

Condo Fees vs HOA fees

<https://lamacchiapm.com/differences-between-a-condo-fee-an-hoa-fee/>

Condo Fees and HOA Fees are confusing to most people. Some of them don't know what these fees are, while others think they are the same thing. Because of this, we've created a guide to clear up this confusion. Keep reading and you'll learn about the differences between a condo fee & an HOA fee.

What is a condominium?

For understanding a condo fee, it's important to know what a condominium is. A *condominium, or shortly condo, is a private residence owned by an individual (or a family) in a building with multiple units. All condos in one building share common areas/units, such as a swimming pool, gym, yard, or a garage. Condo owners don't have to maintain their shared units.* Depending on the type of shared units that exist inside one building, condo owners will pay pool cleaners, landscapers, and other repairmen to maintain them. A lot of people choose to live in a condo because of different amenities.

Condo Fees

One of the [things you should know before buying a condo](#) is that **every condo owner must pay a condo fee**. Let's try to explain this in a simple way. *A condo fee is a monthly fee that has the purpose of covering the cost of maintenance, different repairs, and building security system.* Every year, a board of directors makes an estimate of total expenses for the condo. Then, the budgetary costs are split among condo owners and the payments are made on a monthly basis. These monthly payments are condo fees. Learning about the condo fee will help you understand the differences between a condo fee & an HOA fee.

What is an HOA?

HOA is an **acronym for Home Owners Association**. *This is an organization in a planned community that establishes and enforces rules for the properties which are within its jurisdiction. These rules are about how homeowners may maintain or use their property.* There are even rules about where homeowners may park their car! Even though these rules sound a little crazy, they exist because the main goal of an HOA is to protect and preserve the property in the planned community. *People who are moving to a community where HOA exists must become HOA members and pay fees on a monthly basis. All members must follow HOA rules* and ask for permission if they want to change the exterior of their home. However, HOA will reject any change that may affect the way their property looks. HOA doesn't allow homeowners to paint the exterior of their homes in different colors.

HOA Fees

Even though there are a lot of [hidden costs of owning a home](#), HOA fees aren't one of them. Every member of an HOA community needs to pay their HOA fees and there are no exceptions. *These fees are paid on a monthly basis and they cover the cost of maintaining and improving the properties that are within HOA's jurisdiction.* Therefore, homeowners are paying for the maintenance of common areas, exteriors, and shared structures.

The biggest differences between a Condo Fee & an HOA Fee

After learning what condo and HOA fees are, you're probably wondering whether there's a difference between a condo fee and an HOA fee or not. Most people would say that these two fees are actually the same thing. However, that's not true. Here are some of the most obvious differences between these two fees:

The extent of Ownership – Condo Associations vs. HOA

Let's talk a little bit more about HOAs and Condo Associations before we proceed to fees. One of the main differences between these two is the extent of ownership. *In a condominium, each member individually owns their unit but has joint ownership of the common areas.* This isn't the case when it comes to HOA. *Homeowners individually own their units, but the Home Owners Association is the one that owns the common areas.* Therefore, condo fees support maintaining the common property, while HOA fees support maintaining the property that's in another's holding.

The amount of the fees

When determining the amount of the fees, associations take into consideration the funds that will be enough for covering property expenses. **Condo fees are usually higher than HOA fees.** This is because all condo owners have to pay for the repairing of the whole condo building and common areas. On the other side, *homeowners maintain their own homes, so HOA fees don't cover the cost of maintaining other people's homes.* Thus, they're lower. You should take this into consideration [before you start packing your belongings](#) and before you become a member of Condo associations or HOA. Both Condo fees and HOA fees may vary significantly.

Assessments

In the HOA, every homeowner must pay an equal share of upkeep for their common areas. On the other hand, Condo Associations follow a different system that's not so precise or easy to understand. *In Condo Associations, monthly costs aren't always split evenly among condo owners.* There are some cases in which owners of larger units have larger ownership over common areas. Therefore, their condo fees are higher. Because of this, a lot of people choose to [downsize a home](#) and relocate to a smaller condo so they don't have to pay a higher condo fee.

Fees and fines

This is something that these two associations have in common. *Both Condo associations and the HOA have the power to set fines against their members, but the HOA has a stricter policy and uses fines more.* These fines may only be used if a member doesn't want to follow the association's strict rules. **Don't confuse fees and fines!** Fines are punitive measures used for encouraging the association's members to play by the book, while fees are used for maintaining the associations' property.

In order to find the best home for yourself and your family, it's very important to understand the differences between a condo fee and an HOA fee. Take into consideration all of the advantages and disadvantages of both fees before deciding whether you should go for a condo or HOA, or whether you should find another solution for your future home.