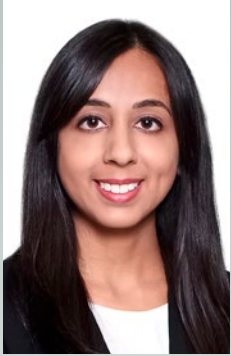


**OMH IS PLEASED
TO WELCOME:**



MEGAN CHEEMA
who has joined our
Corporate and
Commercial practice
area as a junior associate.



ORIE NIEDZVIECKI
who has joined us as the
head of our Civil Litigation
practice area.



JOHN INGLIS
who has joined our
Municipal and Land
Development practice
area as a senior associate.



MAGGIE SCULL
who has joined our Civil
Litigation practice area
as a junior associate.

INSIDE

► **HOME RENOVATIONS
WHAT YOU NEED
TO KNOW**

► **CONGRATULATIONS
TO ALEXANDRA
AND ANTHONY**



**THE IMPORTANCE OF OBTAINING AND
REVIEWING A STATUS CERTIFICATE WHEN
PURCHASING A CONDOMINIUM UNIT**

The Condominium Act, 1998 (the “Act”) is provincial legislation which governs the creation, administration, and ownership of both residential and non-residential condominium units in Ontario. For a prospective purchaser of a condominium unit, perhaps the most beneficial part of the Act is Section 76 which requires a condominium corporation, when asked, to disclose a multitude of information about both the particular condominium unit(s) being purchased, as well as the condominium corporation as a whole – this disclosure is provided in the form of the Status Certificate, along with required accompanying documents. In order to benefit from this disclosure, it is important that any offer to purchase a condominium unit is made conditional upon the purchaser’s lawyer reviewing the Status Certificate and accompanying documents. What follows is a brief summary of certain aspects of the required disclosure and why these are important to you as a prospective purchaser:

**Confirming the extent of what the seller owns
and their exclusive use rights, and what you as
purchaser are capable of purchasing:**

The Status Certificate will confirm the legal description for the unit(s) that the seller owns, including locker and/or parking units. Sometimes parking units and/or locker units are not owned, but rather the seller has the exclusive use of certain units. A careful review of the Status Certificate and accompanying documents can clarify just what the seller owns

and what exclusive use rights may transfer with his/her unit(s). Once confirmed, the offer to purchase can be amended, if necessary, to accurately reflect the intention of the parties.

**Confirming the financial status of the
condominium corporation:**

The Status Certificate will confirm the monthly common expenses (commonly known as the ‘condominium fees’) attributable to the unit(s) being purchased, and confirm whether the seller has paid all common expenses owing to date. If there are arrears, the purchaser can require that such arrears be paid prior to taking ownership. Reviewing the current budget for the condominium corporation will shed light on the budgeted expenses for the condominium corporation as a whole, and provide valuable insight into its financial priorities. Likewise, reviewing audited financial statements for prior fiscal years will provide a brief history of the financial status of the condominium corporation and its operating and reserve funds.

**Legal matters in which the condominium
corporation is involved:**

If the condominium corporation is involved in any sort of legal proceedings/hearings, whether as plaintiff, claimant or defendant, it is required to disclose the pertinent information about such proceedings/hearings in the Status Certificate. With this information, a prospective purchaser can assess risk and potential exposure in deciding whether or not to proceed with the purchase.

THE IMPORTANCE OF OBTAINING AND REVIEWING A STATUS CERTIFICATE WHEN PURCHASING A CONDOMINIUM UNIT

CONTINUED FROM COVER

Rules, regulations and restrictions:

Often the condominium corporation will have adopted certain rules and regulations that owners and tenants are expected to abide by – such rules and regulations will typically be provided with the Status Certificate. The condominium declaration may also contain certain restrictions on a number of matters including, for example, an owner's ability to lease their unit(s), or restrictions on having a pet (whether it be the number of pets, size, type). An informed purchaser will take the opportunity to carefully review these rules, regulations and restrictions and determine whether their intended use of the property will comply.

Understanding insurance requirements:

A brief review of the condominium declaration can provide clarification on the insurance coverages that an owner is required to obtain. While it is typical for the condominium corporation to maintain comprehensive insurance for the building and the common elements, owners of units are often required to obtain coverage for their personal property, and for liability relating to incidents within their unit. Providing the relevant insurance requirements to an insurance specialist during the conditional period will allow a prospective purchaser to ensure whether they will be able to obtain the required coverage and at what cost.

