Can my homeowners’ dues be increased?

A: Yes. The common expenses of your development may include grounds’ upkeep, building maintenance, insurance premiums, property taxes and assessments, among other things. When these expenses go up, the cost is usually passed on to the property owners in the form of increased dues and assessments. The legal authority to increase these and to assess homeowners is set forth in the governing documents which govern the development. The governing documents will state (a) the amount of maintenance fees and assessments you will be obligated to pay and whether they may increase, (b) whether the governing documents to determine the amount of maintenance fees and assessments you will be obligated to pay and whether they may increase, (c) the authority of the homeowners’ association to collect the assessment and the method of collecting it, and (d) the authority of the homeowners’ association to tailor the use of your property to your particular lifestyle. However, this freedom is not unlimited and is subject to certain restraints. A homeowners’ association, or the developer, may be authorized by the declaration or the bylaws to adopt bylaws or other rules and regulations that may govern your conduct. This can substantially affect your ability to use your property. It could even restrict your ability to rent your unit to others. If you purchase a townhouse or condo, you should carefully read the rules governing the project and consult your attorney if you have any questions.

What should I do if I disagree with the association’s rules?

A: If a dispute arises between you and the association over any of the association’s rules, it may be necessary to resolve the matter in court. Just because a provision appears in the bylaws or rules does not automatically mean that it is enforceable. In most cases, a rule will be upheld by the courts if it is considered “reasonable.” Also, you may try to change the rules. Any change in the bylaws or rules and regulations of the homeowners’ association requires approval by the members of the association or its executive board. Each homeownership is entitled to vote.

What if I don’t pay my dues, assessments, fines, or other charges?

A: If an owner fails to pay fines, assessments, or other lawfully imposed charges, the owner’s property is subject to foreclosure by the homeowners’ association (even if the owner’s property is fully paid for).

Can the homeowners’ association do anything about a controlling developer?

A: If the developer is still in control of the association, it is unlikely that the association will be able to effectively take action against the developer; however, the individual homeowners may be able to take legal action against a controlling developer. If the developer is no longer in control of the association, the developer will be treated as any other homeowner.

The members of the association’s executive board and the staff of management companies are NOT required to attend these public hearings. Comments are usually made available for distribution to other state agency so long as their management activities do not involve the sale or rental of units. However, licensed real estate brokers who manage homeowners’ associations must adhere to the N.C. Real Estate License Law and related rules. This includes keeping the collected funds of others in a trust account and maintaining records of all collections and disbursements of these funds.

Questions and Answers on:

Condos & Townhouses

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Questions and Answers on: CONDOS & TOWNHOUSES

In the past, home ownership typically involved a single-family house with a yard. But today, due to increased prices of single-family homes and changes in lifestyle, many people either cannot afford or simply prefer to own traditional single-family homes. In response to these needs, alternative forms of home ownership have been developed. In multi-family housing complexes containing townhouses and condominiums (often referred to as "condos"), these are some of the subject areas addressed.

Purchasing a Condo or Townhouse

What's the difference between a condo and a townhouse?

A condo unit owner owns the inside of their units, including interior surfaces and the land on which the unit is built. A townhouse owner owns the "common areas" of the property such as recreation facilities, sidewalks, and parking lots. Condo owners share ownership of the common areas with other owners, while common areas in townhouse developments are usually owned by the homeowners' association for the benefit and use of unit owners. Either way, owners typically pay dues to a homeowners' association to cover the costs of maintaining the common areas, as well as other common expenses.

Are there any other legal differences between condos and townhouses?

Yes. The creation, sale, and management of condos are governed by specific state laws, whereas townhouses are subject to the North Carolina Condominium Act. For condos created on or after October 1, 1986, there are no specific state limitations applicable to townhouses. Buildings and single-family townhouse projects of more than 20 units and created on or after the Federal Community Act, are subject to certain restrictive covenants (declarations of covenants, restrictive covenants, and bylaws). These are usually embodied in a recorded deed called a "Declaration of Condominiums" or "Declaration of Restrictive Covenants" which is recorded by the county Register of Deeds. The declaration describes the nature of the project and establishes rules and restrictions governing the use of the units and common areas. Restrictions include but are not limited to the property's use, residental size, required maintenance, and controlling changes to the property, and limiting who can live in the units and common areas. Examples of restrictions include but are not limited to the property's use, residental size, required maintenance, and controlling changes to the property, and limiting who can live in the units and common areas.

Will I be responsible for maintaining my condo or townhouse?

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Are there any specific protections for condos purchased from a developer?

A: Maybe. If you are considering the purchase of a new condo and the developer (or developer's agent) fails to provide you with the "resale certificate," this statement sets forth the projected completion date, the legal documents which govern the property, and the projected common expense assessment. If the developer fails to fulfill your right of ownership following the applicable public offering statement, you have no automatic right to cancel your purchase contract. However, if you are purchasing a new condo created on or after October 1, 1986, the closing attorney will provide you with a "resale certificate." This statement sets forth the monthly assessment for common expenses and any other fees payable by the unit owner.

I'm buying a new condo or townhouse in a development that is under construction. Does the developer have to finish the development?

A: No. Subject to applicable local and state laws, buyers should verify this before making offers. The developer is specifically contract to complete the development, can stop construction of townhouses at any time and sell any remaining undeveloped portions of the development.

Who is responsible for maintaining my condo or townhouse?

A: The homeowners' association is an organization of the property owners in a development, subdivision or neighborhood that governs and manages the common areas such as open spaces, recreational areas, tennis courts, and other amenities. Homeowners' associations are typically responsible for maintaining all common areas and the exterior of buildings. Homeowners' association dues, assessments, and other charges.

For townhouses and for condos created before October 1, 1986, the law requires developers to provide prospective buyers with a "resale certificate." This statement sets forth monthly assessment for common expenses and any other fees payable by the unit owner. Purchasers should be especially cautious when purchasing a condo or townhouse in a development that is incomplete.