Denise Lash, LLB, B.Sc, ACCI, FCCI
Lash Condo Law

Mandatory Licensing of Condominium Managers Under the Condominium Management Services Act

For many condominium unit owners, their condominium unit is their largest financial investment.

One of the advantages of condominium living is that it provides a carefree lifestyle for unit owners, as there is a professional manager that sees to the upkeep and operation of the property. What might surprise many owners is that, currently, anyone can provide condominium management services even if they have no qualifications or training and have no professional liability insurance, and even if they have prior convictions for fraud.

Fortunately, that is about to change with the enactment of the Condominium Management Services Act, 2015, ("CMSA"), which will require any individual or company providing management services to be licensed. Mandatory licensing will not only benefit condominium corporations and owners, but is a change that is welcomed by the condominium management industry. Many reputable, honest and qualified condominium managers have for years called for a licensing process to set out mandatory minimum qualifications to screen and weed out incompetent and/or unscrupulous persons.

The Ontario government recently introduced a draft regulation that focuses on the licensing requirements. The regulation contemplates a graduated licensing process with two classes of licences, a limited licence and a general licence. Anyone applying for either a limited or general licence must provide a police criminal records check dated within the prior 6 months.

Limited Licence

The limited licence is an entry-level temporary licence that allows a licensee to work as a condominium manager under the supervision of a general licensee and get the necessary experience required to obtain a general

licence. A limited licensee would not be permitted to sign status certificates or manage, control or disburse a client's reserve fund account. In addition, a limited licensee would not be able to enter into contracts or manage, control or disburse a client's general funds without the approval of the supervising general licensee.

The regulation contemplates that working under a general licence should not be a permanent situation, but rather a stepping stone to working under a general licence. Limited licences will not be renewable if more than five years has passed since the license was first issued to the licensee, unless this would cause undue hardship.

General Licence

In order to obtain a general licence, a candidate must hold a limited licence, have successfully completed the educational and exam requirements specified by the Minister of Government and Consumer Services (which has not yet been done) and have completed at least 2 years' work experience as a condominium manager working under the supervision of a general licensee. The work experience must include:

- Planning and participating in condominium board meetings and owners' meetings, including at least one annual general meeting
- Preparation of condominium budget and presentation to the board
- Interpretation and presentation of financial statements to the board
- Preparation and presentation of reports to the board
- Oversight of maintenance and repair of the units and the common elements

Transition

Individuals currently providing condominium management services as of the day before the mandatory licensing requirements become law, will automatically hold a temporary deemed licence and will have 150 days after the CMSA comes into force to apply for a licence. Those who apply within such time period will be able to continue to provide management services until a decision on their application has been rendered.

Individuals currently providing condominium management services may apply for one of three classes of licence:

1. **Limited licence:** if the applicant has up to 2 years' experience as a condominium manager
2. **Transitional general licence:** if the applicant has more than 2 years' experience as a condominium manager
3. **General licence:** if the applicant has more than 2 years' experience and has obtained the Registered Condominium Manager designation from the Association of Registered Condominium Managers of Ontario ("ACMO") or has successfully completed the following four courses developed by ACMO: Condominium Law, Physical Building Management, Financial Planning for Condominium Managers and Condominium Administration and Human Relations. Applicants who meet either of these criteria on the day before the CMSA comes into force will be exempt from the licensing requirements for a general licence described above.

The draft regulation was released to the public late in 2016 and stakeholders had until February 6, 2017, to provide feedback on the draft. The final regulation, which may include changes made in response to feedback received, is targeted to come into force on July 1, 2017.

Denise Lash is the founding lawyer of Lash Condo Law. Denise has been qualified as an expert in condominium law in the Ontario Courts and has held directors positions with CCI National and Toronto. Denise sat as the previous Chair of the council for the Condominium Management Standards for ACMO (ACMO 2000). Denise blogs weekly on condo topics at www.lashcondolaw.com