo board and particularly to give it in a reasonable timeline. So I'm glad to see that appears to have been done. As well, Mr. Speaker, maintenance of common property, that type of thing; parking, that's always a big issue.

And so what I'd like to do is talk a little bit about the legislation that's before us now in terms of specifically what's in the Act. And so it is interesting that they talk about building into this Act what they call:

adding the following clause after clause (y.2):

'short-term rental management pool' means a rental management agreement pursuant to which one or more units within the corporation will be rented out for periods of less than one month";

So there's lots of different angles around this rental part, and I think this'll be very interesting in committee when we talk about this. So what does this mean that if you have a building and you're living in there and you find out that the condo beside you that used to be owned by somebody who lived in it on a permanent basis now is being rented out

for a one-week time period, a two-week period, essentially you're now living in a hotel? And this allows that to happen. What is that all about?

What about the idea of, what happens if you have an owner in the condo building that owns two or three units? Or, and we know this is happening in downtown Saskatoon, where you have circumstances where condos are being purchased by corporations so they can be rented out to workers who are coming in to work. And essentially they're residence for their workers, and that's not quite the idea you had when you bought into that condo building. That's not the vision that you had. So we'll have some questions about what does the short-term rental management pool mean.

The other question we have — but again we'll have this as a question in committee, so the minister may want to take a look at Hansard later about this — is when we talked about the whole idea of condo conversions. And this is one of the clauses that will be added in:

if the application relates to the conversion of existing premises used for apartments, flats or tenements into units intended for residential purposes:

(i) the conversion will not reduce below the prescribed level the availability of rental accommodations in the area;

So it's two questions. What does area mean? What does area mean? And what does prescribed level mean? And so that'll be interesting. While this seems really a very good addition, we have some questions about again what are the regulations in this. So that's very important. And as I said earlier, Mr. Speaker, the idea, the dealing with the issue of when the developer's finished building the building, people have moved in, and there was a delay or in fact sometimes not information given over to the condo board, that now this is part of the new legislation.

So it talks about section 12 being amended, that now in clause (a) they add in manuals before warranties and guarantees. So some of this stuff will be very helpful for maintaining the property as a whole. So that's a very good thing.

So all of this work will make for some very interesting discussions in committee. I know that people are interested. Because as I said, the two largest groups within our communities that use condos as their homes are the younger, young people entering into home ownership and buying their first place is a condo. And they want to make sure they're doing the right thing, that they'll retain their value because what they want to do is move on to their next home. And hopefully it will be a good deal and they're not stuck into that. And also seniors because it is their last home that they'll own. And they want to make sure that when they leave their condo and they sell it again that, again, they'll get a good return and there'll be a good price on the marketplace.

And so all these things factor into it. And whether it's a simple but critical like parking, all the way to making sure there's proper insurance, that of course that your neighbours are good people, and that you have a sense of what's happening in your complex and

whether, you know, I mean people can support what they understand, but if they don't know what's going on in the unit beside them, then it's a bit of a problem. And so this is important.

And as I've said, that legislation around condos is relatively new here in Saskatchewan. As I said, our first bill was passed in 1968, with buildings shortly to follow. And so we're learning as we go a bit. And of course when you have a boom like we've experienced over the last years, that we need to make sure housing is managed, that growth is managed in a way so that all along the housing continuum that we're meeting the needs of the people and that we're not looking for the easy, the easy ways that lead to other problems, that lead to unintended consequences. And we see that in other provinces, whether it's Vancouver with really the huge bubble in terms of housing costs, or Ontario where in Toronto in particular, with their whole issue around condos. And if you're in Toronto for sure you'll see these condos going up left, right, and centre. And some of them are very tiny, but people are looking for places to live and they're not left with many choices.

And what our job as people who make the laws is to make sure that they're fair to everyone, and that we've thought all of the angles through and there are no unintended consequences, and what we've passed is what we mean to pass. And this is why we'll have lots of questions in committee on this. We think it's really important to get it right. I think we've tackled this two or three times in the last six years, so I imagine it'll be back fairly soon. But let's get it right and even better this time.

So with that, Mr. Speaker, I would like to move this bill to committee, and so I would do so move. Thank you.