

## Co-op vs Condo

**T**here is considerable discussion going on at this time with respect to the 6 month rental limitation that is currently imposed on the co-ops in the United Mutual. Many comments on this subject can be found in “The Globe” and emanating from various individuals and organizations, both pro and con. At this time, Residents Voice does not have a recommendation and this article is intended only as information that we would hope you would make use of when trying to come to a conclusion.

Some of the principle reasons supporting rescinding the 6 month limitation are;

- Remove a potential hindrance to a buyer when selling a manor.
- Aid under-aged inheritors of property in maintaining a manor until they reach 55.
- Provide monetary relief when owner must find another temporary facility for health reasons.

When considering these needs, it is easy to overlook what would impact a sale of a manor. We do have 2 data bases from which to glean some information and it is wise to consider what would make a buyer purchase a co-op vs condo, such as;

1. Co-ops generally cost less.
2. A rental duration limitation.
3. Attached Garage vs carport.
4. Having title to your property.
5. Included maintenance of appliances, etc.
6. Single home or smaller homes vs 8-24 unit buildings.
7. Upgraded units, i.e., included washers & dryers.
8. Single vs multi story buildings.

It is normal to make assumptions based on these

considerations but it is unlikely that we have all the necessary data to measure the impact on other than an emotional scale. No one would like to create a hardship for their neighbor but as our voices are raised when discussing this subject, it is natural to overlook how our decisions impact everyone.

In trying to analyze the impact of the 6 month rental limitation, intuitively we think we “know in our minds” that it will negatively impact buyers and limit sales. How can we evaluate that? There are almost as many condos as there are co-ops so based on just this one factor, we should have more condos sold each month than co-ops. Right? From January 1st, 2010 through July 31, 2011 we sold 583 co-ops vs 510 condos. By assuming that only that one factor had an impact on sales, our assumption would be false.

There is no sure way to understand, or measure, the impact each of these parameters would have on sales. Until that is understood, we will be voting on emotion, which might not be too bad when you consider each one of us might be faced with a situation where the only way we can manage is by renting our units.

Be sure to get all the facts when discussing what limits banking facilities would place on the issuing of a loan to a facility that allows a high rental percentage. You will find a number of responses to this and they are not all accurate.

## The New “Kids”

**I**t only took two meetings to understand the intent of the new Third Mutual Board. First of all, the President is going to be “King” and everyone better be aware of it. No more “coddling” any dissenter. The allotted time for members to make their comments will be strictly enforced by the President and those who want to express themselves at a board meeting should be prepared to

*(Continued on page 7)*