



By Rod Escayola  
Gowlings WLG

# Mandatory Licensing for Condominium Managers

**A**s most of our readers already know, Managers now require to be licensed to manage Condominiums. This new mandatory licensing is overseen by the new Condominium Management Regulatory Authority of Ontario. In this article, we will speak of this new licensing.

## THE NEW CONDOMINIUM MANAGEMENT REGULATORY AUTHORITY OF ONTARIO

As part of the province-wide changes to how the condominium industry is regulated, the province has set up a new regulatory body to oversee condominium managers and managements firms. This new body, called the Condominium Management Regulatory Authority of Ontario (the CMRAO), is a self-funded, non-profit corporation. The CMRAO will:

- ✓ Licence managers and management providers,
- ✓ Oversee education requirements; and
- ✓ Oversee and manage complaints against managers (including complaints pertaining to breaches to a new Code of Ethics).

These new standards will enhance the integrity of this important part of the condominium industry and will help enhance trust in condominium management services.

The CMRAO became fully functional on November 1st, 2017.

## MANDATORY LICENSING

One of the main purpose of the CMRAO is to oversee the licensing of Condominium Managers. While licensing was made mandatory on November 1st, 2017, managers will have until January 29, 2018 to apply for a licence. In essence, we are now within a period of transition leading us to fully mandatory licensing. It will be illegal to provide condominium management services without a licence as of January 30, 2018.

## What is management?

To fully understand the requirement to be licensed, it is best to first start by defining what is condominium management. Condominium management includes any of the following services provided to, or on behalf of, a condominium corporation:

- ✓ Collecting or holding contributions to the common expenses (or other amounts levied by or payable to the corporation);
- ✓ Exercising delegated powers and duties of the corporation or its board of directors, including:
  - o making payments to third parties on behalf of the corporation;
  - o negotiating or entering into contracts on behalf of the corporation;
  - o supervising employees or contractors hired or engaged by the corporation.

Anyone providing any of the above services to a condominium corporation in exchange for compensation will require a licence. This reference to receiving compensation is important. Indeed, self-managed corporations, for instance, when involving individuals who are not being paid for these services, do not require a licence.

## Who is exempt from this mandatory licensing?

While Ontario is imposing a strict licensing regime to anyone providing condominium management services, there are exceptions under this new legislation. Indeed, the following people will not be required to hold a licence:

- ✓ Lawyers, architects, accountants, engineers and insurance brokers authorized to offer these professional services and who are, indeed, providing such services;
- ✓ A Reserve Fund Study provider who is providing such a study;
- ✓ A bank, credit union or caisse populaire;



- ✓ A receiver appointed under the Courts of Justice Act;
- ✓ An inspector or administrator appointed under the Condominium Act;
- ✓ A security guard who is supervising an employee or contractor hired by the corporation or who is collecting/holding contribution to the common expenses provided that they promptly deliver the money to the corporation or to a licensed Condominium Manager for the corporation;
- ✓ An employee of a licenced Condominium Management Provider or of a condominium corporation who collects/holds contribution to common expenses, if the authority to collect and hold these contributions have been delegated to him/her in writing and if, promptly after receiving these monies, the individual delivers them to the corporation or to a licenced Condominium Manager for the corporation.
- ✓ A person exclusively providing repair or maintenance services, including landscaping services and cleaning services. This class refers to, amongst others, superintendents, concierges, custodians, etc.

These individuals will not have to be licensed under the *Condominium Management Services Act* while providing services in their professional capacity, even if some of the services they render may otherwise fall under the definition of “Condominium management services”.

There are two additional, very important, exceptions to mandatory licensing.

### **Condominium Directors**

Condominium directors, whether elected by the owners or appointed by the board to fill a vacancy, will also not be required to be licensed. However, it is important to note that any director who is providing condominium management services in exchange for compensation or reward (or with the expectation of same) will be required to be licensed.

### **Self-Managed Condominium Corporations**

Similarly, self-managed condominium corporations will not be required to be licensed provided that the individuals managing the corporation do not receive compensation or rewards (and do not have any expectation of same). Basically, if you are paid or rewarded to manage the corporation, you need a licence.

### **Managers applying from another jurisdiction**

Individuals with an equivalent condominium management licence from a jurisdiction outside of Ontario may also be exempt from some of the licensing requirements.

### **WHICH LICENCE TO PICK?**

Managers applying for a licence have three options. They can apply for one of the following licence:

- ✓ A general licence
- ✓ A transitional general licence
- ✓ A limited licence

Please see below what are the licensing requirements for each of these licences. To facilitate your review of the following requirement, feel free to consult our flow chart on next page.

### **The General Licence**

The General Licence is for managers who have two or more years of condominium management experience and have completed the educational requirements. Managers need to have provided condominium management services in the 90 days preceding November 1st, 2017 to be eligible to apply for a General Licence.

### **Required Experience**

For a manager’s experience to be recognized as valid, it needs to include:

- ✓ Planning/participating in board meetings and AGMs;
- ✓ Preparing budgets;
- ✓ Interpreting financial statements;
- ✓ Presenting to boards; and
- ✓ Overseeing the maintenance and repairs of units, common elements, assets.

