



# Who is Responsible for What in Your Condominium Community

## Sorting out who is responsible for what in a condo association

“My condo got flooded!” is often a panicked call made to the Hawaii Real Estate Branch by an owner, asking what they should do about water leaking into their unit. From the range of inquiries, it appears that owners oftentimes do not know who is responsible for what in their condo project.

A condo project can be a complex organization with various employees, vendors and agents who help manage and run the property.

### Association Board of Directors

Owners elect a volunteer board to handle the business of the association and governance. The business of the board is to provide for the needs of the entire association and preserve, protect and enhance the community. Concerns regarding these areas should be addressed to the board, preferably in writing.

### Condominium Managing Agent

Condominium managing agents (CMA) are third-party licensed real estate brokers or authorized trust corporations contracted by the association to perform certain tasks for the association. The management company takes directions from the board. These tasks range from simple accounting to complete management. Typical responsibilities include overseeing repairs and projects, finances and accounting, and insurance and registration renewals. Owners should check with their boards to see what services their association has contracted the CMA for and contact

the CMA regarding such services. Owners may request copies and examination of the contract pursuant to §514B-154(b), HRS.

CMAs assign an employee to be the liaison between the management company and the board. This is generally the person who is present during

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board and regular meetings. Common titles for this employee are “account executive,” “management executive,” “community manager” or “property manager.”

There is no requirement that an association hire a third-party CMA. Many associations self-manage.

### Resident/On-Site Manager

Resident or on-site managers can either be an employee of the association or CMA. Typically, they are on-site workers, physically maintaining common elements and conducting day-to-day non-board operations.

### Attorney/Experts

Associations may retain an attorney for legal questions, concerns and litigation. The attorney works for the association, not for individual owners, and thus takes direction from the board. Associations also may retain other experts such as engineers, security specialists

and contractors who likewise take direction from the board.

### Insurance Agent

Condominiums of certain sizes are generally required to have insurance. The board is also granted the power under chapter 514B, HRS, to buy home-

owners’ insurance and charge owners who neglect to purchase their own. A private insurance agent is the point of contact for the insurance contracts that cover the association, directors and officers, and any individual home insurance policy purchased on behalf of owners.

### So what to do about the water leak?

Be proactive and call a plumber. Then contact the site manager, CMA liaison, if there is one, and the board. Then contact the insurance agents for the unit that is leaking, your unit and the association.

Who pays for what depends upon the governing documents, board policy (§515B-143(d), HRS), and insurance contracts. ♦

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