



ALBERTA CONDO connections

A GOOD START: Anticipated amendments to Alberta's Condominium Legislation

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Self-managed condo corporations:
The good, the bad, and ways to keep it from getting ugly
What is insurance against fraud?



Self-managed corporations need to utilize all the resources available to them or their time on the board will be much more difficult than it needs to be.

Self-managed condominium corporations

The good, the bad, and ways to keep it from getting ugly

By Gary Caouette

Self-managing your condominium corporation property in Alberta is challenging, but it can also be rewarding and financially beneficial. There are a few things you need to consider if you are thinking of self-managing your property.

The Good

- Some unit owners feel they can save money by doing the work themselves.
- You have more control over all areas of the management of your property.
- When you have board members involved in every part of management, the interests of unit owners and the board are normally aligned.
- When the manager is also an owner, they are very committed to ensuring things are done correctly and on

budget. Better communication, quicker responses, and better relationships can be built.

- You can engage service providers and contractors to do work on your property who may be a better fit for your community.
- You can give back to and build a stronger community by interacting with all unit owners.
- The experience you gain and the networking connections you build may be used to further your career, create new business opportunities, and build your personal credibility and reputation.

The Bad

- Self-management is very time-consuming and could be more like a full-time job. Someone needs to be available during the day for resident issues and meetings with

vendors, and someone will get the call at 2 a.m. that something needs to get fixed.

- Lack of experience can get many self-managed boards into trouble with accounting, legal, financial, administrative, and repair or maintenance issues.
- Self-managed boards often lack enough industry professional service provider contacts and may have less leverage with them, being only one property.
- If the board lacks consistent and experienced management leadership, it can affect the ability of the corporation to look after its unit owners and the corporation.
- Property values may suffer as some buyers are more reluctant to purchase a unit in a property that is self-managed because they feel they are often poorly managed.
- You will have to stand up to criticism from your fellow owners without a buffer.

How to keep it from getting ugly

Better bylaws make it easier to self-manage.

If your corporation's bylaws are not current or complete, your self-managed board will have a much more difficult time managing your property.

Educated board members make it easier to self-manage.

A knowledgeable board of directors will serve unit owners better and save your condominium corporation a lot of time and money. Every board member should be provided training.

Where do I go for advice and training?

You can hire a consultant or an industry expert. There are government sources, law firms, condominium forums, and institutions that can provide information and learning opportunities for you. You can also utilize the knowledge of your unit owners' experience even if they are not on the board.

Some consultants and industry service providers offer specific training, consulting, and day-to-day services for a fee. This can help you round out your knowledge and services where necessary.

Stop learning the same painful lessons over and over.

Board members change, keep the knowledge, and maintain a condominium book with all the information, guidance, and resources a new president or board member needs to know. Make sure your records are kept safe and organized as you are going to need to access them on a regular basis, and you are required by the Act to do so.

Compensate your self-managed board members.

Unit owners would not expect the automobile mechanic who lives in your complex to fix their vehicle for free, so why should they expect their next-door neighbour to do all the work of a condominium manager for free?

Self-managed corporations need to utilize all the resources available to them or their time on the board will be much more difficult than it needs to be. If you have the time to educate yourself, great, you will become capable over time, but if you need support now, do not wait, as the cost of using a knowledgeable resource will always pay for itself. Make the time on your self-managed board better than good, nowhere near bad, and not even close to ugly.

Gary Caouette is a consultant with Bylaw Consultants. ■



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Cell: 587-991-0959
Email: bylawconsultants@gmail.com
www.bylawconsultants.ca