

CONDOMINIUM FACT SHEET:

RESERVE FUND STUDY

What is the applicable legislation?

The current Act is [*The Condominium Property Act, 1993*](#).

The current Regulations are [*The Condominium Property Regulations, 2001*](#).

Both the Act and the Regulations contain all recent amendments and are available at the Queen's Printer website at www.qp.gov.sk.ca.

What is the purpose of a reserve fund study?

It is used by condominium corporations to assist in determining the amount of money required for the reserve fund, based on the estimated cost of major repairs to or replacement of the common property, common facilities and services units, and the expected life span of those common elements.

Sections 51 and 51.1 of the Regulations

Who pays for the reserve fund study?

The condominium corporation pays for the study. The cost of conducting a study is a common expense that the board may charge to the reserve fund.

Subsection 58.1(7) of the Act

Who may conduct a reserve fund study?

A reserve fund study can be completed by a qualified person who holds liability insurance in a minimum amount of \$1,000,000 and, based on reasonable and objective criteria, is knowledgeable with respect to components; the operation and maintenance of components and the cost/replacements of components. A qualified person includes but is not limited to:

- A licensed applied science technologist within the meaning of *The Saskatchewan Applied Science Technologists and Technicians Act*;
- A member of the Appraisal Institute of Canada holding the designation of Accredited Appraiser Canadian Institute;
- A person who holds a certificate of practice within the meaning of *The Architects Act, 1996*;

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- A member of the Real Estate Institute of Canada holding the designation of Certified Reserve Planner; and
- A licensed professional engineer within the meaning of *The Engineering and Geosciences Professions Act*.

If the reserve fund study is being undertaken by the developer, the person completing the reserve fund study must be an independent person and cannot be:

- an owner, employee or agent of the developer;
- a property manager of the developer; or
- otherwise associated with the developer.

Subsections 51.1(d) and 51.4(3) of the Regulations

How often does the reserve fund study need to be conducted?

The initial reserve fund study is required within three years of the date of the corporation's first annual meeting. If the condominium was created through conversion of an existing apartment building, a reserve fund study must be undertaken by the developer before the sale of any unit. After the initial reserve fund study, a new one is required every five years thereafter.

Clause 58.1(3)(a) and Subsection 58.1(4.1) of the Act and Section 51.2 of the Regulations

Does every condominium corporation have to ensure that a reserve fund study is completed?

If a corporation has less than 12 units, the corporation is exempt from the requirement to conduct a reserve fund study and to prepare a reserve fund study report.

A corporation is also exempt if titles to each of the units included in the condominium plan are registered in the name of the same owner and those units are rented to tenants. However, if the owner later sells units, no units may be sold until a reserve fund study is carried out and provided to any person purchasing a unit.

Lastly, a corporation is exempted from the requirement to conduct a reserve fund study where all of the units are intended or used for agricultural purposes.

Any corporation exempt from the requirement for a reserve fund study may still choose to conduct a study.

Subsections 11(d), 51.6(2), 51.7(1) of the Regulations

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Who has to be provided a copy of the reserve fund study?

The board shall make available to each owner a copy of the reserve fund study report at the annual meeting.

The developer, if the condominium was converted from an apartment, has to turn over a copy of the reserve fund study report to the corporation and to any purchaser at no additional cost.

The condominium corporation may turn over a copy of the reserve fund study report to a purchaser but may charge an additional fee.

Clauses 12(1)(l), 26(1)(s), 58.2(2)(b) of the Act and Section 51.5 and Form GG of the Regulations

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