The Cost of Owning a Condominium in Florida is Going Up

By Howard Robins, Ventnor O President

Condominium boards of directors all over Florida, including here at CVE are dealing with at least two issues that are going to impact future maintenance fees significantly.

First, many of our roofs were replaced after hurricane Wilma, 16 years ago. Those roofs have a typical life span of 15 to 20 years, before they need to be replaced or restored. Add to this reality, insurance underwriters are also aware of the age of the roofs and are actively doing their own inspections of them. Some associations have received letters from their underwriter demanding that their roofs be replaced, or they would not be insured.

Most associations have reserve funds for roof replacement/restoration that were created after Wilma. Those funds may have assumed the appropriate life span and end-of-life replacement/restoration costs, or not. It would have been impossible to anticipate 16 years ago, the current economy that is influenced by material shortages, and rising inflation. So, it is highly likely that fees will have to go up to make up for the shortfalls in funds needed to replace or restore our roofs.

The Florida State Legislature recently passed a bill (SB 4-D): “Building Safety Act for Condominium and Cooperative Associations”.  This law is a direct response to the collapse of Champlain Towers in Surfside last year, and has significant cost implications for many Florida condominium unit owners.

Every condominium building, 3-stories and above in Florida is faced with this same law.  We will all be competing for the same professional resources to perform the required functions.

* + Florida Department of Business and Professional Regulation (DBPR) reporting due before 1/1/2023 – expected to be done by management company.
  + Milestone inspection Phase 1 (visual) – due by 12/31/2024 – funding in 2023.
  + Milestone inspection Phase 2 (more invasive) – pending results of Phase 1 inspection.
  + Structural Integrity Reserve Study (“SIRS”) – due 12/31/2024 – funding in 2023.

Associations must budget for these new inspections and studies.  Those of us that did the required Broward County 40-year inspection work and received 10-year recertification will most likely need to have the Milestone inspections as they are more comprehensive and must be done by specially licensed professionals, i.e., Structural Engineers.

Since it was not a legal requirement, many associations never had a professional Reserve Study done.  We do fund reserve accounts for major infrastructure items that will require future replacement or significant repair.  A professional reserve study as prescribed by this law could find items that need to be added that are not funded and items that are underfunded.

Condominium unit owners should expect to be hearing more about this from your boards of directors. Realize that we are all affected by these potentially high-cost budget items and that boards are faced with having to fund some significant undertakings to comply with the law and remain insured. The increases in fees that we are anticipating are like nothing we have experienced in the past; and everyone will be affected.