

## *Purchasing a Condominium ... What to consider.*

Condominium living is an excellent option for many people. Whether it is a seasonal arrangement to escape the northern winter weather or a year round situation, Florida condos offer a great option for those looking for easier maintenance.

Compared to a single family residence, there are some additional factors to consider before purchasing. If you plan to finance the purchase, many of these items become even more important.

**Monthly fees** – What are the HOA fees and what is included. Usually the master policy includes exterior maintenance, grounds, amenities, and insurance. Other items to check on and to prepare an itemized budget include trash service, telephone, cable, water, electric, and insurance.

**Homeowners Association (HOA)** – You will want to see the yearly budget and review the reserves. Who manages the expenses ... professional or self managed? Do they have proper insurance? What does the master policy cover? Are there any special assessments from legal actions?

**Parking** – Are there garages? Is the parking assigned? Is there ample guest parking?

**Common areas** – Who owns the porches, decks, storage areas, parking, etc...

**Owners** – Can you find out the percentage of owners versus investors (rentals) and delinquency rates? This is important if you plan to finance the property as lenders have certain requirements with certain underwriters.

**Rules** – What are the rules in regard to pets, remodeling, short term rentals, etc...

When making an offer, the sales contracts and comprehensive riders for a condominium purchase allow for a standard three day period for the buyer to be provided with the important documents and time to review the financial records. The rider to the contract asks if the Condominium Association must approve the buyer and if they have right of first refusal. Current fees, assessments, prorations, and litigation amounts are also listed. If after reviewing all the documents, the buyer wishes to proceed with the contract, a home inspection is suggested. The inspector will look at the electrical, plumbing, and heating and cooling systems as well as the appliances.

Before closing, an estoppel letter will be requested by the title company and all taxes and association fees will be prorated to the day of closing.

Condominium purchasing involves asking some different questions versus a single family residence. This should not deter you from looking at this option but you need to remember to review this additional information before you decide to buy!



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