A GUIDE FOR ONTARIO CONDO BUYERS

You're not just buying a unit

Behind the Certificate

The Full Status Certificate Breakdown

What every section actually means, what it's legally required to contain, and exactly what to ask your lawyer about each part.

Explained simply — the way I'd tell a friend.

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What’s inside this guide

What every section means, and what to ask about it. Never what to conclude from it, that’s your lawyer’s read, not this guide’s.

01 Read this first

A Status Certificate is dense, technical, and usually somewhere between 100 and 200 pages. Almost nobody reads it cover to cover, including, often, the buyer it's supposed to protect. This guide exists so that when your lawyer calls to discuss it, you already understand what each part is, why it exists, and which questions are actually worth asking about it.

What this guide deliberately will not do is tell you whether a specific number in a specific certificate is good or bad. Whether a reserve fund is adequate for a particular building, whether a specific lawsuit is concerning, whether a fee increase is reasonable, these are judgments that depend on comparing the certificate against other documents, other data, and legal and financial expertise. That comparison is your lawyer's job. My job, and this guide's job, is making sure you understand exactly what you're looking at well enough to ask a sharp question about it.

HOW TO USE THIS GUIDE

Sections 03 through 11 walk through the certificate section by section, what it is, what the law requires, and why it exists. Section 13 draws a clear line around who does what. Section 14 turns the whole guide into a single question list for your lawyer.

IMPORTANT

I'm a realtor, not a lawyer or accountant. This guide explains what a Status Certificate contains and what the Condominium Act requires, based on publicly available legal and regulatory sources. It is general education, not legal or financial advice, and it does not tell you how to evaluate any specific certificate. That review belongs to your own real estate lawyer, every time, without exception.

IF YOU REMEMBER NOTHING ELSE

The 3 things that matter most

- You're buying two things at once: your unit, and a share of the corporation that runs the building. The certificate is entirely about the second one.
- The review window your lawyer gets to go through this document is your real protection. Waiving it to make an offer look stronger trades away the one chance to walk away or renegotiate.
- Your realtor can help you understand what a section means. Only your lawyer can tell you what it means for this specific building, and this specific decision.

02 ⚖ What buying a condo actually means

The Status Certificate only makes sense once this idea clicks: a condo purchase is legally two things happening at once, and most of what surprises buyers later traces back to only having thought about the first one.

> **IN SIMPLE WORDS**
>
> You're buying exclusive ownership of your specific unit, the space inside your walls. At the same time, you automatically become a shareholder in the non-profit corporation that owns and runs everything else, the hallways, the roof, the elevators, the land, the amenities. That corporation has its own finances, its own legal risks, and its own decisions, and as an owner, you're financially tied to all of it, whether or not you ever attend a single meeting.

This is the entire reason the Status Certificate exists. Nothing about it describes your unit's finishes or condition, a home inspection covers that. Everything in it describes the health of the corporation you're about to join, which is a completely separate question from whether you like the unit.

03 What a Status Certificate actually is

This isn't a document a corporation chooses to provide as a courtesy, it's a specific legal instrument required by statute.

IN SIMPLE WORDS

Section 76 of Ontario's Condominium Act, 1998 requires every condo corporation to produce a Status Certificate on request, disclosing a defined set of financial and legal information about the corporation as of a specific date. It exists specifically so buyers don't have to take a seller's or agent's word for the building's condition, the law forces the corporation itself to put it in writing.

- **It's a snapshot, not a guarantee.** The certificate reflects the corporation's position as of its issue date. It doesn't predict the future, and it isn't an opinion on whether the building is a good investment, it's a disclosure of facts as they stood on that day.
- **It's legally mandated content, not a template the corporation designs.** The specific categories of information it must include are set out in the Act and its regulations, covered section by section starting with section 05.

04 Ordering it: cost, timeline, and shelf life

The process itself is straightforward and worth knowing, because timing mistakes here can eat into your actual review window.

- **Cost.** By law, capped at $100 plus HST. Some property management companies charge an additional convenience fee for online ordering, so the real total is often closer to $130 to $150.
- **Delivery timeline.** The corporation must deliver it within 10 days of the request and payment being received.
- **It goes stale.** A certificate reflects the corporation's position as of its issue date, and is generally treated as unreliable, or "stale," after about 30 days. A certificate ordered early in a long negotiation may need to be refreshed before closing.

> **INSIDER TIP**
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> Order the certificate the same day an offer is accepted. The corporation is legally allowed to take the full 10 days, and if your agreement gives your lawyer a short review window, a slow-arriving certificate can quietly consume most of it before the review even starts.

05 The reserve fund

This is usually the first number buyers look at, and the one most likely to be misread in isolation.

IN SIMPLE WORDS

The reserve fund is a dedicated savings account, separate from day-to-day operating money, that a condo corporation is required by law to maintain solely for major future repairs and replacements, roofs, elevators, parking structures, building envelopes. It's funded through a portion of every owner's monthly condo fees.

