



Hornung and Scimone P.C.
Specializing in Real Estate Law

Questions to ask a Management Company or Trustee when Purchasing a Condominium Unit

1. Does the Unit come with exclusive use of a parking space? Storage area? Other “so-called” Exclusive Use Area(s) such as a deck, porch, and/or roof (or an exclusive right to add a roof deck, if applicable), etc.? If so, what is the designation of the parking space and/or storage area? E.g. #1, A, etc.
2. What are the current monthly condominium fees for the Unit? What is included in the fee? Is the water/sewer separately metered or is it included in the condominium fee?
3. Is there a separate monthly condominium fee for parking?
4. Are there any special assessments currently outstanding? If so, what for? What the total amount due and when is it due? Are there periodic payments?
5. Are there any approved, pending, anticipated, contemplated, or intended: (a) special or supplemental assessments, (b) increases in the common area expenses, (c) repairs, replacements or improvements which would likely or possibly result in a special or supplemental assessment, or an increase in the common area expenses?
6. Are there any significant or out of the ordinary repairs, maintenance, capital improvement projects planned for the Condominium in the next year or so? If so, what are they for and what is the anticipated amount?
7. Is there a Working Capital/Reserve Account for the Condominium? If so, how much is in it? Is it accounted for in the Annual Budget, i.e. does the monthly condo fee include a line item for reserves (most lenders will want to see at least 10% for reserves accounted for in the budget)?
8. Are there any problems or situations at the Condominium that I/we should be aware of?
9. Are there any rights or obligations affecting the Unit which would entitle any entity (example Boston Redevelopment Authority) to payment of a portion of the proceeds upon any future sale or conveyance of the Unit?
10. Is there any outstanding or threatened litigation or proceedings involving the Condominium Association (whether as Plaintiff or Defendant)?
11. How many of the Units are Owner Occupied? How many are rented? Are there any so-called designated “affordable units” in the project?
12. Are any of the unit owners behind in their monthly condominium fee payments?
13. Are there any external fire escapes or connecting balconies attached to the exterior of the Condominium Building(s)? If yes, when were they last inspected? (NOTE: Only applicable in Boston; have to be certified every five years).

Be sure to review the BUDGET for the current year, past year, the current BALANCE SHEET and the MINUTES from the two most recent meetings.