### Required Education

To satisfy the educational requirements, managers need to have met one of the following three options:

**Option 1:** The manager must have successfully completed the four courses developed by the Association of Condominium Managers of Ontario (ACMO) as a pathway to its Registered Condominium Manager (RCM) designation:

- ✓ Condominium Law
- ✓ Physical Building Management
- ✓ Financial Planning for Condominium Managers
- ✓ Condominium Administration and Human Relations.

**Option 2:** The manager must have successfully completed ACMO's RCM exams.

**Option 3:** The manager must have five or more years of condominium management experience and must have successfully completed ACMO's four challenge exams.

Managers can take these courses through Mohawk College, Humber College or George Brown College. Managers can also take these courses with any condominium management provider (i.e. a management firm) they are employed by and that is authorized by ACMO to offer such courses.

### There may be some equivalencies

Please note that, in place of the four courses listed above, the CMRAO Registrar may recognize as equivalencies:

- ✓ Prior work experience;
- ✓ Prior successful completion of exams or tests; and
- ✓ Prior completion of courses, internships, programs of study, seminars and training programs.

The General Licence will have to be renewed on a yearly basis and is expected to cost \$607 per year.

### The Transitional General Licence

The Transitional General Licence is for managers who have two years or more of Condominium management experience but have not yet completed the educational requirements. Under this licence, managers will be allowed to do the same work as under a General Licence. Managers who are granted a Transitional General Licence will have up to three years to complete the education requirements and apply for a General Licence.

To satisfy the education requirement, these managers will need to either successfully complete the four ACMO courses listed above or to successfully complete the four ACMO challenge exams.

The Transitional General Licence will have to be renewed on a yearly basis and is expected to cost \$607 per year. Here again, the initial licensing fee will cost \$405 to cover the first 8 months until June 30, 2018.

### The Limited Licence

The Limited Licence is for managers who have less than two years of condominium management experience in the last five years. As soon as managers with a Limited Licence have two or more years of condominium management experience and once they have fulfilled the education requirements, they will be able to apply for a General Licence.

Managers with a Limited Licence will need to work under the supervision of a manager with a General Licence or with a Transitional General Licence. There will also be limitations to what a Limited Manager can do.

The Limited Licence will have to be renewed on a yearly basis and is expected to cost \$379 per year. Here again, there will be an 8-month prorated initial licensing fee in the amount of \$253, which will cover the fees until June 30, 2018.

## LICENSING OF CONDO MANAGEMENT PROVIDERS

Management providers also need to be licensed. When applying for a Management Provider's licence, the applicant will need to provide:

- ✓ The **legal name** of the business and name of the company's designated Principal Condominium Manager. The applicants will also need to list each person who owns or controls 10% or more of the shares in the corporation. If the provider is a partnership, the applicant will need to list all partners;
- ✓ The **mailing address, email address** and information related to any dwelling that is used to carry-out the management business;
- ✓ The applicant will have to provide **information** and documentation on any bankruptcies, unpaid judgement, employment terminations, status of licences, charges, findings of negligence or any current investigations for each director or officer of the management provider (or for each partner)

The cost to hold a Management Provider Licence will be calculated as follows:

