

## **Buying a Condo**

A condominium refers to an arrangement of land ownership where each individual owner holds title to a specific unit as well as owning a share of common property (typically referred to as common elements).

Many types of condominium units are found in the marketplace; an apartment suite in a high rise complex, one unit in a row of townhouses, a detached or semi-detached house, or even a vacant lot. Leasehold, as well as freehold, condominiums can also be found in selected provinces.

The owners of condominium units also own an undivided interest in the common elements. Such elements might include hallways, elevators, parking structures or lots, landscaped areas, recreational facilities, roadways, and any other property owned in common by all unit owners within a specific condominium development.

The term unit refers to the common interest held by an individual and not a specific unit beyond the common elements. That primary distinction is now disappearing with the introduction of common element condominiums in which projects have no units but only common property (e.g., a golf course). The proportionate share of ownership is typically registered to property beyond the condominium project.

Insurance requirements for condominiums consist of three separate groups.

- The condominium corporation requires insurance for the unit structure and common elements, excluding any improvements made by the owner. Additionally, the corporation is responsible for liability coverage, any bonding coverage required for employees and directors/officers, and director liability.
- The unit owner should insure any improvements (built-in items, carpeting, and personal belongings), and any risk not covered by the corporation (including the owner's liability).
- Renters should insure all personal belongings and obtain proper legal liability coverage.

Insurance companies typically provide owner policies for condominium owners which are structured on the same basis as owning residential property. Tenant package policies are structured for both condominium tenancies as well as other rental accommodations. Real estate practitioners should consider that the rental agreement for a condominium may indicate that the tenant provides coverage for those items owned by the landlord of the building (e.g., appliances, carpeting).

### **Condominium Fees**

Maintenance services are GST exempt if provided by a condominium corporation or a co-operative housing corporation to the owner of a residential unit or to any tenant of the owner. Condominium corporations and co-operative housing corporations are not able to recover any GST paid on their purchases of services such as snow removal or landscaping. These residential corporations are treated in the same manner as residential landlords.

Condo owners in Saskatchewan pay condo fees, usually on a monthly basis, averaging \$200+ dollars.

Condominium transactions are more complex than residential home transactions. The Condominium Act is a piece of provincial legislation which governs every aspect of building management, and the sale and purchase of units in the condo development. This system is designed to protect homeowners and buyers, but can be overwhelming to first-time buyers.

Our team at Century 21 has extensive knowledge in the process of purchasing or selling a condo. We are happy to guide you through every step of the way!

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