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THE ESSENTIAL GUIDE TO
**BUYING A CONDOMINIUM IN
KAMPALA-2021**

**FREE
GUIDE**



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Thinking About Buying a Condominium?

Condominium living is a popular choice for many Ugandans as it can be a relatively carefree housing option. About one million Ugandan households own a condominium (often referred to as a “condo”).

This Guide will give you the basic background information you need to figure out if condominium ownership is really for you. It will identify key questions to ask – and the people you should be asking – before you make this important purchase.

Condominium living can be an appealing housing option. It’s often affordable and someone else handles much of the maintenance and repairs, such as painting and replacing the roof. Many condominiums have enhanced security features over those found in single-family houses and offer a wide range of social, entertainment and recreational activities.

However, purchasers should be aware – before they buy – of the many issues and considerations surrounding the purchase of, and the lifestyle in, a condominium.

Condominium ownership is very different from owning a home under traditional fee simple tenure.

This section of the Guide will help you better understand this unique form of ownership and prepare you for successful condominium living.



Definition of Condominium

A condominium refers to a form of legal ownership, as opposed to a style of construction.

Condominiums are most often thought of as units in high-rise residential buildings, but they can instead be:

- Low-rise residential buildings (fewer than four storeys)
- Townhouse complexes; duplexes (one unit over another) or a side-by-side
- Semi-detached houses.

There are even mixed-use condominiums that are partly residential and partly commercial buildings. Condominiums come in various sizes with diverse features and can be found in almost every price range.



Form of Ownership

Owning a condominium differs from owning a single home in several ways. Key differences include:

What do you Own?

When you purchase a condominium, you own a private dwelling called a “unit.” Your unit is registered in your name. You also share ownership of the common elements and assets of the building and community.

It’s important to be clear where your unit’s boundaries are located before you purchase.

Common elements may include lobbies, hallways, elevators, recreational facilities, walkways, gardens and other amenities. They may also include structural elements and mechanical and electrical services.

Your Role in Condominium Community

When you become a condominium owner, you become a member of a condominium corporation and have certain rights and responsibilities.

One of your key rights is the right to vote at general meetings on matters that affect the condominium.

You are also eligible to help elect the board of directors. The board of directors takes responsibility for the management of the corporation's business affairs.

You are now part of a community with shared responsibilities.



Condominium Governance

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Condominiums are communities and some run more smoothly than others. Before buying a unit, ensure you understand how condominium corporations make decisions about finances, common property, rules and regulations.

This section outlines the role of the board of directors, your voting rights and responsibilities, common rules and restrictions as well as the differences between “self-managed” condominiums and those that hire property management firms to handle their daily operations.

Condominium Bylaws and Rules

A condominium’s bylaws govern how the condominium corporation is run. They often address matters such as the election and practices of the board of directors, the collection of common expense contributions and how rules are passed. Rules focus on day-to-day concerns of condominium living and vary from condo to condo. Rules also spell out what your rights and obligations are as an individual owner.



Condominium Management firm Versus Self-managed Condominium

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Most condominium corporations hire a property management company to handle their day-to-day operations, under the leadership of their boards of directors. These tasks often include:

- Collection of monthly fees and any special fees;
- Cleaning and maintenance of common areas;
- Payment of common area utility bills;
- Operation and maintenance of heating, air-conditioning and other building systems; and

Other condominiums are “self-managed.” Their boards of directors — and in some cases, volunteers who are residents or owners — carry out the day-to-day operational tasks.

Self-management can save money as well as give owners a greater sense of control and community. But it has several challenges

When considering the purchase of a particular condominium, ensure that you are comfortable with its management, whether the condo contracts out this responsibility or takes it upon itself. There may be implications for both your condo fees and any obligations you may have toward the building’s operation and maintenance.

Condominium Management firm Versus Self-managed Condominium

Pros of Condominium Ownership

- Fewer maintenance and repair responsibilities.
- Access to on-site amenities, such as a sauna or swimming pool, which you otherwise might not be able to afford.
- Enhanced security features in some condominium units. You'll also have peace of mind while you're on vacation knowing that your neighbours are close by.
- Monthly maintenance or condo fees are usually predictable.
- You have a say in the running of the condominium corporation. As an owner, you have voting rights and can be elected to the board of directors.
- A community that may have a wide range of social, entertainment and recreational activities sometimes geared to a specific lifestyle (seniors, for example).

Cons of Condominium Ownership

- You may not be able to decide when maintenance and repairs get done
- You may have to pay for amenities that you might never or rarely use
- Less privacy in some condominium units and possibly more noise
- Possibility of special assessment charges for unexpected repairs
- Like most communities, a condominium attracts individuals with a variety of personalities. It can sometimes be a challenge to reach a consensus
- Less space in some condominium units
- Possible restrictions on things like noise levels, parking, pets, smoking and even the style and colour of things like doors and window coverings.



Buying Condominiums

Looking at potential homes to buy can be an exciting experience. First, you need to figure out what you can afford and how much of a mortgage you'll need. Then, once you find a condominium that matches your financial and personal criteria, you'll want to ensure that it's well managed and in good physical, financial and legal condition.

Developers often put new condominiums up for sale before their construction has been completed or even begun. You may be selecting your unit from a floor plan. This has advantages — you may be able to ask for changes — and risks — the as-built result may differ from the plan or what you had envisioned and the completion date could be later than promised.

When considering a new condominium, you should have a close look at your unit's specifications and the building's plan and other governing documents to ensure that your unit is acceptable and that you're fully aware of regulations and the corporation's budget.

You'll want to find out from the developer what work must still be done on the project and check that your purchase agreement specifies a completion date and under what conditions the developer may change it. The developer should also be able to give you details about the property manager who will hold the key responsibility for the day-to-day running of the condominium.

How much will it cost?

It's important to know how much money you should set aside to purchase — and live in — the condominium you are considering.

Checklist for Buying a New Condominium

VERIFY THE UNIT FLOOR AREA

Verify the unit's floor area and boundaries and that your unit factor is reasonable.

MAKE CHANGES

Find out if you can have changes made to the placement of walls, windows and doors and what the costs would be.

MONTHLY FEE

Find out if your monthly condo fees are realistic, what they include, and when they're likely to increase.

Condominium Purchase and Recurring Costs- Don't Forget to Factor These Costs Into Your Budget:

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- Basic purchase price
- Unit sale price
- Upgrades (negotiable)*
- Development charges*
- Costs at closing
- Remainder of purchase price
- Legal fees and disbursements
- Adjustments
- Recurring Costs: Monthly condominium fees or common expenses
- Property taxes
- Amenity fees, such as storage, pool and extra
- parking, if not included in the common expenses
- Utilities (if not included in the common expenses)
- Telephone, cable and Internet access (if not included in the common expenses)
- A contingency for emergency repairs

Frequently Asked Questions

- Can I rent my condo? Many condominium buyers purchase their units as an investment and plan to rent them out.
- What do condo fees cover? Your monthly condo fees pay your portion of the cost to maintain and repair the common property.
- Where are my unit Boundaries? This will depend on your condominium. Sometimes, a unit boundary can be at the backside.





Looking to Buy Condominium?

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