

# How are your Common Element Fees (CEF) Calculated?

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First of all, what are Common Element Fees (or CEFs for short)? A common expenses fee is the fee unit owners pay to maintain the condominium’s common elements.

So, how are common element fees calculated? This is a good question, and all owners should know how their common element fees are calculated. The formula for calculating your common element fees is as follows:

**Total Common Element Fees Required (as per the budget) x % interest/100/12**

**Let’s breakdown the above calculation with an example:**  
*Mr. James owns one dwelling unit, two parking units and a locker.*

		Percentage Interest	Mr. James’ CEFs:
Unit	Level 3, unit 8	0.4367	\$545.88
Parking	Unit 10, Level A	0.0175	\$21.88
Parking	Unit 11, Level A	0.0175	\$21.88
Locker	Unit 224, Level C	0.0025	\$3.13
	Total:	0.4742	\$592.77

**The Operating Budget:** Mr. James checks his current annual budget and sees the total amount of common element fees that need to be collected from owners is \$1,500,000.

**The common element fee calculation for Mr. James would be:**  
 $\$1,500,000 \times 0.4742 \div 100 \div 12 = \$592.77^*$  (monthly common element fees)

\*numbers are rounded

**Now that you know how to calculate your common element fees, where do you find your percentage interest and the annual common element fees requirement?**

You will need to collect the following documents:  
 Your Corporation’s Declaration  
 Your Corporation’s Current Operating Budget.

**The Declaration:** This document can feel overwhelming, but for this calculation you need only review ‘Schedule D’. Schedule D sets out the percentage ownership for each deeded item in the Corporation (a dwelling unit, parking spot, locker, bike storage unit, etc.). Find and add up your Proportionate Percentage(s), just as we have done for Mr. James in the example above. Be careful, the legal descriptions can be tricky! Make sure you’re looking at the percentage interest for your unit. Level 1 will be ground level; level 2 will be the first level above ground; level 3 will be second level above ground, and so on. This gets trickier in buildings that do not have a 13th floor which would make the municipal units 1201, 1202, 1203, etc. and then skip to 1401, 1402, 1403, etc. The legal description would read as follows: level 12, unit 1 for 1201; level 13, unit 1 for 1401.

**The Budget:** From the current budget, you will find the line that establishes the total budgeted common element fees that need to be collected from owners to maintain and operate the Condominium for the fiscal year. This could be a pretty big number depending on the size of the Condominium. Now you’re ready to do your calculation just as we did for Mr. James in the example above.

**Common Questions asked of Condominium Managers:**

**Why does my neighbour pay less in common element fees than I do when we have the same size unit?**

The simple answer is that the unit factors are set out in Schedule D of the Declaration, and was calculated by the original developer. This is the schedule the Corporation and Management provider uses to calculate all unit owners common element fees.

Typically, the developer will base their percentages on the square footage of each unit, but this may not always be the case





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in older Condominiums. Percentages could be based on many different factors: number of bedrooms, view from the balcony, penthouse level or proximity thereto, etc. In older Condominiums, owners with the exact same square footage could be paying different common element fees, and there may not be documentation to demonstrate how the builder originally calculated the percentage interest. Declarations are now required to disclose this calculation.

What can I do if I don't agree with my percentage interest?



Some owners may dispute their percentage interest, but unless there was an obvious error, a change to the percentages in Schedule D would require 90% approval of the owners to change. It is unlikely that 90% of all owners will vote to decrease one owner's share, which would then increase everyone else's share.



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For more info please contact us:

242 Applewood Crescent | Unit #5 | Concord | Ontario | L4K 4E5 | 905.669.0222  
gpmmanagement.com | info@gpmmanagement.com

