



CHICAGO TITLE

UNDERSTANDING CONDOMINIUM AND PUD OWNERSHIP

The two most common forms of common interest developments in California are Condominiums and Planned Unit Developments, often referred to as PUDs. The essential characteristics shared by these two forms of ownership are:

1. *Common ownership of private residential property;*
2. *Mandatory membership of all owners in an association which controls use of the common property;*
3. *Governing documents (commonly known as CC&R's) which establish the procedures for governing the association, the rules which the owners must follow in the use of their individual lots or units as well as the common properties; and*
4. *A means by which owners are assessed to finance the operation of the association and maintenance of the common properties.*

It may be helpful to clarify a common misconception about Condominiums and PUDs. *The terms Condominium and PUD refer to types of interests in land, not to physical styles of dwellings.* Therefore, when homebuyers say that they are buying a townhouse, that is not the same as saying that they are buying a Condominium. When homebuyers say that they are buying a unit in a PUD, they are not necessarily buying a single-family detached home. Though the townhouse is the most common style of structure found in common interest developments in California, a townhouse might legally be a Condominium, a unit or lot in a Planned Unit Development, or a single-family detached residence. The terms Condominium or PUD will say a great deal about the ownership rights the buyer will receive in the unit and the interest they will acquire in the common properties or common areas of the development.



Condominium owners own a fractional or percentage interest in common with all other owners in the condominium project, in all common areas. PUD owners receive rights and easements to use of common areas through their membership in a homeowner's association, which typically owns and controls the common areas. Some PUD projects, however, provide that the individual homeowners will own a fractional interest in the

common areas. A homeowner's association will have the right to regulate the use of the common areas and to assess for purposes of maintaining the common areas. Check your governing CC&R's and association Bylaws to insure that you understand your rights to use of your unit and common areas.

The owner(s) of a unit within a typical Condominium project owns 100% of the unit, *as defined by a recorded Condominium Plan.* As well, they will own a fractional or percentage interest in all common areas of the Condominium project.

The owner(s) of a lot within a PUD own the lot which has been conveyed to them-as shown in the recorded Tract Map or Parcel Map - and the structure and improvements thereon. In addition, they receive rights and easements to use in common areas owned by another - frequently a homeowner's association - of which the individual lot owners are members.

The information provided in this flyer is intended to provide a brief overview and should not be considered legal advice. Should you have further questions or seek more extensive information about Condominium and PUD ownership, consult a real property attorney or a licensed real estate agent or broker.



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