

## *Pros and Cons of Condominium Living*

The “condominium” (or “condo” for short) is generally seen as the missing link between renting an apartment and owning land with a house. Commonly, at least in my experience, a condominium is an apartment building in which the units are individually owned but the common spaces are jointly owned by all individual owners.

Lifestyle of dwelling. Living in a condominium is much like living in an apartment building. You are close to your neighbors, and no matter how things appear initially, the walls and ceilings are never as thick and sound-proof as they appear to be initially. If I want to hear the children living downstairs screaming at 3:00 in the morning, I’d prefer to stay in an apartment.

Price won’t increase as much as a single-family house. Even when the real estate market is in an upward trend, beneficial to sellers, the price of condominium units won’t increase as much as the price of houses. There seems to be an endless supply of condominiums. Apartment buildings are often converted to condos when the market is favorable to such a move. Houses, and more importantly the land they sit upon, are much more limited in supply. If you own a condominium you own a certain cubic feet of air within your particular enclosure. You do not own the biggest driver for appreciation, the land.

Association fees. The common areas in a condominium are owned jointly and are usually governed by a board of directors or another group of representatives. In addition to your mortgage and taxes, you will also be responsible for association fees. These fees ensure there is enough funding to mow the lawn, fix the roof, insure the owners against liability, and advertise unsold units.

Association rules (a copy of our rules is available on this web site). Rules are designed to keep the appearance of the buildings professional and uniform. This may keep property values higher. Don’t expect to be able to paint the outside of your unit in a way that reflects your personality. Your landscaping options are limited. In many cases, you won’t even be allowed to erect a small flag on your door frame or window. Some associations don’t allow pets.

Just a couple of decades ago, buying a condo was the logical step for many empty-nesters and retirees looking to downsize and live a simpler lifestyle. While there are still many reasons to consider buying a condominium it is important to understand how condo living differs from standard homeownership.

A condo lifestyle is not for everyone. The pros and cons of buying a condo need to be considered along with your personal preferences. Buying a condo means never having to push a lawnmower again. Maintenance is a big plus for many retirees that opt for the condo-lifestyle. A yearly homeowners fee is required to cover buildings, grounds (roofs, exterior painting, driveway paving, pool maintenance, water and sewer) expenses, various insurance expenses related to buildings, grounds and liability.

Before you put a down payment on a new condominium it is time to consider the pitfalls of buying a condo. For starters, owning a condo is not like owning your own home. When you purchase a condominium you are only buying the space inside the walls of your unit. The actual building and all of the land is considered community property. That means there may be restrictions on what you can do to the landscaping around your unit as well as to the unit itself. So, if you had envisioned putting in the garden or tinkering around the house during your retirement years you will want to avoid condominiums.

If you are also fond of the phrase, good fences build good neighbors, then community living may not be your cup of tea. Condos bring people together to create a close-knit community. You will share common areas with all of the other condo owners and even share walls with some of your neighbors.

Resale value is another legitimate concern for seniors that are considering buying a condo. Condos tend to spend more time on the market and do not enjoy the same appreciation potential as a single-dwelling home. An economic downturn will have greater impact on condominium prices. The good news is that location and amenities can help make up for some of this.

In the end, choosing to buy a condominium is about personal preferences. Cons, such as low resale value, can be turned into pros when you are on the purchasing side of the equation.