



Association of Condominium Managers of Ontario

2233 Argenta Road, Suite 100

Mississauga, Ontario L5N 2X7

Tel: 905-826-6890 / 1-800-265-3263

Fax: 905-826-4873

rcm@acmo.org

www.acmo.org

DELIVERED AND REGULAR MAIL

June 5, 2009

The Honourable Dalton McGuinty
Premier of Ontario
Legislative Building
Queen's Park
Toronto, Ontario
M7A 1A1

Dear Premier:

**RE Proposed Harmonized Sales Tax ("HST") and estimated
impact on Condominiums in Ontario**

We are writing to you on behalf of the Board of Directors and membership of the Association of Condominium Managers of Ontario (ACMO) regarding the proposed Harmonized Sales Tax (HST). As part of ACMO's mandate over the past 30 years, it has worked with other stakeholders in the condominium industry, including government and non-government organizations, to provide education and awareness on issues affecting condominiums. Although the Liberal Government under your leadership has made positive contributions to the condominium industry and to those who live and work within condominium communities, ACMO has serious concerns with your Government's initiative to pursue implementation of the HST by July 1, 2010.

The Members of ACMO act for over 2,100 residential Condominium Corporations in Ontario representing approximately 170,000 Ontario households. Speaking on behalf of our membership and the estimated several million people who live in Condominiums in the Province of Ontario, we wish to bring to your attention that the impact of this initiative on the cost of residing in a Condominium community will be significant and in some respects punitive.

We understand that your Government's move to harmonize the federal and provincial sales tax into a single 13% HST will eliminate some administrative costs related to PST and benefit manufacturers. We are concerned however that the current proposal extends the tax to cover a range of services which were previously exempted from provincial sales tax. This will result in an increase in the costs associated with operating Condominium communities as many of the integral service costs currently associated with our annual budgets are not included in the existing PST tax base.

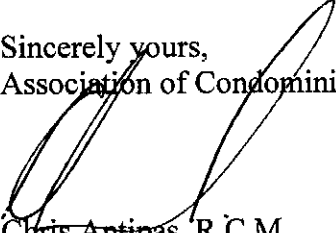
After polling some of our larger corporate members we have formed a rather conservative estimate of a 6% increase in the operating budget of the average residential condominium as a result of the proposed HST. With approximately 7,000 residential condominiums and over 504,000 units in the Province of Ontario, we estimate a collective cost to all condominium residents of \$118,000,000.00 annually with no added benefits to condominium residents.

In addition to this immediate impact on operating budgets, our members will be required to inform owners and Boards of condominiums that they will require an estimated \$80,000,000 to be collected and placed into long term savings for authorized reserve fund expenditures because the *Condominium Act* requires all condominium Reserve Fund Accounts to be “fully funded” to meet the planned expenditures for major repair and replacement of these communities,.

We would welcome an opportunity to meet with you to further discuss the impact of the HST on the condominium sector in Ontario and to determine how ACMO can contribute to the process.

We respectfully await your response, and look forward to an opportunity to discuss this extremely important matter with you and/or members of your Government.

Sincerely yours,
Association of Condominium Managers of Ontario



Chris Antipas, R.C.M.
President

cc: *Mayor David Miller – City of Toronto*
cc: *Diane Gaunt, Executive Director, Canadian Condominium Institute*
cc: *Armand Conant, President, Canadian Condominium Institute, Toronto Chapter*