

What Will It Be - Townhome or Condo?



And, What's the Difference Anyway?

Townhouses and **condominiums**, more frequently referred to as **townhomes** and **condos**, are rapidly becoming the first choice in housing for many people who would not have thought about this style of home in previous years. They offer a number of advantages for certain buyers and a wide range of prices - from entry level for first-time buyers to luxury models for more mature and affluent buyers.

While these the two terms are sometimes used interchangeably, they actually denote two unique types of housing:

Townhouse - a single-family dwelling unit constructed in a series or group of attached units with property lines separating such units.



Condominium - A Condominium or suite of rooms designed for dwelling most usually similar to an apartment. A condominium is usually owned and occupied by the same person, as differentiated from an apartment which is usually owned by one party (a landlord) and occupied by another (a tenant). Condominium actually refers to actual type of ownership (see below).

Townhomes are built as single- or multi-story units - each with at least one separate outside entrance. Condos are individual dwellings within a single building, often multi-story, with several adjoining each other, often with at least one entrance to each from a common hall or entry area.

With ownership, the condominium owner also shares tenancy with other units owners in the common areas, such as the driveways, parking, elevators, outside hallways, recreation, and landscapes areas that the homeowners association homeowners. A majority of states have adopted statutes to cover the issues that are involved with development, construction, management, and taxation of condominium projects.

When we talk about a **house**, we're usually referring to a free-standing, single-family residence. The main defining characteristic of a house, besides the fact that it is free-standing, is the extent of ownership responsibility assumed by the buyer. The owner of a house owns the building itself, as well as the land, and is responsible for all upkeep associated with those areas, including lawn and landscape maintenance, painting, repairs and real estate taxes.

A **townhouse** is like a house in that the owner owns both the structure and the land on which it sits; but it is not free-standing, so "the land on which it sits" is limited to the front and back yards. Townhouses are connected to one another in a row, and are usually two or three stories tall. It is important to note that **townhouse** refers to the **type of house** and not to the **type of ownership**. The ownership responsibility in a **townhouse (townhome)** is the same as for a **house**.

Like **townhouses**, **condominiums** are attached to one another. If you own a condo, you do not own the land surrounding your living space. A condo owner owns only the unit itself, which is taxed as an individual entity, and sometimes a percentage of the common areas of the community. It is important to note that **condominium (condo)** refers only to **type of ownership** and is NOT a **type of house**.

Many people - including some real estate professionals - are not aware of this distinction. The key is that people often mistake **type of house** with **type of ownership**.

Patio homes (sometimes called garden homes or detached townhomes) are freestanding houses as opposed to townhouses or condominiums. They are often placed in the townhome/condo category because they offer many of the same features as townhomes & condos - low or no maintenance and little or no yard work, and are on a very small lot. This type of dwelling may also be referred to as "**zero lot line**" because one or two sides are on or very close to the property lot line.

What's right for me - townhome, condo, patio home or what?

Townhomes & Condos vs. Single-family houses

<u>Advantages</u>	<u>Disadvantages</u>
<ul style="list-style-type: none">• Exterior maintenance costs may be less	<ul style="list-style-type: none">• There will be an Home Owners' association maintenance fee
<ul style="list-style-type: none">• Having attached homes may increase security. Many larger condominium bulidings have buildings staff.	<ul style="list-style-type: none">• You will give up privacy as compared with a single-family house
<ul style="list-style-type: none">• There may be amenities with the community (for example, pool, tennis courts, playground, etc.).	<ul style="list-style-type: none">• Your options for changing the exterior look of your dwelling will be limited.