587-991-0959
accgaryc@gmail.com
www.albertacondominiumconsultants.ca

So, you want to Buy a Condo
There are a few things you should Know

By Gary Caouette

There is a lot of information out there in the condominium world for you to digest. The following article is meant to give you a quick look at what you should know and do if you are looking to purchase a Condo.

Condo Life

Condominium means "Shared Ownership," not a building type. Many buyers are not aware of what it means to be a condominium owner. You are buying a piece of a corporation, a community where you will live and share most of the decision-making with others.

The pros: Building maintenance and repair, as well as lawn care and snow removal (in some cases), are taken care of. There is access to on-site amenities (if available), monthly costs are more predictable (normally), and possible social, entertainment, and recreational activities at your complex.

The cons: You may be paying for things you never use. Repairs and maintenance may not be in your control. Privacy and noise may be an issue. Unexpected repair costs. Decision-making on issues may be challenging. Restrictions on space, parking, pets, parties, decorations, and many other things.

Specialists in their Field

Utilize the best help you can find when purchasing your condominium property.

When you take your vehicle in to get it fixed, it is advisable to go to a shop that specializes in fixing the specific problem you are having with your vehicle. The same applies when buying a condo.

Condominium properties are a different kind of purchase and require specialized knowledge.

You will be best served by using a professional with extensive experience in the condominium industry. When choosing your real estate agent, pre-purchase document reviewer, home inspector, lawyer, and insurance agent, ensure they have the necessary experience. These specialized professionals will save you time and money, helping you avoid the many pitfalls you will run into when buying a condo. Find out if they have experience in condominiums first; you will be grateful if you do.

Finances

When you buy a unit in a condominium complex, you want to make sure the corporation is financially healthy, or it will have serious consequences for you. You will run into higher maintenance and repair costs, your property value will be lower, and you may struggle when it comes time to sell your unit.

Remember to consider the cost of your monthly condominium contributions (fees), the monthly services the corporation is responsible for, and the monthly services the unit owner is responsible for in your budget.

587-991-0959
accgaryc@gmail.com
www.albertacondominiumconsultants.ca

Pre-Purchase Document Review

A condominium purchase is far more complicated than a single detached home. You're considering spending hundreds of thousands of dollars to purchase your Unit; you should make sure you are getting what you paid for, and it is not only about the finances.

A comprehensive review will give you the important things you should consider before you buy, so you can decide what amenities, services, rules, restrictions, obligations, and financial requirements you are willing to live with. Buying into a condominium corporation means that you will inherit any past, current, and future obligations, regardless of their nature.

A thorough pre-purchase document review will save you frustration and a significant amount of money in the future.

Inspections

You should consider doing a home inspection that will cover the structure, air quality, moisture levels, and noise levels of the building and unit you are going to purchase.

An indoor air quality inspection to identify water leaks, potential mould, airborne particulates, volatile organic compounds, poor ventilation, and odours from other units will help you avoid health issues and repair costs for a building and unit that may have these problems.

Buying New or Resale

There are significant differences between buying a newly constructed condominium and a previously owned (Resale) unit.

The pros for New: The purchase price may be lower. There are more choices in unit location, size, and options. There is less risk of requiring any repairs for a period of time. There is a new home warranty protection.

The cons for New: Units may not be completed, so you cannot see what you are buying (changes can occur). Purchase agreements require follow-up to ensure you get what you paid for. Your deposit will be locked in during construction (maybe for a while). Financing has more challenges. Move-in dates may not be as expected. It can be noisy and disruptive until all units are completed.

The pros for Resale: You can see exactly what you are getting. Move-in day is normally a certainty. Financing is usually easier, and there is normally no GST. You can assess the community before making a purchase. You can determine how well the corporation is functioning. The size of the resale unit can be larger.

The cons for Resale: Fewer options and upgrades may be required. Fewer amenities may also be available. When you move in, you may be required to incur more repair and maintenance costs (in and outside of your unit). Energy efficiency may not be built in. You may not have any new home warranty left. If the reserve fund is underfunded, you will be spending more money than you might have accounted for.

If you are considering buying a condominium property, make sure the lifestyle choice is right for you.