

10 Questions Buyers May Want to Ask Your Condo Board

Before you buy, contact the condo board with the following questions. In the process, you'll learn how responsive — and organized — its members are.

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? What grandfather clauses are in place? You may find, for instance, that those who buy a property after a certain date can't rent out their units, but buyers who bought earlier can. Ask for a copy of the bylaws to determine if you can live within them. 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 common charges keeping pace with the annual rate of inflation? Smart boards raise common charges a certain percentage each year to build reserves to fund future repairs.
5. What does the common charge 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. 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 condominium complex?
8. Is the project in litigation? If the builders or homeowners are involved in a lawsuit, reserves can be depleted quickly.
9. For newly constructed or a building converted to condominiums - 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? Some very large developments, umbrella associations, as well as smaller associations may require separate assessments.