

# Florida condo owners footing bill for foreclosures

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The spate of foreclosures in Florida could make it even more expensive to live the beachfront condo lifestyle that the state is famous for.

Condo associations, which collect fees from residents for maintenance, repairs, management salaries and utilities, have been losing revenue as the numbers of speculator-driven foreclosures rise. It turns out that many condo owners who are struggling to pay their mortgages are also falling behind on association dues.

“Who’s getting hurt are the people who actually bought to live there,” said Eric Glazer, a real estate attorney practicing in Hallandale, Fla. “They have to make up for a shortfall. The building needs a certain amount to run.”

In some South Florida condo buildings, 40% of the units are in foreclosure, Glazer said

Florida had the third highest rate of foreclosures in October behind Nevada and California, according to a report released Nov. 29 by RealtyTrac Inc., a foreclosure listing service. Foreclosure filings nationwide jumped 2% from September and nearly doubled from a year ago. Florida’s rate of one foreclosure filing for every 273 households was twice the national average.

Many of the condo owners now facing foreclosure in Florida never actually moved in. Speculators bought units during the boom, hoping to flip them but instead got caught by the downturn.

Greg Ward, real estate litigation attorney in Fort Lauderdale, said homeowners associations are fighting in court to recover lost fees and special assessment payments. But mortgage lenders must be paid first before condo associations get a dime.

Jane F. Bolin, managing partner of Foundation Partner Services, a property management company, said condo associations are digging into savings to make up for the lost condo fees. But condo owners will likely be hit by larger than normal special assessments if a hurricane hits and expensive repairs are needed.

“The main issue right now is that it’s depleting the operating funds for the associations,” Bolin said. “They have to cover the cost of lawn care and maintenance. They have tight budgets and they’re having to foot the bill.”