

Toronto

## Condo owners in aging building face \$14M in repairs. If they can't pay their part, they risk losing homes

**Many of the hundreds of owners are seniors who were given 15 days to pay thousands in special assessment fees**



[Samantha Beattie](#) · CBC News · Posted: Jan 24, 2022 4:00 AM ET | Last Updated: January 24



**Wendy Thomas has owned her unit at 4645 Jane St. in Toronto for 42 years and says she has no intention of giving it up. (Samantha Beattie/CBC)**

**The enormous beige and brown slab condominium building Wendy Thomas has called home in the northwest corner of Toronto for 42 years is crumbling.**

**She sees the warning signs in the rivulets of water that streak the hallway walls, bubbling behind yellow paint and pooling on worn carpet. Exposed wires hang from broken light fixtures in dark stairwells and cracked lobby windows are held together with duct tape.**

**In her own second-floor unit, a main pipe burst behind the shower nearly a year ago. The gushing water disintegrated sections of drywall and destroyed the parquet flooring throughout the unit.**

**The 72-year-old spent days mopping up water and months coping with mould and mice until she could afford basic repairs, although the holes in her bathroom wall remain.**

**"I'm scared, you know, because we don't know what the future holds," said Thomas.**

**Her husband died in July, leaving her on a single fixed income. Then in September everything got worse, she said.**



**Thomas says she requested the condo corporation repair walls damaged by a burst pipe nearly a year ago, but is still waiting. (Submitted by Wendy Thomas)**

**As much as \$9 million of debt plus a rapidly deteriorating structure have caught up to York Condominium Corporation No. 82, which runs the 321-unit building in the Jane and Finch neighbourhood. And last week, an Ontario**

**Superior Court judge cited an engineering report that found repairs needed in the 10-storey building over the next year would cost more than \$14 million.**

**Like all condominium corporations, this one is overseen by a small group of owners elected to a board of directors. They have the power under Ontario's Condominium Act to require all owners to pay for common expenses, no matter the price tag.**

**So that's what they did.**

**On Sept. 2, the corporation sent letters to all owners informing them they had 15 days to pay a special assessment ranging from \$30,000 to \$42,500 per unit depending on its size — on top of monthly maintenance fees of about \$800.**

**The total \$11.2 million raised would be used to repay loans and chip away at a list of 70 repairs ranging from replacing plumbing to upgrading elevators to restoring the party room that's been shuttered for the past 15 years, the letter said.**

**If residents weren't able to pay, a lien was slapped on their unit, which under Ontario's Condominiums Act allows the condo corporation to sell the unit to recover the amount owing. It also means those residents can't vote in future board elections.**

**"How could they do it? We're in the middle of a pandemic," Thomas said through tears. "For most people, this is their retirement home. They were looking for a peaceful time."**

## **Senior takes out high-interest loan**

**Residents have done what they can to help improve the building, paying bills sent to them by the corporation to cover plumbing costs and false fire alarms, on top of their monthly fees, Thomas said. Recently, they were each charged \$60 for new keys when the lobby doors were replaced.**

**They also no longer have security, a superintendent or cleaners, she said.**

**When she was sent the \$35,000 special assessment for her unit, Thomas went to her bank for a loan. However, she and other residents said the building is in such a state of disrepair no financial institution will lend them the money.**

**Thomas then had no choice but to take out a high-interest loan from a private lender, she said. To afford the payments, she left retirement and returned to her customer service job.**



**Scaffolding blocks off a section of the lobby of the building at 4645 Jane St. where a persistent leak has damaged the ceiling and walls. (Samantha Beattie/CBC)**

**The situation is uniquely bad, one of the worst Toronto condo lawyer Jonathan Fine says he has seen in his 35-year career. He reviewed documents, including a reserve fund study and the special assessment letters sent to residents and obtained by CBC News.**

**"It seems to me that the problems arise from being penny wise and pound foolish — or not carrying out diligent and proper maintenance, repair and replacement," he said. "Someone ignored what they had to do over time."**

**The collapse of the Champlain Towers in Surfside, Fla., that killed 98 people is an extreme example of what can happen if older buildings are not properly looked after, Fine said.**

**CBC News reached out to the corporation and its board of directors for this story, but did not receive a response. The corporation's lawyer also declined to comment.**

## **Building in 'dangerous and dilapidated state,' judge says**

**However, an Ontario Superior Court decision last week reveals the extent of the damage and unsafe conditions and what led up to the special assessment. A lawsuit was brought by an investor who owns multiple units against the corporation for its recent handling of the situation.**

**The building, which is at least 50 years old, is in a "dangerous and dilapidated state," with structural issues that need to be addressed immediately, such as defects in the underground parking garage roof, cracks in the foundation and loose concrete on balconies, Justice William D. Black wrote in his decision.**

**A recent engineering report estimated the cost of necessary repairs within the next year exceeds \$14 million, Black said.**

**But the corporation is broke. As of last spring, it had only \$1.75 in its reserve fund and \$5,000 in its operating fund, said the judge.**



**A recent engineering report warned many of the building's balconies are unsafe and children should not be allowed to play on them. (Susan Reid/CBC) It also pays \$80,000 a month in interest alone on existing debts that include \$8 million borrowed from private lenders over the years for repairs and more than \$1 million owed to the City of Toronto for unpaid fire, water, sewer and garbage collection charges, the decision said. The city is also commencing further action against the corporation for fire code violations.**

**The investor who filed the lawsuit was seeking a court order to require the corporation to hold a meeting for residents to vote on removing and replacing the board of directors, according to the decision. Some owners are pushing the board to explore other options, such as allowing residents to pay their special assessments in instalments or taking on more debt to deal with the most urgent repairs.**

But Black said in such dire circumstances, any delay to fix the problems would be like "rearranging the deck chairs on the Titanic," and ruled against the investor.

## Majority of residents haven't paid fee

Thomas now worries about her neighbours, as the majority of units, about 250 of 321, haven't paid, according to the court decision. The corporation has promised not to enforce the liens — and sell their units — before April.

"We don't know what the outcome is going to be really," Thomas said. "It's been really tough."



Daphne Persaud says she hasn't yet paid her \$35,000 special assessment fee and is hoping for a payment plan to ease the financial burden. (Samantha Beattie/CBC)

Daphne Persaud is among those still figuring out what to do after her requests to the corporation's lawyer for a payment plan option have gone unanswered. There's now a lien against her property for \$35,881 that includes interest and legal costs.

**"We are in a handicapped state," Persaud said, gesturing to a group of residents, mostly seniors, who'd gathered outside Wednesday holding faded orange signs that said "Stop unfair special assessment."**

**"We can't afford it. It's ridiculous."**

**As a single mother, she bought her unit in the 1990s for \$75,000 and has paid her maintenance fee every month since, even as it has increased from \$300 to \$900 over the years.**

**"We are not getting our money's worth," said Persaud.**

**Condo lawyer Audrey Loeb said owners' options are limited. They could apply to appoint an independent administrator, but that's expensive and they'd likely reach the same conclusion as the corporation, or they could sell the land to a developer.**

**"My heart breaks for these people," Loeb said. "They just can't afford to be there."**