

## *Tips for Buyers: Condo Fee Facts*

Here are 10 important things you should know about condo fees:

1. The average fee in 2017 was roughly 65 cents per square foot, plus \$50. for parking and \$15. for a locker.
2. Condo fees are based on the interior size of the unit, not value.
3. Balconies and terraces are excluded from condo fee calculations.
4. New buildings are typically lower for the first 2 years due to developer marketing strategies and existing construction warranties.
5. Generally, the smaller the building, the higher the individual fees.
6. Most fees increase in pace with inflation, about 2.5%-4% per year. In some rare instances, in well managed projects, fees may decrease.
7. The majority of older building include hydro charges in the monthly fees. Newer towers require owners to pay separately.
8. High condo fees an negatively impact market values, especially when they exceed \$1. p.s.f.
9. Approximately, 10% or more, of the monthly fees go toward a Reserve Fund to cover future repairs, replacements and contingencies.
10. Active board participation and prudent property management are vital to keeping monthly condo fees reasonable and stable.



Condo lifestyle is soaring in popularity and currently captures about 40% of all real estate buyers, attracted by stylish lobbies, luxury amenities, attractive common elements and the alluring promise of a convenient, stress-free and secure community living. But there is a price tag for indulgence, a significant monthly condo fee. Always review the Status Certificate before buying to see if a dreaded "Special Assessment " is looming.

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