

Effective: February 1, 2021

Last Updated: February 4, 2021

CONDOMINIUM INFORMATION SHEET

Requirement

Licenses are required to include the Condominium Information Sheet as the first page of the Agreement of Purchase and Sale for condominium buyers. This requirement applies to standard condominiums where the first arm's length Agreement of Purchase and Sale in a project was signed on or after January 1, 2020.

The Condominium Information Sheet is required for Agreements of Purchase and Sale in respect of a condominium project that has early termination conditions that may result in its cancellation.

The Condominium Information Sheet can be found on the [HCRA website](#).

Important information regarding early termination conditions, timelines and project status in the addendum to the purchase agreement are put up front in this information sheet, which serves to protect consumers and prevent misleading or false information¹.

What is the Benefit of the Condominium Information Sheet?

The Condominium Information Sheet highlights key potential risks of buying pre-construction condominiums, which empowers Ontario homebuyers to make more informed decisions.

The information sheet underscores the importance of buyers having the purchase agreement reviewed by a lawyer familiar with condominium transactions. Such a review will help purchasers be better informed of the risks of a new condo purchase transaction and their rights and obligations.

The Condominium Information Sheet includes cautions and disclosures such as:

- pre-construction condominiums come with the risk that they may never be completed;
- early termination conditions that would allow a developer to cancel a project;

¹ [Section 54, New Home Construction Licensing Act, 2017](#)



DIRECTIVE

- information about the status of the development (e.g., formal zoning approval, relevant approval authority and date of commencement of construction);
- information about any restrictions on the developer's land title that may prevent the project from going forward;
- a purchaser has an initial 10-day period to cancel their purchase under the Condominium Act, 1998; and
- the expected date when a purchaser can take occupancy.

Vendors must complete the information sheet before attaching it to the Agreement of Purchase and Sale.

When purchasing a unit in a pre-construction condominium, there is always a risk that the project or phase of the project could be delayed or cancelled. Early termination conditions are conditions that, if not satisfied, may result in termination of the purchase agreement. Some examples of conditions include reaching a minimum unit sales threshold for the project to proceed, and the developer securing necessary financing for construction and completion of the project. Early termination conditions are contractual and must be agreed to by both parties to the purchase agreement (the vendor and the purchaser). Moreover, they must be clearly set out in the Addendum to the purchase agreement, so that home buyers are made aware of the risks relating to the conditions when they enter the agreement.

The Condominium Information Sheet highlights some of the risks that could cause a condominium project or phase of a project to be cancelled, such as early termination conditions. However, all early termination conditions must be listed in the Condominium Addendum. Purchasers are strongly encouraged to review their purchase agreement, Condominium Information Sheet, and the Addendum with a lawyer familiar with condominium transactions.