FREE CHECKLIST · 2026 EDITION

Florida Condo Red Flags Checklist

What to read in the association documents before your 7-day review window closes.

- ☐ Milestone inspections and SIRS reserves explained
- ☐ Special assessments, budget and insurance warning signs
- ☐ What to search for in board minutes
- ☐ Litigation and lender warrantability
- ☐ Questions to ask the association, ready to send



Dan Marusin
Florida real estate agent · English and Russian
LoKation Real Estate · FL Sales Associate SL3542968
(754) 203-9632 · info@danmarusinhomes.com · danmarusinhomes.com

Information current as of October 2026. Laws, rates and insurance rules change; confirm before you rely on them.

01

Why Florida condos need a different review

When you buy a condo, you buy a share of the building's problems along with the unit. After the 2021 Surfside collapse, Florida rewrote its condo law. Older buildings now have to inspect their structure, study their reserves and actually fund them. The bills for that work go to the owners, including the one who closed last month.

The unit can look perfect and still come with a large special assessment a few months after closing. The way to avoid that is to read the association's documents before your cancellation right runs out. This checklist tells you what to look for and which answers should make you stop.

This isn't legal or tax advice. If the documents show litigation, a large assessment or a dispute over who pays for repairs, have a Florida real estate attorney review them before the deadline.

02

Use the 7-day window properly

Since July 1, 2025, a buyer of a resale condo can cancel within 7 days after receiving the association documents, not counting weekends and legal holidays. The right ends at closing. For new construction from a developer, the buyer can cancel within 15 days of signing or receiving the documents, and deposits up to 10% are held in escrow.

Seven business days goes fast. The clock starts when you receive the documents, so ask for them as early as possible, ideally before the offer.

THE DOCUMENTS TO COLLECT

- [ ] Declaration of condominium and amendments
- [ ] Articles of incorporation and bylaws
- [ ] Rules and regulations
- [ ] Current annual budget
- [ ] Most recent year-end financial statement or report
- [ ] Structural Integrity Reserve Study (SIRS)
- [ ] Milestone inspection report or summary
- [ ] Frequently Asked Questions and Answers sheet
- [ ] Board meeting minutes, last 12–24 months
- [ ] Master insurance policy declarations page
- [ ] Any notice of special assessment
- [ ] Estoppel certificate (later, from the title company)

03

Red flag 1: the milestone inspection

Condo buildings of three or more habitable stories need a milestone inspection by December 31 of the year the building turns 30 (or 25, if the local building official requires it), then every 10 years. Phase one is a visual inspection by a licensed engineer or architect. If it finds substantial structural deterioration, a more detailed phase two follows, along with required repairs.

- [ ] Has the inspection been done? If the building is past its deadline and it hasn't, ask why.
- [ ] Did it stop at phase one, or did it go to phase two?
- [ ] What repairs were required, what do they cost, and what is the deadline to start them?
- [ ] How is the work being paid for: reserves, a special assessment or a loan?

> **STOP AND ASK**
>
> A phase two report with repairs that have no funding plan. Concrete spalling, rebar corrosion or balcony work described as "deferred". Required repairs that the board hasn't started.

04

Red flag 2: the SIRS and the reserves

The Structural Integrity Reserve Study covers the roof, structure, fireproofing, plumbing, electrical, waterproofing, windows and exterior doors, and other items whose failure would threaten the building. It's required every 10 years for buildings of three or more stories. It estimates how long each item will last, what replacing it will cost, and how much the association must set aside each year.

For budgets adopted on or after December 31, 2024, owners can no longer vote to waive or reduce these reserves. Buildings that skipped reserves for years now have to catch up, which is why fees in many older buildings jumped. A 2025 law lets owner-controlled associations use a line of credit or a loan to pay for SIRS work. The loan still has to be repaid by the owners.

- [ ] Is there a completed SIRS? What year?
- [ ] Does the current budget fund the SIRS amount in full?
- [ ] Does the study show big items (roof, windows, concrete) due in the next five years?
- [ ] Has the association borrowed or opened a line of credit? What does it cost each owner, and for how long?

05

Red flag 3: special assessments

A special assessment is a charge on top of the regular fees, usually for repairs or a reserve shortfall. It can be paid in a lump sum or in installments over years.

- [ ] Is any special assessment already approved? Amount for this unit, and the payment schedule?
- [ ] Is one being discussed? Look in the minutes for proposed amounts and votes.
- [ ] Your contract decides who pays assessments approved before closing. Read that clause, and confirm the amounts on the estoppel certificate.
- [ ] If the seller is paying installments, will the remaining installments transfer to you?

06

Red flag 4: building insurance

The association insures the building under a master policy. In Florida that is often one of the largest budget lines, and it changes at every renewal.

