

Differences Among Co-op, Condo, Rental and Single Family

	Market Rate	Limited Equity	Condo	Rental	Single Family
Ownership	Member/residents are the sole owners through a corporation which in turn owns the land and buildings. Each member has the exclusive right to occupy a particular dwelling unit in perpetuity.	Member/residents are the sole owners through a corporation which in turn owns the land and buildings. Each member has the exclusive right to occupy a particular dwelling unit in perpetuity.	Unit owners take title to the air space to the back of the paint on the walls of a particular dwelling unit plus an undivided interest in the common elements (the land and buildings).	The landlord owns the land and buildings. Each tenant has the exclusive right to occupy a particular dwelling unit during the term of the lease.	Owners take title to the land and building directly.
Monthly Costs	Members pay monthly carrying charges to the cooperative—a pro-rata share of actual operating costs, blanket debt principal and interest, property taxes, insurance and reserves. Members with share loans make individual principal and interest payments directly to the share lender.	Members pay monthly carrying charges to the cooperative—a pro-rata share of actual operating costs, blanket debt principal and interest, property taxes, insurance and reserves. Share loans, if any, are small and may be serviced by the cooperative. Members with share loans make individual principal and interest payments.	Unit owners pay monthly fees to the condo association—a pro-rata share of actual operating costs, reserves and insurance. Unit owners with mortgages make principal and interest payments directly to the lender. Unit owners make their own property tax payments.	Tenants pay the rent specified in the lease, which includes the landlord's profit margin. Owners with mortgages make principal and interest payments directly to the lender.	Owners make their own property tax and insurance payments through monthly mortgage escrow payments or directly to the insurance company and local government.
Maintenance and Repairs	Cooperative is responsible for exterior maintenance. Cooperatives can choose how they allocate responsibility for dwelling unit maintenance and repair between individual member and cooperative as a whole.	Cooperative is responsible for exterior maintenance. Cooperatives can choose how they allocate responsibility for dwelling unit maintenance and repair between individual member and cooperative as a whole. Many limited equity cooperatives assume most or all responsibility for unit maintenance and repair, in order to balance and reduce costs to members.	Condominium association is responsible for exterior maintenance. Individual unit owner is responsible for all dwelling unit maintenance and repair.	Landlord is responsible for all maintenance and repair.	Owner is responsible for all maintenance and repair.
Purchase Price	Purchaser pays market price for shares or membership. Pro-rata share of cooperative's blanket loan remains in place. Purchaser assumes seller's obligations under occupancy agreement. Few closing costs.	Purchaser pays low price for shares or membership. Pro-rata share of cooperative's blanket loan remains in place. Purchaser assumes seller's obligations under occupancy agreement. Few or no closing costs.	Purchaser pays market price for condominium unit. Purchaser becomes obligated to pay monthly condo fees. Closing costs include title insurance, tax proration, etc.	Tenant typically pays first and last month's rent plus security deposit.	Purchaser pays market price. Closing costs include title insurance, tax proration, etc.
Financial Liability	Members have no personal liability on cooperative's blanket loan. Members are obligated under occupancy agreement to make monthly carrying charge payments to the cooperative. Members with share loans (if any) are personally liable to their share lenders for the amount of the loan.	Members have no personal liability on cooperative's blanket loan. Members are obligated under occupancy agreements to make monthly carrying charge payments to the cooperative. Members with share loans (if any) are personally liable to their share lenders for the amount of the loan.	Unit owners are obligated to pay monthly condo fees to the condominium association. Unit owners with mortgages are personally liable to their lenders for the amount of the loan.	Tenants are obligated under their leases to pay monthly rent to the end of the lease term.	Owners with mortgages are personally liable to their lenders for the amount of the loan.

Community Control	Cooperative has right to approve all potential members and can terminate membership and evict residents who violate occupancy agreement. Members democratically govern the cooperative and elect board of directors to oversee operations.	Cooperative has right to approve all potential members and can terminate membership and evict residents who violate occupancy agreement. Members democratically govern the cooperative and elect board of directors to oversee operations.	Condominium association has little or no control over sale of units or behavior of unit owners. Unit owners democratically govern the condominium association and elect board of directors to oversee operations.	Tenants have no voice in who moves in and no control over behavior of other residents.	Owners have no control over who moves into neighborhood and no control over behavior of neighbors.
Facility Rehabilitation	Three methods available to finance cooperative improvements: 1. Assessment of individual members for pro-rata share of the total cost. 2. Establishment and funding of replacement reserves. 3. New long-term blanket financing.	Three methods available to finance cooperative improvements: 1. Assessment of individual members for pro-rata share of total cost. 2. Establishment and funding of replacement reserves. 3. New long-term blanket financing.	Two methods are available to finance improvements of the common elements: 1. Assessment of individual unit owners for their pro-rata share of the total cost. 2. Establishment and funding of replacement reserves.	The landlord decides when and if rehab, replacements, or improvements are to be done.	Owner is individually responsible for all rehab, replacements, and improvements.
Property Management	Cooperative members democratically elect board of directors, which hires and oversees property management firm and/or employees.	Cooperative members democratically elect board of directors, which hires and oversees property management firm and/or employees.	Unit owners democratically elect board of directors, which hires and oversees property management firm and/or employees.	The landlord hires and oversees property management firm and/or employees.	Owner is individually responsible for all aspects of property
Tax Benefits	Cooperative members enjoy all of the income tax benefits of homeownership. In most states, cooperatives and their members receive whatever property tax benefits are available to other homeowners.	Unless the cooperative has given them up in exchange for tax-exempt financing, cooperative members enjoy all of the income tax benefits of homeownership. In most states, cooperatives and their members receive whatever property tax benefits are available to other homeowners. In some states, there are additional property tax benefits or savings due to the limitation of resale prices.	Condominium unit owners enjoy all of the income tax benefits of homeownership. In most states, condominium unit owners receive whatever property tax benefits are available to other homeowners.	Tenants receive no income tax benefits associated with homeownership. In most states, rental properties incur higher property taxes than owner-occupied housing. The higher taxes are passed through to tenants as part of their rent.	Owners receive all of the income tax benefits associated with homeownership. In many states, homeowners receive some property tax benefits in the form of lower assessments or lower tax rates.
Home Equity	Cooperative members build equity as the value of their cooperative interest increases and as their share loan is paid down.	Growth in equity is limited through a limitation of resale prices. Generally, a formula is used to determine the portion the selling member will receive of the increase in value of the cooperative interest and the pay-down of the cooperative mortgage.	Unit owners build equity as the value of their unit increases and as the mortgage is paid down.	Any increase in value belongs to the landlord and reflects itself in increased rents.	Owners build equity as the value of the home increases and as the mortgage is paid down.