

CONDOMINIUM BUYERS' GUIDE



Close to one million households in Canada have chosen to purchase a condominium (often referred to as a condo). If you are thinking about buying a condominium, make sure you get the information you need to decide if condominium ownership is right for you.

CMHC's [Condominium Buyers' Guide](#) helps you identify the key questions you should ask — and the people you should be asking — before you decide to purchase a condominium.

Condominium Basics

A “condominium” refers to a form of legal ownership, as opposed to a style of construction. Although they are commonly thought of as units in high-rise residential buildings, they can also include low-rise residential buildings (fewer than four storeys), townhouse or rowhouse complexes, stacked townhouses, duplexes, triplexes, single-detached houses, or vacant land upon which owners may build.

Owning a condominium is different in a number of ways from owning a traditional single-family home. For example:

- Condominium owners own both their own private unit as well as a portion of all shared common elements, such as lobbies, hallways, elevators, recreational facilities, walkways, gardens, structural elements, and mechanical and electrical systems.
- In addition to the purchase price, you will also need to pay a monthly fee to cover the upkeep and replacement of the common elements.

Governance

When you become a condominium owner, you are also becoming part of a community. Ask yourself if you are willing to take on the responsibility of being a member of a Condo Corporation, and whether you are comfortable living within the rules and bylaws set by your Condo Board. It's always a good idea to obtain an up-to-date copy of the rules from the seller, the property manager or the board of directors.

The Pros and Cons of Condominium Ownership

Condominium living can be an affordable and relatively carefree housing option. For instance, owning a condominium can mean fewer maintenance and repair responsibilities, more predictable monthly maintenance costs, and access to a wider range of on-site amenities that you otherwise might not be able to afford. However, condo living can also mean less privacy, having to pay for amenities you rarely use, having less of a say in deciding when repairs get done, as well as possible restrictions on things like parking, pets or smoking.

Buying a Condominium

If you have made the decision to purchase a condominium, be sure to ask the



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following questions when looking at your potential new home:

- How much can you afford to comfortably spend? How large a down payment will you have? What will you need to pay each month in mortgage payments, condo fees, utilities, insurance premiums, property taxes and other expenses?
- Is the condominium well managed and in good physical, financial and legal condition? Does it have sufficient insurance coverage?
- Is the condominium protected by a new home warranty program? If you are buying a new condominium, what does the warranty cover? If you are purchasing a resale condominium, is there any warranty coverage remaining on the unit?
- If you are buying a new condominium before the construction is complete, what are your unit's exact specifications, and when will it be ready to move into?
- If you are buying a resale condominium, can you get a copy of the corporation's annual operating budget, financial statements and estoppel (or status) certificate? How large is the condominium's reserve fund?

Checklists, Tips and Frequently Asked Questions

To help you make the right decision, check out CMHC's handy series of online [tip sheets and checklists](#) on topics such as buying a new or resale condominium, purchase and recurring costs, physical evaluations for resale units, questions to ask advisors and condominium experts and other frequently asked condo questions.

For more information, contact me or visit CMHC's online [Condominium Buyer's Guide](#) at www.cmhc.ca. CMHC shares a wealth of knowledge and housing expertise, as well as useful tools and guidance, offering access to extensive housing information to help you enjoy an informed and assured home buying and homeownership experience.