

Understanding Condominium Milestone Inspections in Florida: A Guide for Realtors

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In the aftermath of the tragic Surfside condominium collapse in 2021, Florida lawmakers took decisive steps to address building safety across the state, especially within the condominium sector. As part of this legislative initiative, Florida now mandates *Milestone Inspections* for certain condominiums, aiming to ensure the structural integrity of aging buildings. For Realtors, these inspections hold critical implications for property transactions, client counseling, and compliance. Understanding these requirements can be invaluable in providing customers with accurate information and guiding them through Florida's evolving regulatory landscape.

What are Condominium Milestone Inspections?

Under Florida law, Milestone Inspections are comprehensive structural evaluations required for certain condominiums and cooperative buildings. These inspections are designed to assess the safety and integrity of a building's structural elements and to identify any significant repair needs before they pose a danger to occupants. A summary report detailing their findings then gets generated by the inspectors and sent to the condominium association who then must distribute to the unit owners.

Milestone Inspections are carried out in two main phases:

1. Phase 1 Inspection - This initial visual inspection is conducted by a licensed architect or engineer to identify visible signs of deterioration or structural issues. If no major concerns are noted, further action may not be required at this stage.
2. Phase 2 Inspection – If issues are detected in Phase 1, a more thorough investigation is conducted, potentially involving materials testing and additional assessments to understand the extent of any structural damage.

When are Condominium Milestone Inspections Required?

Florida law mandates that buildings reaching specific ages undergo these inspections:

Buildings 30 years or older must undergo a Milestone Inspection. However, in coastal areas, this age threshold is lowered to 25 years due to the increased impact of corrosive salt air on building materials.

After the initial inspection, buildings must be re-inspected every 10 years to maintain safety compliance. This requirement applies to buildings that are three stories or taller, which commonly includes many condominium and cooperative properties.

The Role of Realtors in Navigating Milestone Inspections

For real estate professionals, the Milestone Inspection requirement introduces new considerations when assisting buyers and sellers in the sale or purchase of condominium properties. Realtors now play an essential role in educating their customers on the inspection requirements and what they may mean for the transaction process.

Key Considerations for Realtors:

1. Disclosure Obligations

Realtors have a duty to disclose pertinent information about a property's condition and any required inspections to potential buyers. If a property requires an upcoming Milestone Inspection, or if one has been recently conducted, Realtors should ensure customers are informed and Buyers need to receive a copy of this report more than three (3) days prior to execution of the contract. Similarly, if structural deficiencies are discovered, these issues should be disclosed as they can affect both the safety and financial implications of the purchase. There is a new Addendum to Sales Contract Condominium that must be included in all sales contracts or else the contract can become voidable. This addendum makes it simple to put customers on notice of this inspection as it has two questions. Is the Association required to have this inspection done, and if so, have they done so - these options being checked off as appropriate.

2. Assessing Financial Implications

Significant structural repairs following a Milestone Inspection may result in increased assessments for current condominium owners, which may affect potential buyers. Realtors should advise customers to review Association minutes, budgets, and any relevant financial disclosures to understand any potential special assessments or maintenance fees related to required repairs. Buyers who may face higher fees due to imminent repairs should be made aware, as these costs can influence the decision to purchase.

3. Guiding Buyers and Sellers

Realtors representing sellers should advise customers on the advantages of completing necessary inspections and addressing structural issues before listing the property. For buyers, understanding the inspection timeline can be essential in estimating future costs or determining the building's long-term upkeep.

4. Staying Informed on Milestone Requirements

Florida's condominium inspection laws are relatively new and may continue to evolve. Realtors should regularly review updates to the law or guidance from the Florida Real Estate Commission to ensure they remain well-informed and provide accurate information to customers.

5. Working with Qualified Professionals

Given the technical nature of structural assessments, partnering with trusted architects and engineers can be valuable for customers who may need advice or further evaluation. Realtors can also facilitate open communication between buyers and condominium associations to clarify any concerns about the inspection process and repair obligations.

Potential Challenges and Realtor Solutions

While the Milestone Inspection law is a step forward for safety, it may also present challenges. Buildings with structural concerns can face delays in sales, as buyers may hesitate to invest in properties requiring substantial repairs. In these cases, Realtors should focus on transparent communication, providing buyers with inspection reports, and outlining any upcoming repairs to instill buyer confidence.

It is important that Realtors make sure that Buyers acknowledge and sign the Addendum or else the contract can become voidable. Once the Buyer receives a current copy of the Milestone Inspection report, they have three (3) days to provide written notice of their intention to cancel the contract.

Furthermore, Realtors might encounter challenges in transactions involving buildings where Milestone Inspections or repairs are pending. In such cases, educating buyers about the inspection timeline, the anticipated scope of repairs, and the potential financial impacts can help manage expectations and ensure a smoother transaction process.

Final Thoughts: A Safer Market for All

The Milestone Inspection requirement enhances safety for Florida condominium residents and reflects a significant shift in building oversight. For Realtors, adapting to these regulations is essential for ensuring compliance, protecting customers, and fostering a secure and transparent marketplace. By understanding these laws and guiding customers through the intricacies of inspections, real estate professionals can contribute to a safer, more resilient housing market in Florida.