

# PROTECT ONE'S INVESTMENT

By Kirithi Hewamanne

**B**uying a condominium can be a confusing process. Many people do not know what a condominium is or the legal structure and responsibilities that are involved in owning one. When you see a brand new building, polished floors and beautifully painted walls you just get carried away. You don't realize that you are buying just a "cube of space" (up in the air) on the seventeenth floor!!! This is exactly why you should protect yourself and the only way to do it is to make sure you carefully read the documents and get a professional to explain everything in these agreements which will tie up to protect your investments.

In respect of condominiums an informed purchaser is a smart purchaser. In many developed countries most buyers deal with a sales representative with whom you are comfortable. Certain condominium projects are promoted and sold through the builder's own sales staff while others are handled by representatives of an independent brokerage firm.

# INVESTMENT



# ENLISTING HELP OF REAL ESTATE REPS

In Sri Lanka we are unable to enlist the help of real estate representatives who have specialized knowledge in the condominium concept and sales. An independent sales representative who is assisting you in your new home search should have a general knowledge of the project and be able to help you find out more details. This sales representative will know how to work with the developer's sales staff to ensure you receive proper service.

Many developers in Sri Lanka do discourage prospective purchasers to enlist the help of real estate representative even though they may be specialists on the subject. However it is best that you enlist the help of a lawyer who is very conversant of condominium concept and the sales. Many lawyers do not have too much time to explain all the details of how the condominium concept works. The real work starts for the buyer after closing the transaction and moving in to your apartment. Protecting your investment is an ongoing process and all unit owners will work together to make sure your investment is safe and will appreciate in value and you will have a hassle free living.

After the warranty period the builder, developer will walk away and may be to start to another project. The purchasers cannot expect him to "baby sit" your condominium complex. Apart from that you may not be able to expect a good service from him because his expertise is not managing condominium buildings. Therefore the condominium corporation where all members are shareholders must take an active role in managing the condominium complex. These corporations are registered as nonprofit making companies.





## POPULAR OPTION

Condominium living is a popular option for many people who live in major cities in the world. This is certainly a relatively carefree housing option. Currently, in some parts of the world in core areas of major cities majority of new homes built is a condominium. Interest in condominiums tends to grow with a shortage of rental accommodation, relatively low mortgage interest rates, and urban core renewal. In these countries the concept is highly developed and all regulations are in place to protect the buyers.

The purpose of writing these series of articles is to help the prospective purchaser to become an informed condominium buyer and help him to make the best choice. However it's advisable for him to seek the advice of a condominium specialist like a lawyer or a qualified realtor without depending entirely on the builder / developer. Builder's staff will cooperate with real estate representatives in respect of giving all necessary information which could be passed on to the purchaser.

The writer intends to write few more articles to give advice to purchasers and to those who have already bought condominiums. There are certain things that are absolutely necessary for you to do to get the best out of condominium living after purchasing the unit. This is an ongoing process.

# BACKGROUND INFO TO GET STARTED

These articles will give you the basic background information you need to get started on the path to condominium ownership. It will identify important questions to ask—and the people you should be asking—before you make this important purchase.

These information will provide a general overview of the purchase of condominiums. It is not intended to provide legal or technical advice.

It is recommended that you retain appropriate legal and technical professionals to guide you with any condominium purchase you may consider. This is extremely important as you have to continue to get involved in the activities of the condominium corporation. You cannot expect a government department to look after your housing interests. You can certainly go to courts and or ministry of consumer affairs when there are disputes like any other single family home owner.

The writer will do his best to provide more information and a checklist at the end of the series of these articles to help you narrow down the choice between the different types of condominiums you might see.

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