

WHO PAYS THE SPECIAL ASSESSMENT AT CLOSING

There is currently one Special Assessment in Huntington Lakes Section 4. Per the motion passed at the May 22, 2025 Board of Director's meeting "All owners of record as of June 30, 2025 are subject to the total assessment due, and it must be disclosed in any verbal discussions with prospective buyers and the owner ledger must show a zero balance before closing with a buyer. Huntington Lakes Section 4 requires a seller to pay any assessment due, in full, at closing."

General Information About Assessments:

With all the changes to condo buying, since the tragedy in Surfside, there's a lot of attention being paid to special assessments.

If you and your agent are not careful when you're filling out the paperwork when you're buying or selling a condo, it can really come back to bite you.

The contracts and addendums of the standard contract that realtors use in Florida mention special assessments in various places. However, one place tends to cause the most confusion.

That's Paragraph 3 of the condo rider, which is entitled Fees, Assessments, Prorations and Litigation.

It's broken down into four subsections. The third section, subsection C, covers special assessments and prorations.

A special assessment in short is a standalone charge above and beyond the normal monthly fees for the association usually for a one-time expense or potentially major item that was not properly budgeted for.

Let's take a look at 3C to make it easier to follow and therefore complete and understand.

So what exactly is supposed to go here?

This section is where sellers inform buyers about any special or other assessments that the association that's been levied or been an item on the agenda, or been reported in the minutes of the association within the last 12 months prior to the effective date of the contract.

It's important to note that this section covers levied and pending assessments.

Levied means an assessment that the association has charged or imposed. Pending is defined as any special assessment that has been an item on the agenda, or reported in the minutes of the association in the previous 12 months.

It's extremely important that before completing this section, sellers should verify their information directly with the association. While sellers may be aware of a levied assessment, they might not be up to date on a pending one. Many times condo owners don't attend the meetings as they're just not very involved, or maybe they don't live there full-time and they don't go to the meetings.

As you'll see later, skipping this step and not personally verifying the pending assessment with the association prior to completing the section in the addendum could come back to haunt the seller.

So let's move on to subsection 3C-2, which talks about who pays the assessments and if they're already levied or pending.

Many associations don't require owners to pay the assessment in full upfront, but instead they let the owners pay that assessment in installments. Sellers should definitely check with the association to verify this information.

Once a seller confirms that a levied or pending assessment may be paid in installments, this subsection clarifies who will pay those installments. Huntington Lakes Section 4 requires the seller to pay the entire assessment due, and have a zero ledger balance before closing, so check the correct box.

Remember when I mentioned that a failure on the part of the seller to verify levied or pending assessments could come back to bite them? Well, here are the teeth.

Subsection 3C-3 says that "If special assessments levied or pending exist as of the effective date, and have not been disclosed above by the seller, then seller shall pay such assessments in full at the time of closing."

Ignorance of the assessment is not a valid excuse.

The seller's failure to disclose levied or pending assessments existing as of the effective date results in the seller paying those undisclosed assessments in full at closing, and a buyer can sue to enforce that part of the contract, even if the seller doesn't want to pay that assessment because they weren't aware of it.

Sellers who fill out this paragraph without double checking with the association could end up with an extra very large unexpected cost.

But what happens if an assessment is imposed after the effective date?

If, after the effective date, the association imposes a special assessment for improvement, work, or services, which was not pending as of the effective date, then the seller shall pay all amounts due before the closing date, and buyer shall pay all amounts due after the closing date.

This section says that the imposed special assessment was not pending, meaning it was not on the agenda or reported in the minutes of the association in the previous 12 months, prior to the effective date.

If the special assessment being imposed after the effective date was pending, then it should have been disclosed in Subsection 3C-1.

This is why it's important for both the buyer and the seller to review the minutes of the Association meeting for the last 12 months.

As you can see, this addendum covers a lot of information and it's important that your agent, whether you're the buyer or the seller, know what they're doing when they're filling it out.

You might be surprised, maybe not, to find out how many agents have absolutely no idea what this addendum says.

Why sellers will gather this information before listing the condo so they can accurately complete this and other sections of the condo rider.

Whether you are buying or selling a condo in South Florida, it's extremely important to work with a professional that understands this contract and how to make sure everyone is informed and protected.