

Types of Home Ownership

What type of home ownership is right for me?

There are three broad categories of home ownership:

1. Freehold

The owner owns the house and the grounds. Freehold homes offer the most privacy and freedom of choice of any type of home. Homeowners are free to decorate and renovate as they please. They are also responsible for all the maintenance both indoors and out. Freehold is the most common type of home ownership.

2. Condominium

The homeowner owns the unit and shares in ownership of common elements. Condominiums are usually apartment buildings, but also include townhouse developments and developments of detached buildings on private roads.

The homeowner is responsible for the interior area of the unit (everything from the plaster in). The condominium association is responsible for the up-keep of the exterior of the building, common interior elements (halls, elevators and parking garages, for example) and the grounds. All condominium owners pay a monthly fee to the condominium association to cover maintenance costs and common utility fees and taxes. Condominiums often have strict rules regarding noise, use of common areas, and renovations to units. Condominium residents often enjoy less privacy than residents of detached homes. Condominiums are usually less expensive than freehold houses.

3. Co-operative

Co-operatives (or co-ops) are similar to condominiums but instead of owning your unit, you own a share in the entire building or complex. Co-op residents pay for maintenance and repairs through monthly fees and are subject to the rules and regulations of the co-op board. If you decide to sell your shares and move out, the co-op board has the right to reject your prospective buyer.