

Examine the resale package before condo love at first sight | Home & Living

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We're all vulnerable to falling in love at first sight, and the object of your infatuation could be a condominium.

From the grounds and pool to the unit's layout, appliances and ambiance, everything looks beautiful and tempts you to sign the sales contract right away – without researching the behind-the-scenes facts of the condo community you'd be investing in.

Luckily, Virginia is among the states with laws that require condo and property owners association (POA) sellers to provide buyers with a resale package, also known as a resale certificate. The full list of documents that must be in the package is posted at <https://law.lis.virginia.gov/vacode/title55/chapter4.2/section55-79.97>.

Some of those documents are especially important, such as:

- n The current reserve study report, which describes the status and amount of any reserve or replacement fund and what portion of the fund is earmarked for any specified project;

- n The unit owners' association's current budget and a copy of its financial balance sheet for the last fiscal year;

- n A copy of the current bylaws, rules and regulations and architectural guidelines;

- n A copy of any approved minutes of the board of directors' and unit owners' association meetings for the six calendar months;

- n A statement of any spending approved by the condo association or its board which shall require a special assessment in addition to the regular assessment during the current or the immediately succeeding fiscal year; and,

- n A statement of any legal judgments or pending lawsuits against the association.

A reserve study is important because it shows whether the POA or condo association's leadership is saving for inevitable and pricey projects like roof replacement. Buying into a condo community or POA without a healthy reserve means you could get socked with a big-money special assessment when those projects become unavoidable.

Similarly, documents describing current or looming special assessments tell a buyer that the cost of living in that community will be more expensive than the ordinary dues and fees, which could make the unit too pricey for your budget.

If you don't like surprises, you as a buyer also owe it to yourself to be acquainted with the association's bylaws and rules, which can touch on lifestyle features as ordinary as parking restrictions or how to put out your trash. Board minutes and info on impending lawsuits likewise draw back the veil on what you'd be walking into as a unit owner.

Under Virginia law, buyers who sign a purchase contract must be provided the resale package; the package must be given to the buyer in a timely manner after a contract is signed. Typically, the selling agent obtains the package, sometimes from the condo association or property management firm, but often from a third-party vendor in the business of assembling resale packages.

The package then goes to the buyer or buyer's agent and perhaps others, like a settlement company.

The buyer can cancel the purchase contract within three days after receiving the resale package by telling his or her buyer's agent, who in turn notifies the seller's agent. No reason needs to be given for canceling the deal. If a buyer makes no objection during that three-day period, the purchase proceeds.

Neither the seller nor the buyer can waive the requirement that a resale package be provided. In effect, the law gives every buyer a three-day "cooling-off" period in which they can weigh whether their ardor for the condo they'll get (as described in the documents) is as strong as the condo they see.

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