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Photo by Maxine Ustas

Among block after block of condo towers lining Collins Avenue in Miami Beach, some face inspections.

Aging condo towers facing finances-threatening inspections

By Marilyn Bowden

Condominiums built in the 1970s are coming up for comprehensive inspections under a state law requiring that their structural components and electrical systems be recertified after 40 years, and every 10 years thereafter, to ensure the safety of residents.

"This is a huge issue right now," said T.R. Beer, regional director of the Continental Group, a community association management firm.

"It's really a two-part process. First, an inspection needs to be performed, and then, if it's determined that there are components that need to be addressed, repairs need to be made within 180 days."

The process begins with a notice from the Building Department, said **Joshua Krut**, chair of the Community Association, Club & Resort Practice Group at the law firm **Weiss Serota Helfman et al.** "Then the association has to hire an engineer and architect to do the report, which gets sent back to the municipality and includes what needs to be done to make the structures safe."

The structural components that must be inspected, Mr. Beer said, include the foundation; any significant cracks in floor slabs, roofing systems and masonry bearing walls; and any bulging, sagging or cracking of steel framing systems, common problems in buildings near the ocean.

"They look to see if there's any spalling in the concrete framing," he said, "and also check the integrity of the windows whether they're fitting properly in the framing, if there's corrosion of metal fasteners or dry rot in the wood.

"In the electrical system, they check for fusions, proper grounding and whether everything is properly identified. They look at the conduit to make sure there is no deterioration or dents that could cause shorts, and see that the currents are not overloaded.

"The emergency lighting and the fire alarm system are real important. We're seeing a lot where there are older fire alarm systems whose components are not being manufactured anymore, so they need a whole new system a huge expense."

"Buildings with aging electrical systems could face expensive upgrades in order to be recertified," said Jacqueline Marzan, senior attorney at Jay Steven Levine Law Group, a full-service condominium law firm with four offices statewide, including one in Aventura.

In a time when association budgets are pinched due to foreclosures and delinquent fees, this can be particularly tough.

"Condominium associations facing these unforeseen expenses could borrow money and/or special assess their members, within the parameters of the law and the condominium's governing documents," Ms. Marzan said.

"In this economy, any additional expenses to members could potentially turn into a collections issue as well.

"Proper planning in anticipating expenses for recertification could alleviate economic pressures resulting from having to comply with the recertification process."

Even if the association has reserves to cover some kinds of repairs, Mr. Krut said, "A lot of them are not included. It's a dangerous situation because if you don't comply, you're looking at fines and penalties. And if the building is determined an unsafe structure, residents could have to leave the building. It could even be demolished.

"There's no way around it. It's a public safety issue."

Mr. Krut said that "a huge number of buildings" in Miami Dade and Broward are coming up for 40-year recertification in the next few years a number Mr. Beer said is swelled by the many conversions of older rental buildings to condominiums over the past decade.

"Associations need to make sure they're budgeted for it," Mr. Beer said, "especially since in many condos facing financial pressures, unit owners are voting to waive the reserves.

"Clearly this is something that needs to be approached through the board way in advance. A lot of associations are looking at where they can make cutbacks and curtailing relationships with attorneys, accountants and professional management.

"At Continental, we bring it to their attention and help with how they can get it done."

Mr. Krut said he advises associations to "please talk to your attorneys in year 37 and look at your contracts with your engineers, architects, contractors and subcontractors who are going to do the work, because it's a very complicated thing.

"The municipality is on the ball with this, and a lot of associations haven't had their reserves raised for years. It's an area where you can't be pennywise and pound-foolish. You have to hire the right professionals."