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# Condominium Manager Regulation Consultation

## Latest Updates

On June 27, 2019, Service Alberta announced the condominium regulations will be paused for six months for a red tape review.

RECA continues preparations for consultation on and implementation of *Real Estate Act* amendments for the regulation of condominium managers, and will be ready to consult with stakeholders once the Government of Alberta completes the Regulations under the *Condominium Property Amendment Act*.

RECA's Condominium Manager Implementation Advisory Committee met on February 20, 2018 to review the status of RECA's project.

On December 14, 2018 the Government of Alberta announced the second stage of regulation changes to the *Condominium Property Amendment Act* and announced they will begin stage three consultation. RECA will be doing a separate consultation specifically on condominium manager licensing. For more information, contact Doug Dixon, Real Estate Practice Advisor at: [DDixon@reca.ca](mailto:DDixon@reca.ca).

If you would like information about the Government of Alberta's progress on CPAA Regulations, please visit the [Service Alberta website](#).

## Work so far

Condominium Manager Regulation Consultation (Phase 1, Complete)

In December 2014, the Government of Alberta passed legislation that will require licensing for condominium managers. When the legislation takes effect, the Real Estate Council of Alberta (RECA) will be responsible for setting standards, licensing and regulating individuals who provide condominium management services.

In fall 2015, RECA launched a consultation to gather feedback from condominium industry stakeholders, including condominium managers, boards, owners and consumers on the proposed regulatory model for condominium managers. That consultation process included a consultation paper and town-hall meetings in Medicine Hat, Lethbridge, Ft. McMurray, Lloydminster, Edmonton, Edson, Grande Prairie, Calgary and Red Deer. Stakeholders were invited to respond to the consultation paper in writing by December 9, 2015 and attend one or more of the town hall meetings.

### **Results from Phase 1 consultation: Council approved a Regulatory Model for Condominium Managers.**

The Real Estate Council of Alberta's (RECA) Condominium Manager Implementation Advisory Committee (CMIAC) recently completed Phase 1 of the Condominium Manager Regulation Consultation. As a result of this consultation, CMIAC provided, and Council approved, recommendations in six areas:

#### **Licensing recommendations**

- RECA will license and regulate all persons who provide “condominium management services” for compensation. The eligibility and licensing structure will be similar to the other industries RECA regulates (brokerage, broker, associate).
- Council will recommend the following licensing exemptions to the Alberta Government:
  - accountants who provide financial reporting to condominium boards (budgets, monthly financials, etc.)
  - self-managed condominiums
  - court appointed administrators
  - industry members who are unit owners in a condominium corporation in relation to their provision of condominium management services to or on behalf of no more than two condominium corporations (if certain conditions are met)
  - other parties exempt according to the REA regulations

#### **Education recommendations**

- Council approved a transitional and ongoing education model
- this education model will include conditional licensing, challenging exams with a passing grade of 70%, and a one-year experience to challenge exams to become an associate

#### **Bonding or real estate assurance fund recommendation**

- Bonding as the means of protecting the condominium corporation's funds

- if a condominium manager brokerage holds funds in trust on behalf of a condominium corporation, the condominium manager brokerage must have its own bond.
- if a condominium corporation holds its funds in its own bank accounts, the bond should cover the condominium manager, though the condominium manager brokerage may also have a separate bond

### **Trust account audit & review program recommendations**

- RECA's Trust Assurance and Practice Review program will apply to condominium managers to improve trust accounting, record keeping, and administrative procedures
- will include a mandatory trust account audit at the time of licensing a condominium manager brokerage that holds trust funds, and ongoing audits for brokerages that hold trust funds
- only the broker, brokerage industry member, employee, or a lawyer or an accountant the brokerage has engaged, may sign on the brokerage trust accounts

### **Professional liability insurance recommendation**

- Condominium management brokerages will be required to hold a minimum \$1 million in errors and omissions (E&O) professional liability insurance

### **Unlicensed condominium manager activity and licensed condominium manager misconduct recommendation**

- RECA will use the current complaint process for licensed condominium manager misconduct.
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More Info:

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