

A-B-Cs of Condominium Ownership

You just bought a Terrace condominium or you are thinking about purchasing one. You probably don't fully know what owning a condominium means—most of us didn't when we purchased. This overview will help you understand what you are getting into, or in other words, how condominiums work.

A Not an Apartment

Owning a condominium is like owning a single-family house—it is yours, unlike renting an apartment. Like a home owner, a condo owner is responsible for taking care of things. There is no “apartment manager” to call on.

Condos are like single-family houses stacked together—but different. On the top floor you have a roof above you. On the bottom floor you have a foundation below you. We all have driveways and grounds. How do all owners take care of these “common elements?” Colorado has a law, the Colorado Common Interest Ownership Act (CCIOA), that defines and governs how condominiums work.

The law says that all owners are members of a Homeowners Association, which has control and responsibility for all these common elements—roofs, hallways, stairs, elevators, driveways, grounds. The law provides for the owners to elect a Board of Directors to actually do everything that must be done to maintain the whole property—all the common elements. This is all governed by the CCIOA law and the Articles of Incorporation, the Declarations, and the Rules & Regulations of the Homeowners Association, the HOA. When you purchase a condo, you are agreeing to abide by all these documents.

The law says that you own “the walls in” of your unit—the interior space, interior walls, the furnace, the plumbing and wiring inside your unit. You are responsible for repairing and maintaining your unit. If your water heater starts leaking, buy a new one. If you don't like the paint color in your bedroom, paint it. If your toilet backs up, call a plumber. And pay for all of these things.

B The HOA Board

The responsibility for maintaining all the common elements is given by the HOA, and you as an HOA member, to a Board of Directors who are elected by the HOA at an annual owners meeting. All owners in good standing are eligible for election to one of seven seats on the HOA board. The Board also prepares an annual budget for the owners to approve or disapprove at this meeting.

The HOA Board of Directors is responsible for everything needed to maintain and preserve the whole property, such as paying for common utilities such as water and sewer, paying the taxes, deciding who will fix the elevators, who will shovel the snow and plow the driveways, when to repaint the hallways, when to replace the roofs. Of course, since the HOA Board of Directors is made up of owners just like you, the law provides that the HOA may hire “an association manager” to carry out these activities day-to-day. The Terrace HOA association manager is Silver Mountain Properties, but they have only the authority that the Board has given them. The Board chooses a contractor to mow the grass and Silver

Mountain signs a contract with them, and oversees the work, and answers to the Board if there are complaints.

You agreed to abide by the HOA Board decisions when you purchased your condo. Read Article 8.1 on page 9 of the Terrace Declarations on the website for further explanation.

C Costs

So who pays for this? Bluntly: You do. The owners pay for it all. There is no other source of money. Silver Mountain doesn't pay for anything; they are our employees. The only money the HOA has comes from monthly assessments, special assessments, fines for breaking rules and a reserve account, but all of those come from you, the owners. You pay for everything.

Summary

Like a single-family homeowner, you want to keep up your property, so you take care of and pay for anything inside your unit that needs attention, such as a new stove, new carpeting, repairing plumbing, fixing the furnace.

You also want to take care of the exterior of your property—the common elements. You want to maintain and repair things as needed. You want to fix the driveways, paint the hallways, replace the roofs, keep the elevators working. When you purchased, you agreed that the HOA has control over these common element activities and you have agreed to pay your share of them.

Welcome to condominium ownership!

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