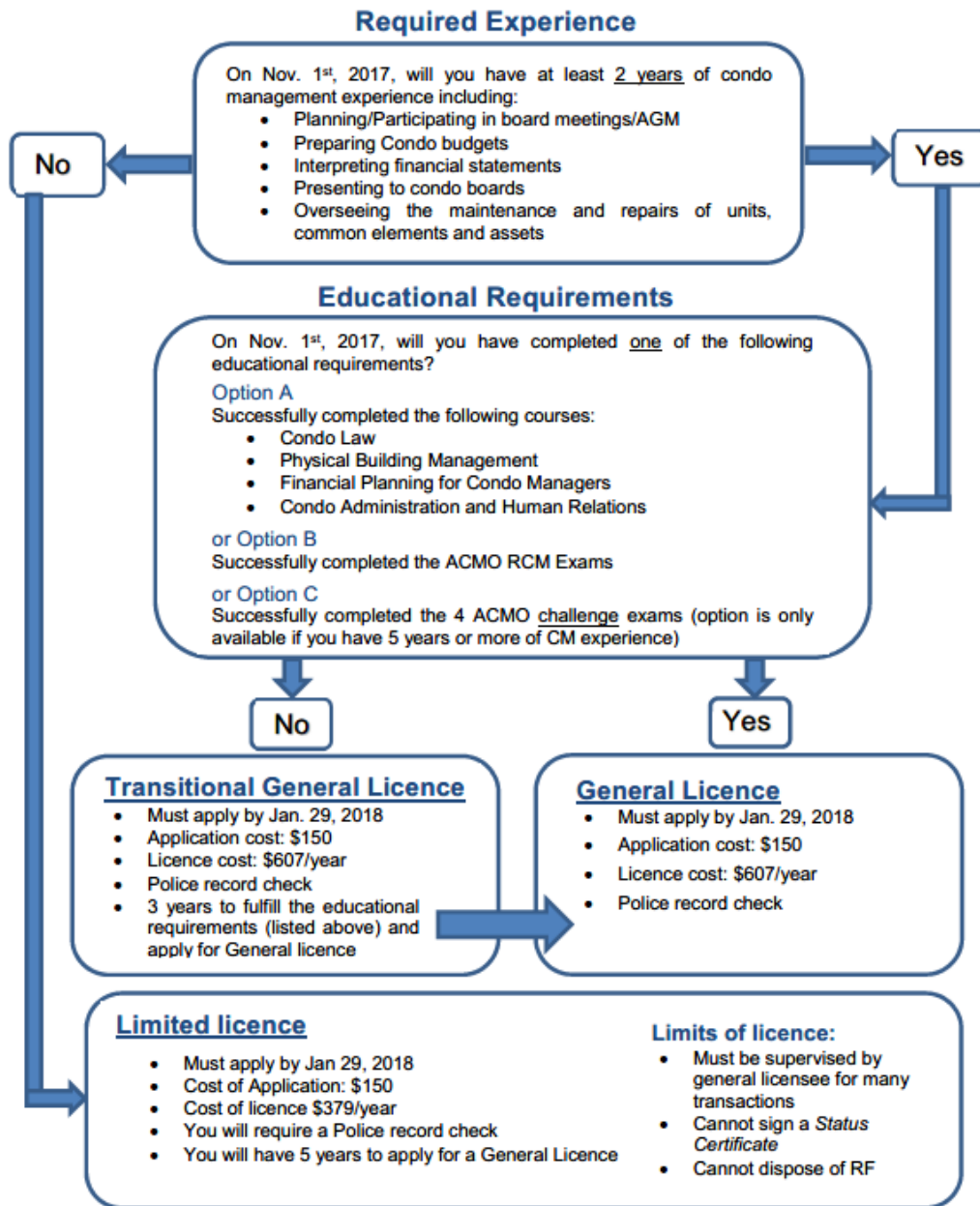
- ✓ \$150 for the application
- ✓ \$799 plus \$350 per year for each licensed employee

As was the case for the other licences there will be an initial pro-rated fee for the first 8 months.

### How to apply for a licence

All applications are done online through the CMRAO website (<http://www.cmrao.ca/>).

# Applying for a Condo Manager's Licence



Managers must create an account, select the licence they wish to apply for, complete the application forms and pay the application fee. Expect each application to cost \$150.

The CMRAO staff will review applications to ensure that managers meet all requirements of the licence they are applying for. If the manager meets these requirements, he or she will be advised to log back in and pay the annual licence fee applicable to their licence. Upon receipt of the required payment, the CMRAO will issue and send in the manager new licence.

It is recommended that managers regularly visit the CMRAO's website, as it will be the best and most reliable source of information

relating to its role as the authority overseeing Condominium managers and management firms.

## MANAGERS WILL NEED TO PROVIDE A RECENT POLICE CHECK

Regardless of the licence a manager applies for, he or she will need to provide a recent police check.

The Ottawa Police services offers a choice between online and in-person applications. They strongly encourage online applications. Regardless of the option you pick, you will be required to provide two pieces of government issued ID, showing your photograph and signature, as well as your full name and date of birth.

*Continued on page 22...*

### Online Application

The online application is accessible 24/7. To use the online process, you are required to have a bank account and a credit history. The Ottawa Police services uses Equifax to verify your identity through your credit information.

The Ottawa Police offers three levels of criminal record background check. Managers require a "Level 2 check", which includes a criminal record and judicial matters check. Managers should expect this to cost approximately \$65 (with a surcharge if they are a Gatineau/Hull resident). You will be required to create an online account to apply for a police check online.

### In Person Application

To apply in person, managers need to go to 2670 Queensview Drive, from Monday to Friday, between 7:30 am to 5:30 pm. The cost for an in-person application is about the same. You should download and complete the form prior to attending the service centre.

### Online through the CMRAO

Last month, the CMRAO announced that it has partnered with Sterling Talent Solutions to offer a convenient online criminal record

check solution. Managers who opt to avail themselves of this service, can complete their criminal record checks online. The cost is \$19.80 + taxes, which can be paid by credit card. The results will be processed and released within one business day. It is unclear at this time whether this option is only available for GTA residents.

Please note that, the results of a manager's check, obtained online through the CMRAO in this manner, will be released and shared with the CMRAO at the same time as they are released to the manager. Managers who use this option will not need to mail in their police record check.

We are living in interesting times. This mandatory licensing for managers, coupled with mandatory training for directors and all of the tools and information available to condominium owners will significantly improve the protections in place for condominium owners. ■

*Rod Escayola is a partner at Gowling WLG focusing his practice on condominium law. Rod is also a director at his Condominium and the co-founder of the Condo Directors Group, which provides directors with a forum to network and learn from each other. The preceding article is adapted and reprinted with permission from CondoAdviser.ca.*

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