The foregoing is only a very brief summary of some of the key elements of disclosure required by the Act that may be important to you as a prospective purchaser. You should always retain a lawyer prior to obtaining the Status Certificate from the seller. A brief advance discussion with your lawyer about your intended use for the property and expectations as far as the review process will allow you to fully benefit from the required disclosure and make a fully informed decision on whether to proceed with the purchase.

If you require assistance in purchasing a condominium unit or with any other real estate matter, please do not hesitate to contact us.

Owen Duguid

Tel: 905.842.8030 x 3359

Email: duguid@omh.ca



HOME RENOVATIONS WHAT YOU NEED TO KNOW

Home renovations have become a very popular item to increase the value of your home, and make it more comfortable and enjoyable. There are do-it-yourselfers, but for any substantial renovations most people employ contractors to do the work, or at least the bulk of the work, and do some of the finishing themselves.

With the popularity of home renovations, there has been a proliferation of contractors doing the work; some good, some bad and some downright dangerous. The most popular renovations are kitchens, bathrooms and basements.

If your renovation involves structural changes (i.e. removing a bearing wall or floor joist, modifying roof trusses, electrical work, plumbing or heating and air conditioning) a permit will be necessary. If renovations are done without the necessary permits and inspections from the local municipality or electrical authority, you could be required to remove a portion of the work for inspection, in addition to obtaining a permit. Further, your home insurance may deny coverage if your home is subsequently damaged and the damage can be attributed to the renovation for which there was no permit and/or inspection, when one was needed.

If structural changes are done, municipalities require that a licenced engineer approve the drawings and confirm that they comply with the Ontario Building Code. Electrical changes must meet Electrical Safety Authority standards, and be done by a licenced electrician.

When considering a potential contractor, one should:

- Ascertain whether all the work will be done by the contractor's own work force or will parts of it be sub-contracted out to another contractor. If sub-contracted out, you will want to know who the sub-contractors are and how long have they been doing sub-contracting work for the contractor? Some areas that are commonly sub-contracted out are electrical, heating and air conditioning, plumbing, drywall and tiling. One must remember that the quality of the work is only as good as the sub-contractor.
- It is essential that you have a written contract with your contractor. In renovation work, it is not always possible to obtain a fixed price contract, especially if you have not selected some of the finishing such as cabinets, flooring, windows, counter tops and bathroom fixtures. If at the time of entering into the contract, these amounts are not known, generally an allowance with a maximum cost should be put into the contract. The contractor should be able to give you a range of possible costs depending on the type and quality of the finishing items you wish. If the renovation is small (less than \$10,000.00) and your house is not more than twenty years old, a contractor should be able to provide a fixed price contract if the homeowner knows the finishes to be used.

- Obtaining references and checking those references for other renovations done by the contractor within the past two years is also a valuable source of information, however be aware that contractors generally only provide references to contracts which were successfully completed, and the homeowners were pleased with the work.
- You should obtain from your contractor, a warranty for the work done. A minimum warranty would be one or two years with structural portions of renovations having a five to ten year warranty; however, one must remember that the warranty is only as good as the contractor. Most contractors operate as limited companies. This means that any liability for the work is solely that of a limited company. It is frequently seen that a limited company contractor does several bad jobs then becomes involved in a number of disputes or law suits. The company is simply closed and the homeowner has no recourse to collect any damages. It is common for contractors to incorporate another limited company and continue doing renovation work under another name. Therefore, check to determine whether the contractor has operated under different names, over the past ten years. This is usually an indication of previous problems with its work or finances.
- Prior to commencing any renovation work, you should confirm with your homeowner insurance company that you are covered under your policy while the renovations are done. You should also confirm that the contractor has insurance coverage, the nature of that coverage and the amount of that coverage. The contractor should also be able to show that his/her workers have Workman's Compensation coverage in the Province of Ontario, and it is in good standing. If the contractor does not have coverage, you could find yourself in a law suit by a worker who becomes injured on your project.

