



**CONDO LAW**  
FOR ALBERTANS

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## A Guide to Commonly Used Condo Terms

If you are thinking of buying a condominium, it is important to understand these commonly used condominium terms. It will help you understand what your lawyer and real estate professional are talking about during the purchase process.

### What is a Condominium?

**Condominium:** A condominium unit (condo) is the physical space that you buy to live in. It can be a townhouse, a high-rise apartment-style unit, a loft, or even a detached house. As a type of ownership, it means that you are the sole owner of the space within the boundaries of your condo unit and you share common property with all the other condo owners in your development.

**Common property:** The property that is part of the condominium complex but outside of the boundaries of individual condominium units. It is jointly owned and shared among all of the unit owners. Common property can include landscaping, elevators, and fitness centres. It also includes important elements such as the building's plumbing, wiring, and heating system.

**Condominium plan:** This is a legal document that creates a condominium corporation. It includes information such as the size and boundaries of the condominium units and the common property, and exclusive possession areas. The plan may include additional plan sheets with updates to the condo's bylaws, changes in the board of directors, and any restrictions on how common property can be used.

**Exclusive possession areas:** Part of the common property or condominium corporation's real property, these are areas that an owner has a right to occupy without interference from others. For example, a parking stall, storage unit, or balcony. The condominium corporation may grant you exclusive possession through a bylaw, lease, licence or other instrument.

### Types of Condominium Unit Ownership

**Conventional condominiums:** This is the most common form of condominium and refers to a unit located within a building. The unit's boundaries are established by its floors, walls and ceilings. Owners have full ownership of everything within the boundaries as set out in the condominium plan.

**Bare land condominiums:** This type of condo unit is an actual plot of land, and it may have a structure on it. The boundaries of units (for example, townhouse, duplex, detached house) are described by reference to survey markers. Owners are typically responsible for everything inside the boundaries of their units (for example, snow removal, landscaping and exterior repairs) unless the condominium corporation's bylaws say otherwise.

## The Condominium Corporation

**Condominium corporation:** Every condominium development has a condominium corporation that comes into existence when a condominium plan is registered with the Land Titles Office. The corporation is made up of everyone who owns a unit in the development and it is run by the condominium's board of directors.

**Board of directors (also known as condominium board):** The condominium board is made up of owners or mortgagees (mortgage lenders) that run the condominium corporation. As an owner, you are eligible to vote for the members of the board of directors or put your name forward to be a director.

**Bylaws:** All condominium corporations are legally required to have a set of bylaws. The condominium corporation is responsible for enforcing the bylaws, which apply to all owners, tenants and occupants. The bylaws may cover such things as whether pets and children are allowed to live in the building, renovation guidelines, parking restrictions, and more. There can be sanctions for not following the bylaws, so it is important for you to review and understand the bylaws before you buy.

## Condominium Finances

**Condominium contributions:** Money paid to the condominium corporation by unit owners to cover the costs of operating the condominium. Sometimes referred to as condo fees. Contributions are used to pay for maintenance and repairs to the common property and managed property (landscaping, snow removal), administrative expenses (property management costs, accounting fees), and insurance premiums. A portion of the contributions goes to the reserve fund for future expenses.

**Reserve fund:** Money set aside by the condominium corporation for future major expenses such as repair or replacement of the corporation's real, personal, common property (for example, the roof or central heating system) and managed property. In Alberta, all condos must establish a reserve fund and undertake a reserve fund study, report, and plan to make sure that enough money has been set aside.

**Special levy:** A financial contribution that can be imposed on condo owners in addition to their condo contributions. The board of directors can take this step if there is not enough money in the operating budget or in the reserve fund to pay for certain expenses or repairs. As an owner, you must pay a special levy even if you don't agree with it.

