



News

Steven Cronig Discusses Challenges Presented by Condominium Terminations

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Hinshaw partner Steven Cronig discussed in the *Daily Business Review* challenges presented by condominium terminations in South Florida and considerations to avoid conflicts of interest in condominium bulk-buy situations. A rise in terminations could occur, as condos compete for engineers to fix construction problems and prices continue to rise.

Cronig noted that the tight real estate market in the state may make it difficult for condo owners to sell their property, since there few options for the sellers to buy after the sale. "Up until recently it's been a really tight real estate market, and you might not be able to replace your 10th-floor waterfront condominium with a similar 10th-floor waterfront condo because all of the older buildings have been replaced with new high-rise buildings," said Cronig. "But most of the time, these unit owners have agreed to the price they sell for."

Cronig said that in cases where unit owners do not want to sell, a bulk buyer will often offer more for the property than what the owner can get on the open market. He added:

If you have an offer for all of the condominium units, then those board members have a fiduciary duty to reach the best terms possible on behalf of their owners. It's very important that no board member has a relationship with the bulk buyer coming in. They can't get more than what everyone else would get. That would certainly be a conflict of interest and probably be actionable by the owners.

[Read the full article](#) (*subscription required*)

"Is the Condo Model Failing? South Florida's Future Involves Terminations, Distressed Properties" was published by *Daily Business Review* on November 18, 2022.

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