- [ ] Does the master policy include wind (hurricane) coverage? Who is the insurer?
- [ ] What is the hurricane deductible? A large deductible means a large assessment after a storm.
- [ ] Is the building insured to its full replacement value?
- [ ] Does the building have flood coverage? Many coastal buildings do.
- [ ] When does the policy renew, and how much did the premium change last time?

You'll need your own HO-6 policy for the interior, your belongings and liability. Ask for loss assessment coverage too: it helps pay your share of an assessment after an insured loss.

07

Red flag 5: the budget

The budget shows how the building is run. Read it next to last year's budget and the year-end financial statement.

- [ ] Insurance line: how much did it grow, and is the new premium already in the budget?
- [ ] Reserve line: does it match the SIRS?
- [ ] Delinquencies: how many owners are behind on fees, and by how much? High delinquency means the other owners cover the gap.
- [ ] Operating deficit: did the association spend more than it collected last year?
- [ ] Fees: what do they include (water, cable, internet, building insurance, amenities)?
- [ ] Does the financial statement match the budget, and was it reviewed or audited?

08

Red flag 6: what the minutes say

Board minutes are where problems show up first, often a year before an assessment. Read the last 12 to 24 months and search for these words:

- [ ] assessment
- [ ] engineer, structural
- [ ] concrete, spalling, rebar
- [ ] roof, leak, water intrusion
- [ ] loan, line of credit
- [ ] insurance renewal, deductible
- [ ] attorney, lawsuit, settlement
- [ ] elevator, fire safety, garage
- [ ] windows, balcony, railings
- [ ] delinquent, foreclosure

Also note how meetings go: repeated postponements of repair votes, board members resigning, or a change of management company in a hurry.

09

Red flag 7: litigation

Lawsuits can involve the association as plaintiff (for example, against a builder over defects) or as defendant (for example, an injury claim or a dispute with owners). Either kind can affect your costs and your financing.

- [ ] Is the association a party to any lawsuit? What is it about, and what is the amount?
- [ ] Is insurance defending the claim?
- [ ] Is there a construction defect claim? Lenders often treat that as a reason not to lend in the building.

10

Red flag 8: lender warrantability

If you're financing, the lender reviews the building, not only you. It sends a condo questionnaire to the association. A building that fails the lender's standards is called non-warrantable. Common reasons include critical repairs that aren't done, active litigation, weak reserves, too many owners behind on fees, or one entity owning a large share of the units.

- [ ] Ask your lender to check the building as soon as you have a contract, before paying for inspections.
- [ ] If it's non-warrantable, ask what that means for your down payment and rate, and whether a portfolio lender will finance it.
- [ ] Remember that the same problem will affect your buyer when you sell.

11

Red flag 9: rules and the unit itself

- [ ] Buyer approval: does the association approve buyers? How long does it take, what does it cost, and is there an interview?
- [ ] Pets: number, size and breed limits.

- [ ] Age rules if the building is 55+.
- [ ] Who is responsible for windows, sliding doors and impact glass, the unit owner or the association? Replacing them is expensive.
- [ ] Who maintains the AC unit, the water heater and pipes inside the walls? Check the age of the water heater and AC.
- [ ] Any water damage history, from your unit or the one above?
- [ ] Parking spaces and storage: assigned, deeded or limited common element?

12

Questions to send the association or manager

Copy these into an email to the property manager as soon as your offer is accepted. Ask for written answers.

- [ ] What are the current monthly fees for this unit, and what do they include?
- [ ] Are any fee increases planned for the next budget?
- [ ] Are there any approved or proposed special assessments? Amounts and schedule?
- [ ] Has the milestone inspection been completed? Was phase two required? Can you send the report?
- [ ] Has a SIRS been completed? Is it fully funded in the current budget?
- [ ] Does the association have any loans or lines of credit? Terms and balance?
- [ ] Who insures the building? Hurricane deductible? Renewal date and last premium change?
- [ ] How many units are more than 60 days behind on fees?
- [ ] Is the association involved in any lawsuit?
- [ ] Are any major projects planned in the next three years (roof, concrete, windows, elevators)?
- [ ] What is the buyer approval process, timeline and fee?
- [ ] What are the estoppel, transfer and capital contribution fees?
- [ ] Who is responsible for windows, doors and plumbing inside the unit?
- [ ] Has this unit had any water damage claims or violations?
- [ ] Has the building had any recent insurance claims?



Dan Marusin · LoKation Real Estate · FL Sales Associate SL3542968
I request the condo documents early, read the budget, SIRS, milestone report and minutes with you, and tell you plainly what I see before your window closes. English and Russian.
(754) 203-9632 (call, text, WhatsApp) · info@danmarusinhomes.com · danmarusinhomes.com