

When the sky's not the limit

► Condo maintenance fees often start out as a nice way to avoid shovelling your front walkway
 ► So why do those fees suddenly skyrocket?



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Prospective condo buyers should know the skinny on maintenance fees.

One of the great allurements of condo living is that your time is freed from the mundane chores required with owning a house.

Such favourite activities as snow removal, lawn care, plant watering, window cleaning and vacuuming are performed by condo staff so that you don't have to.

And needless to say, all this has to be paid for.

All condos, in addition to mortgage payments, will charge monthly maintenance fees to cover operational costs.

Also called common area expenses, the fees cover your share of the maintenance, upkeep and management of the building's common areas.

The fees are calculated per square foot, so the bigger the condo, the higher the fees.

Up to half of the fees collected by the condo corporation will go towards utilities such as electricity, water and gas.

Another 10 per cent will be set aside in a reserve fund to cover large repairs such as roof replacement.

If the fees are quite high on an older building, it's likely that it may have undergone a major repair that depleted the reserve fund.

As buildings age, more things go wrong, so newer buildings tend to have lower fees than older buildings.

Expect maintenance fees to increase incrementally year over year.

It is by how much they increase, that you will want to keep an eye on.

Be weary of buying a condo because of its low fees.

Builders tend to set them artificially low during presales.

By the second and third year, condo boards will realize that they can't run the building for less than 50 cents per sq. ft., so your fees may double or triple unexpectedly.

If the fees go up that much, it may be time to move into a newer building with lower fees.

So what is a reasonable amount? Is between 50-60

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cents per sq. ft. about average in Toronto? Is 70 to 80 cents too high?

You must take into consideration what the fees include: a 24-hour concierge and security will increase costs.

Some condos have lavish amenities to pay for and others have scant few.

Some condo fees include all utilities, cable and internet and some don't.

The reality is that maintenance fees at most



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condo buildings in Toronto, whether they are loaded with amenities or not, tend to settle around 50-60 cents per square foot.