To summarize, for anything, other than some minor cosmetic work, (i.e. painting, minor carpentry) a written contract is essential and it should cover as a minimum, the following areas:

- The work to be performed and the time frame in which it will be done.
- List the documents that make up the contract, including construction drawings, listing of finishes, selection of materials.
- Contract price and allowances.

- A term that permits changes from the initial contract, if necessary, and a method of determining the cost of those changes.
- A listing of the permits that the contractor will be obtaining and inspections.
- Warranty; what is covered and the length of the coverage? Generally, there is a longer period of warranty for the structural work than other parts of the construction.
- Insurance coverage of the contractor. The contractor's indemnity of the owner for any claims against the homeowner, as a result of the performance of the contract by the contractor.
- The procedure for terminating the contract if there has been default by the contractor.
- Coverage of contractor workers under Workman's Compensation.
- A licence by the municipality to carry on business in the city or town where the work is done. (Not all municipalities require contractors to be licenced).
- It should also list miscellaneous items such as where notices between contractor and homeowner are to be sent. The ability of the contractor to post signs on the property indicating that it is doing the work. A provision and time frame for the party to remedy any breaches of contract, after which it can be terminated.

Ontario has legislation known as Construction Lien Act (the "Act"). The Act requires the payor (homeowner) to retain a holdback from each payment to the contractor of 10%. This accumulated 10% is not released until substantial performance of the contract is obtained.

Substantial performance is achieved when 3% or less of the contract price still needs to be completed. This applies to contracts up to \$500,000.00. Although homeowners and contractors frequently ignore this holdback requirement in small contracts (i.e. less than \$15,000.00), it is essential to have it on a larger renovation. If the holdback is not done, a homeowner could find themselves being required to pay twice; once to the contractor and then 10% of the value of the contract to workers, sub-contractors and material suppliers that were not paid by the contractor. This can happen when a contractor simply does not pay its sub-contractors and material suppliers.



O'CONNOR MACLEOD HANNA LLP TAKES GREAT PRIDE IN THE AWARD OF EXCELLENCE presented to Paul Stunt by the Halton County Law Association. Paul is pictured above at the awards ceremony, with a number of his many admirers.



PREMIER KATHLEEN WYNNE WAS THE KEYNOTE SPEAKER at a luncheon hosted by the Oakville, Milton and Burlington Chambers of Commerce at Rattlesnake Golf Club on April 17, 2015. Pictured above are some of the OMH lawyers who attended the event. (Left to Right) Brian Hanna, Alexandra Manthorpe, James McAskill, Carolyn McCarney, Owen Duguid and Tanya Leedale.



CONGRATULATIONS ALEXANDRA AND ANTHONY On May 11th, OMH lawyer Alexandra Manthorpe and her husband, Anthony Hampton, welcomed their twin daughters Amelia and Katherine. Their births made for a wonderful, belated Mother's Day gift. In anticipation, Alexandra and Anthony made sure to update their Wills! OMH looks forward to welcoming Alexandra back to her Wills and Estates practice in the Spring of 2016.

THE IMPORTANCE OF OBTAINING AND REVIEWING A STATUS CERTIFICATE WHEN PURCHASING A CONDOMINIUM UNIT

CONTINUED FROM PAGE 3

If a homeowner receives a Notice of Claim for Lien under the Act, they should immediately seek legal advice, as the Act is complicated and a homeowner can very easily find themselves in major problems if they try to rectify the situation themselves.

A simple construction contract could be as little as five to ten pages. Larger renovations,

however, are more complex and a fifteen to thirty page agreement is not unusual. There are standard form agreements (CCDC's and CCA's) which are industry standards and a good start for an agreement, but for the purposes of home renovations, they may require some modification, as these contracts are of a more general nature.

If you have any questions or require assistance with a construction matter, please contact us.

Kenneth W. Watts (retired)

Orie H. Niedzwiecki

Tel: 905.842.8030 ext. 3342

Email: niedzwiecki@omh.ca

O'CONNOR MACLEOD HANNA LLP | 700 KERR STREET, OAKVILLE, ON L6K 3W5

TEL: 905.842.8030 **FAX:** 905.842.2460 **EMAIL:** INFO@OMH.CA **WEB:** OMH.CA

**O'CONNOR
MACLEOD
HANNA ^{LLP}**
