

the

MANAGEMENT REPORT

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INSIDER

TIPS *on why*

CO-OPS & CONDOS
DO WHAT THEY DO

FACE IT. Most first-time buyers are pretty clueless about the buildings they buy into.

They understand the condition of the apartment they hope to occupy and they may have grand plans for renovation - but they really know nothing beyond the four walls on which they are bidding.

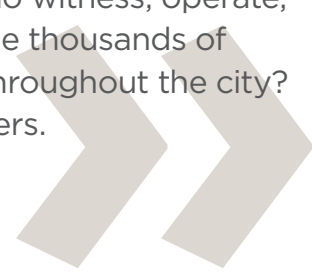
Yet....

And it's the "yet" part that is so important. If all purchasers - indeed if

all residents - knew the whys and what-fors of how a co-op or condo operates, life as a board director would probably be much simpler. Maybe even more enjoyable.

What do buyers - and residents - need to know? Who better to answer that question than the executives of New York's most active property management firms - the people who witness, operate, respond to, and advise thousands of co-ops and condos throughout the city?

Here are their answers.



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I'm buying a sixth-floor apartment. There is no doorman, and I was told by the board that I have to go down to the lobby every time someone I don't recognize buzzes. Why?

JACKELINE MONZON
Partner
Crystal Real Estate
Management

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The buyer may find that, while extreme, the extra security is warranted. Ultimately, a buyer should be comfortable with a property's level of security before purchasing. As with the purchase of any new home, research is fundamental. The buyer should visit the current managing agent, read the minutes, and review the house rules with a broker and ask questions. An interview with the board of directors is a great opportunity to find out the reasoning behind house rules that may seem extreme or out of the ordinary. By asking why these

rules are in place, the buyer will be more informed; for example, "Was there an incident that caused this to be put into place?"

When a buyer who is aware of the house rules purchases an apartment, he or she agrees to obey them, and the co-op board must enforce them. The board implements these regulations because they are governed as a corporation and are subject to its own bylaws. House rules can be amended by a majority vote of the board. Added security measures are common in properties with older residents.

We put in an offer for a condo apartment, and were told we had to go for an interview. I thought that was just for co-ops. What's up?

Although condominiums have fewer tools than do cooperatives in controlling their residents, they do have "the right of first refusal" when it comes to the sale of any unit in the building. This right is very rarely exercised, primarily because most condos lack the funds to buy at today's market rates, but if the board has serious concerns about a potential buyer, it has the right to buy the unit under the same terms to keep that buyer out.

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A condo board is well within its rights to request an interview with any potential buyer to meet him or her, to see if he or she fits in well with the community, and to assess whether there are any glaring financial or personality issues.

As a potential buyer, it behooves you to meet your new board to give you the same peace of mind that they are seeking: that you feel comfortable spending a good part of your time in their midst over the coming years.

Because condos have less leverage over defaulting own-



HARRIS BORNSTEIN
CFO
Douglas Elliman
Property Management

ers than do co-ops, they have good reason to be vigilant about screening incoming owners to be sure they can afford to live there, and that they intend to follow the bylaws, rules, and regulations of the condo. Once you are

living in the building, you may decide to join the board yourself and help keep it running smoothly. Standing in a board's shoes, you are likely to agree that interviewing potential new buyers is a wise idea.