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Important update on Reserve Fund Change made by the Ontario Government:

Together CCI (Toronto) and ACMO are pleased to update you on important progress we have made in our discussions with the Ontario Government related to Reserve Funds.

The provincial government has just confirmed that it will be giving condominium corporations that were registered before May 5, 2001 more breathing room when it comes to their reserve funds and the requirement to "top them up". According to the Minister of Consumer Services, this is a move the government believes will give Boards more flexibility with their budgets, and assist in taking some pressure off increasing common expenses.

Acknowledging that the statutory "topping up" deadline is fast approaching, the government agreed with our submission that it was appropriate to review the environment within which the industry is operating, including the current economic climate.

Thus the government has taken an important step by deciding that Corporations registered before May 5, 2001 will have 15 years, and not 10 years, from the date of their first reserve fund study to top up their reserve funds. This change will reduce the impact of the HST on reserve funds as any shortfall can be gradually collected or transitioned over an additional 5 years, eliminating the need for immediately seeking additional funds from owners, which would have put an additional financial burden on them.

This change will come into effect on July 1, 2010 and ACMO and CCI (Toronto) look forward to working with the government in implementing it.

This Reserve Fund extension is one of several constructive solutions that we recommended to the government and have been advocating very hard over the past year. These are solutions to try to solve many serious issues related to condominiums in Ontario, including the impact of the HST on owners. It is a greatly appreciated measure from the government that will benefit many owners in Ontario to varying degrees.

However, our work does not stop here. CCI (Toronto) and ACMO are continuing with their efforts on behalf of the condominium industry to obtain solutions to the serious and unique problems facing condominium owners, and we look forward to continuing our constructive dialogue with the government on these issues, and in particular with the Hon. Sophia Aggelonitis, Minister of Consumer Services.

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