



Learn more about the Real Estate Branch (REB) of the Department of Commerce and Consumer Affairs

Check out the REB website www.hawaii.gov/hirec for more information and some frequently asked questions.

- What services does the REB provide to the condominium community?
- Where can I get help with association disputes?
- What laws apply to my condominium association?
- How do I get a copy of my association documents?

Real Estate Branch

About Us

The Real Estate Branch, as part of the Professional and Vocational Licensing Division, assists the Real Estate Commission in carrying out its responsibility for the education, licensure and discipline of real estate licensees; registration of condominium projects, condominium associations, condominium managing agents, and condominium hotel operators; and intervening in court cases involving the real estate recovery fund.

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Receive emails on relevant condominium educational materials. Sign up now at <http://cca.hawaii.gov/reb/subscribe/>

Contact Us

Condominium Hotline: 1-844-808-DCCA (3222), Ext #1 then #8
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Email: hirec@cca.hawaii.gov
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This brochure is for informational purposes only and not intended for the purpose of providing legal advice. Information provided is subject to change.



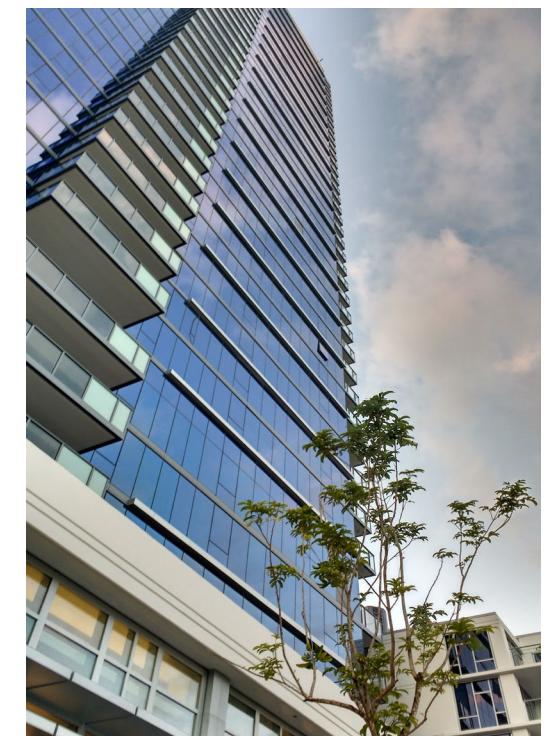
**CONDOMINIUM:
THINKING OF BUYING A
CONDOMINIUM?**
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*Real Estate Branch
Department of Commerce and
Consumer Affairs*

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Thinking of Buying a Condo?

Excited about buying a new place? Amazed by the

amenities, interior, location and view, and ready to make an offer? You may want to take a step back to consider a few issues that you may have overlooked while you were checking out the pool. Here are some of the major things to consider before buying a condominium unit.

Declaration, Bylaws & House Rules



The Declaration, Bylaws and House Rules govern how a condominium is run and will cover issues such as how the gym is to be used, fines are assessed

and voting on key management issues is done.

Request a copy of all three documents with any and all amendments to make sure there aren't any deal breakers, such as a complete ban on pets or smoking. While it is possible to change documents, it is a difficult process.

Budget, Reserves & Audits

The budget of a condominium will show the planned spending for the year. Ask for the budget to see if management is wisely spending and saving.

A reserve study shows when important parts of the building(s) will need to be replaced and how

much the condominium has saved up to pay for those replacements.

Request a copy of the reserve study. If the reserve study is very old or has never been done, the condominium may have large repairs coming due with little to no existing money to pay for it, resulting in large special assessments for all owners. Recently updated reserve studies are often signs of competent and responsive management. A well-run condominium will often have a sizable, growing reserve fund, which should buffer owners from huge special assessments. Newly built condominiums will generally not have a sizable reserve fund as they have not had the time to build reserves.



Inquire as to when the last audit occurred. Regularly scheduled audits help keep finances transparent and clean, where infrequent or no audits for lengthy periods may raise concerns and red flags.

Board Minutes & Board Cooperation



The Board of Directors is the elected leadership of an Association that manages a condominium. They hire managing companies, decide repairs and improvements, and enforce the rules. Boards are required by law to meet regularly and keep track of what was discussed via the minutes.

Request the recent minutes to see what the major issues are that the board is discussing. If the seller refuses to give you a copy or if no minutes are taken, that may suggest instability, hidden issues and other major concerns. Some condominiums freely post their minutes publicly online.

If possible, via a limited power of attorney or proxy, request to attend a board or association meeting to see how the meetings are run and how many owners attend. Well-run Boards allow members to voice their concerns, address those concerns and generally treat everyone with respect.

Management Company

Find out who the managing company and agent/account executive are and how long they've been managing the condominium. A long time company and agent/account executive may suggest stability whereas rapid turnover of both may suggest instability. Also, an agent who has managed the condominium for years may be more knowledgeable and responsive about the issues than constantly changing staff. Be aware that some condominiums self-manage and thus do not have a managing company.

Litigation



Is the association being sued or suing? About what? Pending litigation may cause special assessments, as well as suggest bigger problems with the project, inhabitants or management.