

Going on vacation? Make sure monthly condo fees are paid up

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This past summer, Rana Reppas took a three-month vacation and now it could cost her home.

While Reppas was overseas, the board at her midtown Toronto condo replaced the building's management company. The new managers were unable to access her pre-authorized payment account for her monthly fee, and a lien was placed on her property.

At 12:01 a.m. on the second day of the month, if a homeowner is in arrears, an automatic 90-day lien is applied against the unit, says Murray Johnson of Malvern Property Management, the firm that now manages Reppas's building.

Johnson could not comment further on Reppas's ongoing situation. However, speaking generally, he says, "The deadbeat puts added burden on all those people who pay on time, (who are) carrying all of the expenses. What a board has to do is protect the assets of the corporation."

Some condominium owners may be surprised by this seemingly heavy-handed approach. But, in fact, Section 85 of the Condominium Act demands it.

And, before the automatic lien expires, a "manual" lien must be registered by the condominium corporation — a move that gives the corporation priority over all other creditors (except the government, for taxes). Many owners may also be unaware the act compels them to pay reasonable legal fees, interest and collection costs as a result.

"I refuse to pay for these legal fees because I have done nothing wrong," Reppas wrote in a letter to her neighbours. She says her daughter attempted to rectify the matter just prior to the deadline, and that Malvern is threatening to initiate power-of-sale proceedings.

While it is unusual for a dispute to escalate to this level, it is just one of the issues to consider before going on an extended holiday.

Johnson recommends condominium residents provide enough funds to cover monthly fees for their entire absence, and beyond.

He also says it is crucial to inform the property manager of any absences and leave the name and number of someone who can be contacted should the need arise. As well, providing a letter allowing access to your suite in case of an emergency is suggested.

Johnson adds that it is a good idea to check in at least once while away.

Something as simple as the power washing of the underground garage "can create a lot of headaches down the road," Johnson says. Besides being an impediment to the workers, if a vehicle is not moved by the scheduled day and time, it will be splattered and pos-

sibly damaged.

"What if there was a burst pipe in the ceiling of the underground where (someone's) car is parked? The only thing I can do is have the car towed away. I have to do whatever is required to fix the problem."

And that car could potentially sit on the towing lot for weeks, or even months, and cost a great deal to release.

Bob Gardiner is senior partner with the firm Gardiner Miller Arnold LLP, which represents more than 400 condominium corporations. He cautions owners to make whatever arrangements necessary to keep up with events at their condo.

"The corporation gives many types of notices to owners," Gardiner says. "It might pass new rules, or change the by-laws; it might even amend the declaration." Owners may return to find themselves in violation of a new or amended rule.

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