

Condominium Mania

Condominiums have a long history in cities like New York, Paris and London, where land prices and population densities have made single-family homes a thing of the past. Residents in other cities—especially those with historically less constraint to growth—are just now becoming aware of the condominium concept.

Many find the convenience and carefree lifestyle to be of great appeal. Some learn that these amenities are more expensive than they bargained for. The principals of DEI have had a great deal of experience in the development, design and construction of mid-rise and high-rise condominiums and would offer the following thoughts for the homebuyer considering the condominium alternative:

- **Price.** It will never be cheaper to build mid-rise or high-rise homes than single-family homes, at least so long as land is available in reasonable quantity. There are just too many “infrastructure” costs that single-family homes simply don’t have:
 - **Fire Protection.** Although some single-family homes are now being equipped with fire sprinkler systems, such systems are essential in condos. In addition, condos are typically required to have extensive fire detection and alarm systems. High-rise condos go even further, with emergency generators and stairwell pressurization that add to both initial cost and long-term maintenance.
 - **Elevators.** Elevators are unavoidable in condos for obvious reasons. In many such projects, they must also carry freight, must be especially durable, and must be fully integrated into the building fire alarm system.
 - **Structural Considerations.** Multi-story buildings require more extensive design and more intensive construction effort than single family homes, even when viewed on a per-square-foot basis. As buildings get higher, wind loadings and other factors become more significant, requiring stronger construction, higher quality windows, and more intensive waterproofing techniques.

- **Common Area Spaces and Parking.** The cost of those corridors giving access to every unit in a condo must be included in the price of the units. Multi-level parking for most such projects is far and away more expensive than a driveway and an attached garage.

As a rule, most condominium projects will cost twice as much as a single-family home, and this is before finishes are added. Throw in interior walls, flooring, cabinets and appliances and the other requirements for comfortable living, and the factor can be as high as 3:1.

- **Convenience.** Most well-conceived condominiums are situated in urbanized neighborhoods with ready access to stores and restaurants. The dream of being able to select from five or six great restaurants and then walk to dinner is high on the

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Make sure your builder has addressed structural and waterproofing requirements before you buy.

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list of most condo shoppers. If the project you're considering doesn't have such access, the square foot price should be considerably lower than the competition that has it.

- **View.** Views in condominiums are as waterfront property is to land. Great views often demand great prices; poor views are a dime-a-dozen. If view doesn't matter to you, at least make sure that the discount you get on the price is consistent with the view. And just as is the case with waterfront property, don't expect the same price appreciation on the non-view unit as the unit with the spectacular views of the downtown business district.
- **Watertightness.** The wind force at 100' in the air often can be two or three times greater than the wind force on the ground. Imagine your high-rise unit in a hurricane, with these winds and a lot of rain to boot. Now consider that water intrusion and mold are probably the most litigated issues in the condominium industry. If you don't look at anything else, look at the provisions for waterproofing at the project you are considering. Give some thought to hiring a waterproofing consultant to review the plans before you make that final leap.
- **Communal Living.** Condominium convenience costs a great deal in terms of privacy and independence. The association takes care of all the common areas, but penny-pinching neighbors have as much say in this care as you do. Smoking residents can often make adjacent (and especially upstairs) neighbors miserable.
- **Pre-Construction Pricing.** It is common practice for developers to offer special pricing to those who buy before construction starts. While many buyers have found this to be extremely profitable, the practice has many disadvantages to even the most sophisticated buyers.
 - **Poorly Financed Developers.** Developers without a track-record of successful projects are often inadequately financed, and their projects poorly conceived. Early buyers can and often do lose their entire down payments in projects that never quite make it to completion.
 - **Unknowns.** You can't "kick the tires" of the unit that isn't built yet. You won't know exactly what your view is. You may not know what the mix of buyers is (a whole bunch of investors is bad news if you plan to live in your unit). And most developers can and will make decisions on finish quality during the course of construction that you might not like.

Condominium living has proven to be a wonderful alternative to many previous single-family homeowners, and these projects offer tremendous advantages to buyers who live only part time in that city. Careful consideration of the all the factors can make the difference between a great new lifestyle and condo-hell.



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