A dollar figure on its own doesn't tell you much. The Act requires corporations to have a professional reserve fund study conducted at least every three years, by a qualified engineer or reserve fund analyst, physically assessing the building's major components and projecting required spending over the next 30 years. That study, not the raw balance, is what actually defines whether a given dollar figure is adequate for that specific building.

- **The physical analysis,** an inventory of major building components, their condition, and their remaining useful life.
- **The financial analysis,** the fund's current status and a recommended funding plan projected over at least 30 years.

WHY THIS QUESTION IS WORTH ASKING, NOT ANSWERING YOURSELF

An Ontario Auditor General review found a significant share of older condo corporations carrying reserve funds that didn't meet their own study's recommended funding level, and the average special assessment when a shortfall hits has run well into the thousands of dollars per unit. That context is exactly why the question to bring to your lawyer isn't "is a million dollars a lot," it's "how does this fund compare to what the corporation's own reserve fund study says it needs, and when was that study last done." That comparison is a technical read your lawyer, not this guide, is positioned to make.

06 Special assessments

This is the reserve fund's counterpart: what happens when planned savings and actual costs don't line up.

> **IN SIMPLE WORDS**
>
> A special assessment is a one-time charge a condo corporation bills to all owners, on top of regular monthly fees, when a major expense isn't fully covered by the reserve fund. Because it's billed to whoever owns the unit at the time it's levied, this can become your bill even if the underlying repair was planned before you ever owned the unit.

- **The certificate discloses known or anticipated assessments,** as of its issue date, whether one has already been approved, or whether the board has flagged one as likely coming.
- **Assessments are approved by the board,** as part of its duty to keep the corporation properly funded, generally without requiring a separate owner vote, which is part of why understanding what's already been flagged matters before you buy, not after.

> A reserve fund and a special assessment answer the same underlying question from two different directions: is the money already there, or is it about to be billed.

07 Condo fees and fee history

The number in the listing is a snapshot too, and the certificate is where you find out whether it's about to change.

- **Current fees,** and what they're allocated toward, typically a mix of the reserve fund contribution, building operations, insurance, and utilities for common areas.
- **Disclosed increases,** any fee increase the board has already approved or budgeted for, even if it hasn't taken effect yet. A unit budgeted at today's fee that's about to see a disclosed increase has a different real monthly cost than the listing suggests.
- **The current budget,** showing how fees are allocated across categories, useful context for understanding what's driving the number.

08 Common expense arrears

Two different arrears questions live in this section, and they matter for different reasons.

- **Is this specific unit in arrears?** Whether the current owner, your seller, owes back common expenses on the unit you're buying. This is directly relevant to your specific purchase.
- **Is the building carrying arrears across other units?** A pattern of unpaid fees across many units can strain the corporation's finances broadly, since everyone's fees are what fund shared expenses.

WHY ARREARS ARE TAKEN SERIOUSLY UNDER THE ACT

Under section 85 of the Condominium Act, a corporation automatically holds a lien against a unit the moment its owner falls behind on common expenses, a legal claim that, once registered, ranks ahead of most other claims on the property, including many mortgages, and can ultimately be enforced through a forced sale process similar to a mortgage default. That's the legal mechanism working as intended for the corporation's protection. For a buyer, it's simply why this section of the certificate exists: to confirm the unit you're buying isn't carrying a claim like that, and to give you a sense of whether arrears are an isolated issue or a wider pattern in the building.

09 Litigation

A lawsuit involving the corporation sounds alarming on its face, and sometimes is significant, but it's worth understanding the shape of it before assuming which direction the risk runs.

- **The corporation as defendant,** being sued, by a contractor, a resident, or another party. This is the direction that most directly exposes the corporation's own funds, and by extension, indirectly, its owners.
- **The corporation as plaintiff,** suing to recover money it's owed, from a contractor over defective work, or from an owner over unpaid arrears, for example. This can actually be the corporation protecting its financial position, not a sign of instability.

The certificate discloses that litigation exists and generally what it concerns. Understanding whether a specific case represents real financial exposure to the corporation, and therefore indirectly to you as an owner, versus routine collection activity, depends on the details of that specific case, which is squarely a question for your lawyer to assess.

10 The rules that come with the unit

Buying the unit means buying into its governing documents too, and they can affect how you're actually able to use the place.

- **The declaration,** the corporation's foundational document, defining unit boundaries, ownership shares, and each owner's core obligations. Changing it generally requires a high owner-approval threshold.
- **By-laws,** governing how the corporation operates, board elections, meeting procedures, financial management.
- **Rules,** the day-to-day restrictions owners actually feel: pet policies, rental and leasing restrictions, renovation approval requirements, parking and storage allocation, short-term rental restrictions.

