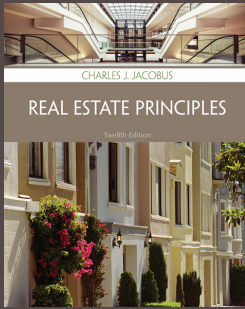
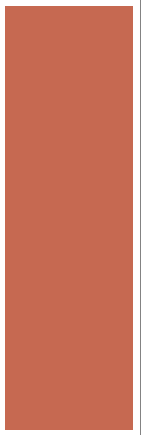


Chapter 23 : Condominiums, Cooperatives, PUDs, and Time-shares



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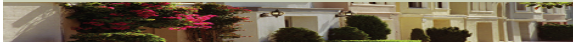


Desire for Land-use Efficiency



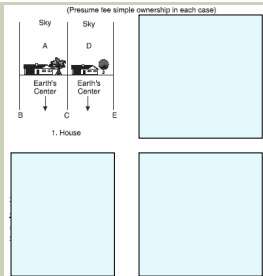
- Some of the forces responsible for creating the need
 - the most important are land scarcity in desirable areas,
 - continuing escalation in construction costs,
 - disenchantment with the work of maintaining the grounds around a house
 - desire to own rather than rent.

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Comparison of Estates

Vertical Ownership



Horizontal Ownership


Vertical Ownership With Joint Ownership of Party Wall

Personal Property Ownership with Proprietary Lease

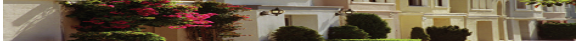


Condominiums

- of a space of air.
- Plus undivided ownership of the
- Single-Family dwelling in a Multi-family structure (or group of structures).


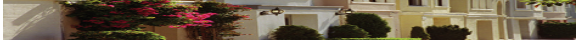


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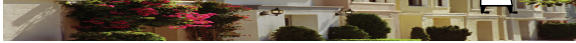
Condominiums

- elements – exclusively owned and used by the individual owners.
- elements – areas owned by all.
- Limited common elements – common element but assigned to one individual owner (for example parking space)

Condominium Ownership

- Condominium or Subdivision
- describes the property
- Covenants, Conditions, and Restrictions (CC&Rs) – filed list of by which anyone purchasing a condo unit must abide.
- Government – Association of Owners
- Association: governs the owners
- Bylaws – rules by which the owner's association operates.

MAINTENANCE FEES

- The cost for maintaining the and are allocated among all unit owners.
- Generally collected monthly.
- Reserves
- Taxes and Insurance

- Sample [Condominium Declaration](#)



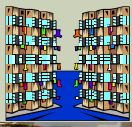
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Condo Living

- **Advantages**
 - cost
 - maintenance
 - Location
 - Amenities
 - Ownership

- **Disadvantages**
 - Close proximity to all
 - Loss of
 - Fees
 - Board of Directors
 - Bylaws



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CONDOMINIUM FINANCING

- Because each condominium unit can be separately owned



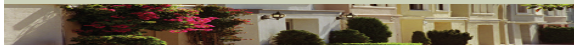
- Each can be separately financed.

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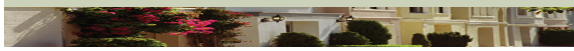
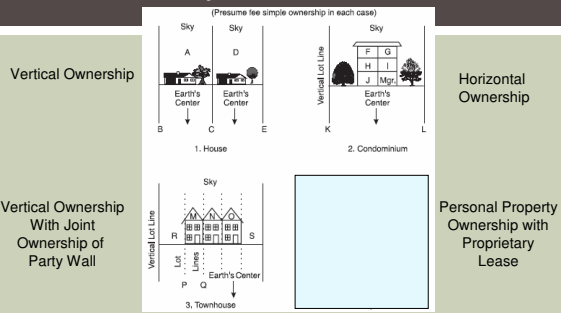


Before Buying a Condo

- **Make offer contingent on your approval**
 - Find out association fees!
 - Read CC&R, association minutes and documents
 - Find out who is on Board and talk to them
 - Inquire about maintenance and costs
 - Find out about reserves and budgets
 - Find out about any law suits, claims, liens
- **Check out construction, remember this is an apartment, they are noisier than a single family home**



Comparison of Estates



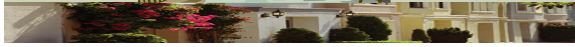
Cooperative Ownership

- **Non-profit corporation owns building**
 - Managed by Board of Directors
 - Usually financed by coop
 - Each "owner" is a shareholder in corporation
 - Each "owner/occupier" holds a "proprietary lease"
 - Recent changes allowing financing of shares
- **Problems:**
 - Financing
 - Mutual liability for injuries and code violations
 - Default of shareholder on purchase of shares
 - Sale of shares rather than unit



Planned Unit Development

- Ownership in a community association that owns common areas along with your individual ownership of your lot and home.



Time Shares



- A method of dividing up and selling a living unit at a vacation facility for specified lengths of time each year.
- Right-to-Use – contractual right to occupy a living unit for one week a year for a term of between 20 to 40 years.
- Fee Simple – right to fee ownership of one week each year in perpetuity.



Key Terms

- Bylaws
- CC&Rs
- Common elements
- Condominium
- Cooperative
- Limited common elements
- PUD
- Proprietary lease
- Reserves
- Resort timesharing