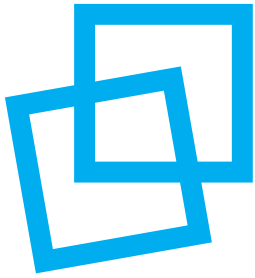


# New Co-owner's Guide



**RGCCQ**

**REGROUPEMENT  
DES GESTIONNAIRES  
ET COPROPRIÉTAIRES  
DU QUÉBEC**





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## What is a co-ownership?

### What is a syndicate of co-ownership?

By definition, a syndicate of co-owners (also known as a syndicate of co-ownership)<sup>1</sup> is a legal person representing the collectivity of the co-owners of an immovable subject to the divided co-ownership regime governed by the Civil Code of Quebec (CcQ).

Its purposes are: the preservation of the building, the maintenance and administration of the common portions, the safeguard of the rights pertaining to the building (or the co-ownership), and all forms of business in the common interest (Article 1039 of the CcQ). The syndicate of co-owners is the legal representative of the co-ownership. It is independent of its members (the general meeting of co-owners and the board of directors). Its actions are, in principle, its own.

It is considered by the tax authorities of Quebec and Canada as being respectively an enterprise (under the *Quebec Taxation Act*) and a corporation entitled to the status of a non-profit organization (under the *Income Tax Act* of Canada). It is required to file an annual tax return at both the provincial and federal levels. This declaration must be filed within six months of the end of its fiscal year. The syndicate must also complete an annual update at the *Registraire des entreprises du Québec*, otherwise it is subject to several penalties, including the cancellation of its registration status.

The syndicate of co-owners is neither the owner of the building nor the owner of the common portions (the latter are the undivided property of all the co-owners, proportional to each one's share).

#### Note

The syndicate's absolute duty is to ensure the conservation of the common portions. Its civil liability may be incurred when a construction or design defect causes a prejudice to co-owners, or to third parties, or if the syndicate has failed to adequately maintain these portions or to correctly carry out its obligations (i.e.: not enforcing the declaration of co-ownership or allowing co-owners to undertake irregular work).

The syndicate of co-owners is made up of two decision-making bodies, namely the board of directors and the general meeting of co-owners. The powers and responsibilities of these two entities are determined by law and by the declaration of co-ownership most often in the first section designated as the *Constitutive Act*.

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<sup>1</sup> You can obtain a definition of the terms used in co-ownerships via several glossaries online.

## **Board of directors**

The board of directors (composed of one or more directors) is the body responsible for managing the affairs of the syndicate and exercising all the powers necessary for the execution of its duties. These powers are generally listed, in part, in the first section of the Declaration of co-ownership (*Constitutive Act*). The board's primary duties are to ensure the conservation and the maintenance of the building, and that the co-owners, tenants or occupants of the building respect the declaration of co-ownership and its by-laws. Its roles and responsibilities are constant and are carried out regularly.

### **Note**

If you wish to meet the director(s) of your co-ownership, you can contact them and schedule an informal meeting. This meeting can be an opportunity for you to clarify certain by-laws and/or to get involved in a project in your co-ownership.

## **The general meeting of co-owners**

The general meeting of co-owners is the decision-making body that brings together the whole of the co-owners. It examines the questions which interest all the co-owners. It is notably consulted on, but not asked to vote upon, the adoption of the budget forecast prepared by the Board of directors, and is empowered to take certain decisions which relate to the co-ownership (for example, electing the board members and making amendments to the declaration of co-ownership). It exercises its powers within the framework of four types of general meetings: the Annual General Meeting (AGM), the Special General Meeting (SGM), the Special Transitional General Meeting (STGM) and the Make-up General Meeting (MGM).

The Annual General Meeting (AGM) is the most common type of meeting. It is convened once a year, usually within six months of the end of the fiscal year.<sup>2</sup> During this meeting, the board of directors renders an account of its administration and presents the balance sheet, the financial statements, the budget forecast. The general meeting then proceeds to the election of the new board members. It is possible that other matters, such as amendments to the by-laws, be addressed.

The Special General Meeting (SGM) occurs between two Annual General Meetings. It is convened during an emergency or when a vote is required by the general meeting.

The Special Transitional General Meeting (STGM) marks the end of the provisional administration. It is during this meeting that the co-owners will elect their first board of directors.

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<sup>2</sup> Please note that certain declarations of co-ownership reduce this period to 90 days, while others do not provide any specific delay at all.

Finally, the Make-up General Meeting (MGM) is convened following the adjournment of a previous meeting for which the agenda was not exhausted. This generally occurs when this previous meeting failed to reach a quorum.

Each co-owner present or represented at the meeting of the co-owners holds a certain number of votes. Their number of votes is established according to the relative value of their fraction (i.e.: their private portion and, sometimes, even their storage units or parking spaces if these are identified as such). To verify the number of votes you hold, please review the table of relative values which appears in the *Constituting Act* of your declaration of co-ownership. If there are more multiple owners of the same private portion, the syndicate needs to divide the number of votes belonging to each co-owner according to their respective shares, which will generally mean in equal parts, unless stated otherwise in the deed of sale.

### **Note**

The relative value establishes the share of the property rights of each co-owner in the common portions, their contribution to the common expenses and the number of votes associated with their private portion.

In some cases, the CcQ provides adjustments to the number of votes. For instance, if you own more than one unit within the same co-ownership, your number of votes could be reduced in certain cases, notably in smaller co-ownerships.

## **How to distinguish between the common portions, private portions and common portions for restricted use?**

Divided co-ownerships separate the building into private portions intended for the exclusive use of a co-owner, and into common portions intended for all the co-owners, or for some of them, to enjoy.

### **Private portions**

This is the fraction(s) of the building you own and of which you have exclusive ownership. They are described in the declaration of co-ownership in the section dedicated to the *Description of the fractions*. These portions are materially identifiable since they have their own cadastral designation. They are usually dwellings, parking spaces or fractions of the land (especially the case for semi-detached buildings), and sometimes commercial or office spaces in a mixed-use co-ownership.

































