

10 Questions to Ask Your Condo Board



● What does and doesn't the assessment cover-common area maintenance, recreational facilities, trash collection, snow removal?

Before you buy, consider getting answers to the following questions.

1. What percentage of units is owner-occupied? What percentage is tenant-occupied? Generally, the higher the percentage of owner-occupied units, the more marketable the units will be at resale.
2. What covenants, bylaws, and restrictions govern the property? Ask for a copy of the bylaws to determine if you can live within them. And have an attorney review property docs, including the master deed, for you.
3. How much does the association keep in reserve? How is that money being invested?
4. Are association assessments keeping pace with the annual rate of inflation? Smart boards raise assessments a certain percentage each year to build reserves to fund future repairs. To determine if the assessment is reasonable, compare the rate to others in the area.
5. What does and doesn't the assessment cover-common area maintenance, recreational facilities, trash collection, snow removal?
6. What special assessments have been mandated in the past five years? How much was each owner responsible for? Some special assessments are unavoidable. But repeated, expensive assessments could be a red flag about the condition of the building or the board's fiscal policy.
7. How much turnover occurs in the building?
8. Is the project in litigation? If the builders or homeowners are involved in a lawsuit, reserves can be depleted quickly.
9. Is the developer reputable? Find out what other projects the developer has built and visit one if you can. Ask residents about their perceptions.
10. Are multiple associations involved in the property? In very large developments, umbrella associations, as well as the smaller association into which you're buying, may require separate assessments.



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