WHY THIS SECTION IS EASY TO SKIP AND SHOULDN'T BE

This is the part of the certificate most likely to conflict with a specific plan you already have, renting the unit out, owning a dog, doing a renovation, running it as a short-term rental. None of that is a financial red flag in the way an underfunded reserve might be, but it can be a plan-ending conflict on its own. Read this section against your actual intentions for the unit, not just its finances.

11 Buying new construction instead

If you're buying directly from a builder, none of the certificate process in this guide applies yet, and it's worth knowing why.

IN SIMPLE WORDS

A Status Certificate can only be issued by an existing, registered condo corporation, and a new building's corporation isn't registered until construction and the legal registration process are complete. Buying pre-construction, you instead receive a disclosure statement from the builder, covering similar ground, budget projections, declaration and by-law drafts, about the corporation as planned, rather than as an operating entity with an actual financial track record.

This means the review in this guide effectively starts fresh the first time an original owner requests a Status Certificate after registration, since a disclosure statement is a projection, not a history. If you're buying resale in a relatively new building, ask your lawyer how much operating history the certificate actually reflects.

12 The review condition

This is the mechanism that makes everything else in this guide actually useful to you, rather than just informative after the fact.

IN SIMPLE WORDS

Most condo offers in Ontario include a condition giving your lawyer a defined window to review the Status Certificate after it's received, before your offer becomes firm and binding. If the review turns up something serious, the condition is what lets you walk away without penalty, or go back to renegotiate, rather than being locked into a deal you can no longer get out of.

> Waiving this condition to make an offer look more competitive doesn't just skip a formality. It trades away the one point in the transaction where a problem in the certificate can still change the outcome.

13 Who does what

Every professional in a condo transaction plays a genuinely different role around this document, and knowing the boundary between them is what keeps everyone, including you, out of trouble.

- **Your realtor** helps you understand what a section of the certificate generally means, flags timing issues like ordering delays or an approaching stale date, and makes sure the review condition is properly built into your offer. Not licensed to interpret the certificate's legal or financial substance for you, and shouldn't.
- **Your lawyer** is the one actually reading the full document, comparing the reserve fund to its study, assessing the litigation, and telling you what it means for this specific purchase. This is the review the condition in section 12 exists to protect.
- **You** bring your own priorities and plans, pets, rentals, renovation intentions, to the table, ask the questions in section 14, and make the final call once your lawyer's read is in front of you.

14 Questions to ask your lawyer

One for roughly every section of this guide. Copy these into a message once your lawyer confirms they've received the certificate.

- How does the reserve fund compare to what the corporation's own reserve fund study says it needs, and how recent is that study?
- Are there any special assessments already approved, or flagged as likely, and what would my share be?
- Is a fee increase already disclosed, and what would my real monthly cost be after it takes effect?
- Is this specific unit in arrears, and how widespread are arrears across the rest of the building?
- Is the corporation involved in any litigation, and is it a plaintiff or a defendant in each case?
- Do the rules and declaration allow what I actually intend to do with this unit, rentals, pets, renovations?
- How current is this certificate, and will it need to be refreshed before closing?
- Based on everything in this certificate, is there anything here that changes your recommendation?

15 Glossary

Every term in this guide that can sound intimidating, in everyday language.

Status Certificate
A legally required disclosure document from a condo corporation, covering its financial and legal status as of a specific date, governed by Section 76 of the Condominium Act.

Condominium Act, 1998
The Ontario statute governing how condo corporations are created, run, and regulated.

Reserve fund
A dedicated fund, separate from operating money, that a corporation is required to maintain for major future repairs and replacements.

Reserve fund study
A mandatory professional assessment, required at least every three years, evaluating whether the reserve fund is adequate to meet projected 30-year costs.

Special assessment
A one-time charge billed to all owners when a major expense isn't fully covered by the reserve fund.

Common expenses
The shared costs of running and maintaining a condo building, funded through owners' monthly fees.

Arrears
Common expense fees that are past due and unpaid.

Lien
An automatic legal claim a corporation holds against a unit when its owner falls behind on common expenses, registrable and enforceable similarly to a mortgage.

Declaration
A condo corporation's foundational governing document, defining unit boundaries, ownership shares, and core owner obligations.

By-laws
Rules governing how a condo corporation operates internally, board elections, meetings, and financial management.

Rules
Day-to-day restrictions set by the corporation, covering things like pets, rentals, renovations, and parking.

Disclosure statement
The document a builder provides buyers of a new, not-yet-registered condo, in place of a Status Certificate.

Review condition
A clause in a condo purchase agreement giving a buyer's lawyer a defined window to review the Status Certificate before the deal becomes firm.

Standard unit
The definition, set by each corporation, of what a unit includes as originally built, distinguishing an owner's responsibility from the corporation's.

A beautiful unit and a healthy corporation
are two different questions. Now you know how to ask both.

Looking at a condo, or reviewing a certificate right now?

Send me your questions, happy to point you in the right direction. Reach out on Instagram **@jayp.realestate**.

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