

# "What Are Expandable Condominiums?"

An expandable condominium can be a condominium developer's best friend. They allow a developer the flexibility to hope for the best, but plan for the worst. In an expandable condominium, the developer will record its initial condominium over a legal parcel of land, but reserve the developer the right to add additional land to the condominium over time. Currently, the amount of time a developer can control this delayed development is ten (10) years, significantly greater than the three (3) year period afforded in a non-expandable condominium.

Planning an expandable condominium requires thoughtful consideration in advance. The overall idea is that the developer must put the initial unit owners on written notice of all that could become the condominium if fully developed. The developer must disclose the land which could become part of the condominium, the so-called "expansion lands;" the general development plan for the expansion lands, such as the approximate location of future units; the amenities which might be located on the expansion lands; and precisely how the unit owners percentage interest will change as all or portions of the expansion lands are brought into the condominium.

On a more practical note, future amenities can become problematic for developers who, for example, use marketing to promise a clubhouse in Phase II, but who don't or can't deliver on that promise, or for developers who didn't disclose clearly that a swimming pool would be part of Phase II and therefore, the operating budget would substantially increase when the swimming pool becomes part of the condominium. Careful planning at the initial stages of a condominium project can help developers take full advantage of the expandable condominium provisions in the condominium statute.

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