



# Benefits of Condominium Structure in Pennsylvania

The Pennsylvania Uniform Condominium Act (UCA) is a thorough and straightforward statute. Creating a condominium in Pennsylvania can be quick and efficient because there is no required Attorney General approval or state or local registration process.

## **Benefits of Creating a Condominium:**

- Each unit is a separate legal parcel and separate tax parcel without the need for legal subdivision.
- For Philadelphia projects, the Office of Property Assessment has confirmed that the predominant use in a mixed-use project will be determined for each individual condominium unit (rather than the project as a whole) for purposes of determining whether the unit is subject to the “residential property” tax abatement or the “non-residential” tax abatement.
- Development rights within a zoning lot can be allocated among units/unit owners within the Declaration.
- Each unit can be sold, leased, or financed separately.
- Condos may be “stacked,” if necessary. A master condominium may be created for an entire project, with sub-condominiums underneath.
- The Declaration will identify the Common Elements (facilities owned in common by the owners of units), which are maintained by the condo association. These will vary from project to project and can include any combination of private streets, walkways, parking areas, storm water systems, common utilities, common signage, common lighting, shared exterior spaces and similar amenities. Limited common elements are property features that are allocated for use by less than all of the units, and therefore the costs allocated with such features are not borne by all of the unit owners.
- The UCA permits the creation of a “flexible condominium,” which essentially allows the declarant to develop the condominium in phases. The “flexible” designation allows the condominium to be added to, converted, or withdrawn. The declarant has the unilateral right to do this, but the time in which the declarant has to develop additional units from convertible real estate or withdraw withdrawable real estate from the condominium is limited to a maximum of seven years from the date of recording of the declaration.

- The Declaration of condominium can include covenants and easements that would otherwise be found in a Covenants, Conditions, and Restrictions agreement or reciprocal easement agreement and can also include use restrictions and an architectural review process.
- The Declaration can specify any method of allocating voting interest in the condo association, as well as liability for common expenses. It does not have to be always by square footage, although that is typically the preferred method for voting. We will often include an exhibit detailing cost-sharing for certain common expenses if they are not to be shared by percentage interest.

## Contact

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