

# Types of Ownership

As you start your house hunt and begin to look at listings, you'll have to develop a new vocabulary. You'll encounter words and acronyms like "chattel", "estoppel" and "MLS". And when it comes to types of home ownership, the words look a bit more familiar, but the meaning is not so clear.

In Canadian real estate there are three broad categories of home ownership. The words "freehold", "co-operative" and "condominium" are the terms used to define an owner's rights and responsibilities with regards to the dwelling.

The differences lie in the freedom the owner has to renovate and decorate the property as well as rules that restrict certain behaviours. They can also define who is responsible for the various maintenance tasks on the premises.

These are the basic points you should know about the types of home ownership:

## Freehold ownership

- 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.
- The owner is also responsible for all the maintenance on the interior and the exterior of the house.

## Condominium ownership

- The homeowner owns the unit and shares ownership of common elements. Condos 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 condo 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 condo owners pay a monthly fee to the condominium association to cover maintenance costs and common utility fees and taxes.
- Condos 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.
- Condos are usually less expensive than freehold houses.

## Co-operative ownership

- Co-operatives (or co-ops) are similar to condos 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.