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RESIDENTIAL CONDOMINIUM DISCLOSURE REQUIREMENTS

New and Conversion Condominiums

The law requires a developer of a new or conversion condominium to prepare and deliver to each purchaser prior to closing a public offering statement ["POS"] containing certain disclosures concerning the developer and the project. The POS is intended to be a summary of some of the significant aspects of purchasing a unit in the project, and must include numerous specific disclosures, along with copies of the condominium documents (declaration, survey map and plans, articles of incorporation, bylaws, rules and regulations, budget, and balance sheet). A purchaser of a new or conversion condominium unit has the unconditional right without penalty to cancel a contract to purchase the unit within seven (7) days after first receiving the POS.

Resale Condominiums

The law requires the seller of a resale condominium to furnish to the purchaser prior to closing copies of the declaration, bylaws, rules and regulations, and a resale certificate prepared by the association. The resale certificate must contain specific disclosures concerning assessments, anticipated repairs, claims against the association, insurance coverage, violations of restrictions or codes, and certain other information, and must include copies of current financial statements, balance sheets, and the budget. The association may charge the seller a reasonable fee, not to exceed $150, for preparing the resale certificate. A purchaser of a resale condominium unit has the right to cancel a contract to purchase the unit within five (5) days after first receiving the resale certificate. Since some of the information of the resale certificate is required to be current to within 45 days of delivery of the resale certificate to the purchaser, it is generally not a good idea to order a resale certificate before a sale is pending.

This article contains general information only, and should not be used or relied upon as a substitute for competent legal advice in specific situations.