

# Converted property study requirements for developers

This publication is intended to provide general information only and is not a substitute for legal advice.

## Changes to documents and information for purchasers

The *Condominium Property Act* and regulations require a developer to provide specific documents and information to a purchaser who is buying a newly constructed condominium unit, or a converted unit, from the developer.

After July 1, 2021 a converted property study (CPS) replaces the building assessment report (BAR) for condominium conversions. Completing a BAR is no longer required for newly constructed condominiums.

For a conversion where units have been offered for sale to a purchaser before July 1, 2021, the developer must still provide a building assessment report (BAR).

## Converted property study

A converted property study (CPS) is the document that a developer must prepare and provide to a purchaser of a condominium unit that is in a building converted from a former use. The CPS replaces the building assessment report that was required prior to July 1, 2021.

This Fact Sheet is intended to assist developers in complying with the legislated requirements for the process of preparing a CPS and providing the completed study document to purchasers and other recipients

## Information provided to purchasers

A checklist for purchasers regarding the documents and information they will need when buying a new condominium unit, or a conversion unit, is available [here](#) on the Government of Alberta website. Go to [alberta.ca](http://alberta.ca), search for “Condominium Rules,” then look for the Fact Sheet on that page.

## Projected expenses

Projected expenses for a newly converted condominium or conversion in progress, including maintenance and repairs, insurance, utilities, condominium management services, contracted services and the reserve fund study must also include, in the case of a conversion, the costs associated with the CPS.

## Documents turned over to corporation

When the developer turns over copies of manuals, schematic drawings, operating instructions, records of service and repairs, and other similar information and documentation in the possession or control of the developer to the condominium corporation, in the case of a conversion, a copy of the CPS must also be provided to the corporation.

## Retention of reports and related documents

The corporation must retain the copy of the CPS in accordance with schedule 3 of the regulations. The corporation must provide a copy of the CPS to the reserve fund study provider, if the person who prepared the CPS has not already done so.

The BAR is still a document that must be retained, if one exists.

## Qualified person to prepare CPS

Developers are required to enter into a contract with a professional engineer or registered architect for the preparation of a CPS. The contract for the CPS must be completed for the common property and common facilities of a condominium converted from a former use, such as a former rental property or commercial space.

The engineer or architect must be at arms' length from the developer and may not be retained by the developer for other purposes.

For more information, go to the [Condominium Rules](#) page on [alberta.ca](http://alberta.ca)

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Other persons not eligible to enter a contract for a CPS include: a director, officer or employee of the developer; any person with a financial interest in the sale of units that are part of the conversion; a partner, employer or employee of any of the persons listed above; the spouse, common-law partner or child of a person listed above.

A professional engineer or registered architect may engage a person who is not an engineer or architect to assist in the preparation of a CPS, and may rely on information and documents prepared or provided by a person who is not an engineer or architect.

## Building inspection and survey

A person engaged to prepare a CPS must identify and inspect the real property of the corporation, the common property, and managed property in the building. If any occupants are located in the building, the person engaged to prepare the CPS must conduct a survey of those occupants regarding deficiencies in the building.

The person engaged to prepare the CPS may retain the services of any expert or professional that is considered necessary and may require any person to provide drawings, permit applications and permits under the *Safety Codes Act*.

The person conducting the CPS may also obtain inspection reports, reports from inspections of work in progress, and any document relating to the property and containing health and safety information under the *Occupational Health and Safety Act*, as-built drawings, warranties and any other documents or information that may be relevant.

## Content of CPS

A converted property study must contain all of the following:

- the date of original construction of the building,
- a description of all previous uses of the building,
- the Alberta Building Code applicable at the time of construction of the building,
- the dates on which any physical modification, if any (other than for normal wear and tear) was commenced and completed,
- the identification, location and description of:
  - all delivery and distribution systems in the building,
  - all mechanical systems in the building
  - the building envelope (see below for a detailed definition),

- the surface water drainage system around the building,
- the load-bearing parts in the building when the building was built and any identified changes in the load-bearing parts since the building was built,

- descriptions of every item in the sub-list immediately above this bullet must be described for every existing:

- delivery and distribution system and mechanical system that serves two or more units,
- roofing and sub-roof, including:
  - air, water and vapour control systems
  - insulation, circulation and venting for attic space and soffits, and;
  - membranes
- water control systems, including:
  - eavestroughing,
  - cladding components,
  - balcony membranes and sealants,
  - grade and landscaping drainage courses,
  - weeping tile,
  - foundation membranes and sealants, and
  - parkade membranes and sealants

- a description of the manner in which the building inspection and survey of occupants was carried out,
- a description of:

- plumbing line material
- wiring material
- moisture ingress and abnormal staining, based on a visual inspection, and any recommendations for further analysis,
- the areas tested for hazardous materials and the result of all tests conducted including any asbestos or other hazardous materials detected,
- any areas that were remediated

- a copy of any report or plan required under the *Occupational Health and Safety Act* regarding the building,
- for all building components and systems identified or described in this list:

- a statement as to whether it was replaced during the conversion, refurbished or left in its existing condition, and
- its estimated remaining service life,

- any other building deficiency observed or content considered relevant by the person engaged to prepare the CPS,
- the signature and stamp of the professional engineer or registered architect contracted to prepare or supervise the preparation of the CPS.

The person engaged to prepare the CPS must make reasonable efforts to comply with the Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process published by the American Society for Testing Materials, ASTM E2018 – 15, as amended from time to time.

The engineer or architect contracted to prepare or supervise the preparation of the CPS must not sign or stamp the CPS earlier than 180 days before the first unit in the conversion is offered for sale.

### **The building envelope - defined**

The “building envelope” refers to the collection of components that separate conditioned space from unconditioned space, the exterior air or the ground, or that separate conditioned spaces intended to be conditioned to temperatures differing by more than 10 degrees C at design conditions.

The building envelope includes the roofing and sub-roof, including air, water and vapour control systems, insulation, circulation and venting for attic space and soffits, and membranes, cladding components, balcony membranes and sealants, as well as parkade membranes and sealants that are accessible for non-invasive visual inspection.