

Condo concerns: Miami versus Toronto

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Ontario residents can be rest assured that the Condominium Act has robust requirements to safeguard and maintain the integrity of condo buildings

The catastrophic collapse in June of the Champlain Towers South beachfront condo building in the Miami suburb of Surfside has condo dwellers around the world wondering about the safety of their buildings.

Condo concerns: Miami versus Toronto

In Toronto, where there are more tower cranes on high-rise building sites than anywhere else in North America, should condo residents be concerned?

Champlain Towers South, a 13-storey building with 136 units, was built in 1981. While the investigation is still ongoing into the origin and cause of the collapse, a 2018 engineering

assessment of the building did note the need for extensive and costly repairs to fix many systemic issues.

The complex had been preparing for recertification, a mandatory process for buildings that have reached 40 years of age, and was on notice that repairs were needed for it to pass inspection.

While there is no statewide requirement in Florida, large multi-unit buildings in Miami-Dade or Broward County must be recertified by an engineer or architect after the 40-year mark, and every 10 years after that.

The 2018 engineering report highlighted alarming evidence of “major structural damage” to the concrete slab below the pool deck and “abundant” cracking and crumbling of the columns, beams and walls of the parking garage under the building.

The harsh exposure conditions attributed to the oceanside proximity of the building, such as hurricanes, storm surges and corrosive salty ocean air that can penetrate concrete and corrode reinforcing steel, likely exacerbated the deterioration.

Condos in locales such as Toronto are not faced with the same circumstances, which is likely part of the reason that we have never had such a major structural failure in a condo building.

The engineering report identified more than (U.S.) \$9 million of recommended repairs, but many residents pushed back on the condo board and refused to approve the work.

After years of stalling and debate, an agreement was finally reached to proceed with the work. By then, the estimated cost had ballooned to (U.S.) \$15 million. Work had just begun when the building collapsed.

While the 2018 engineering report did not find signs of imminent structural failure, it was clear the required work was urgent. Post-collapse revelations, such as the lack of regular inspection intervals, visible deterioration of structural elements, harsh exposure conditions and deferred maintenance, seem to point to a uniquely toxic combination of possible failure mechanisms.

There’s never been a similar tragedy in Canada, where provincial governments tend to be more rigorous with condo regulations.

In Ontario, condo regulations stipulate that boards must regularly commission reserve fund studies, which can only be carried out by designated professionals. Purpose is to ensure there are sufficient funds available for major repairs or replacements of common element components and assets of the condo corporation.

The Ontario Condominium Act governs requirements for reserve fund studies. Updates to a study must be done every three years, whereas site inspections are generally carried out for every other update or every six years, approximately.

A reserve fund is comprised of a physical analysis of the condo common element components and a financial analysis. The site inspection reviews the condition and life expectancy of the components, comments on site conditions that may affect life expectancy, and estimates remaining life or need for major repairs.

A corresponding financial analysis estimates costs for major repairs or replacements, provides a 30-year projection for when major repairs or replacements will be necessary, and develops a cash-flow scenario to show how to properly fund the reserve.

In Ontario, reserve funds mandate regular ongoing inspections and financial planning which should identify potential problems before they become catastrophic.

Condo boards are required to put money aside for future repairs and fund those future costs through monthly fees that owners pay.

Neither regular inspection intervals nor financial planning for building repairs are mandatory in Florida. Champlain Towers South condo association did have a reserve fund, but it was reported that after 40 years it had less than seven per cent of the money required to fund the necessary repairs. Florida law allows condo owners to vote on whether to maintain a reserve fund or try to keep monthly fees as low as possible.

While the process in Ontario is not without its flaws, residents here can rest assured that the Condominium Act does have robust requirements to safeguard and maintain the integrity of condo buildings.

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