

Cooperative Ownership within Hampshire Gardens vs Condominium Ownership

Hampshire Gardens is comprised of 12 Building Cooperatives, which house 236 one and two bedroom units, within 2 story buildings. It is, therefore, a Cooperative form of ownership, and not a condominium form of ownership.

Within a Cooperative, the owners do not have title to a specific residential unit, but rather the building where they reside is a Corporation, and each of the residents owns stock in the corporation. In Hampshire Gardens, the shares of stock are based on whether the unit is a one bedroom or two bedroom unit, where a resident of a one bedroom unit owns 34.5 shares of stock, and the resident of a two bedroom unit owns 47.5 shares of stock.

Although the day to day living in a cooperative may not appear to have significant differences from living in a condominium, important distinctions are noted as follows:

- In a condominium, the owners own their specific unit, while in a cooperative no one owns a specific unit but rather owns shares of stock in the corporation.
- Selling and buying a condominium results in title to the unit being transferred from the buyer to the seller, whereas in a cooperative the transaction results in the ownership of stock being transferred from the seller to the buyer.
- The selling of stock within the corporation consists of a prospective buyer showing interest in residing in a specific unit, and agreeing on a price to purchase the right to live in that unit. After paying the prior resident that price, the prior resident's stock ownership is transferred to the purchaser/ new resident, and the new resident has an exclusive perpetual lease to live in the unit where the seller of the stock had lived. Basically, although the selling and buying from the outside looking in appears the same as with a condominium, again the transaction results in transfer of stock ownership versus transferring title to a specific unit.
- As a corporation incorporated in Florida, Hampshire Gardens is regulated by the applicable state statute (number 719); condominiums are regulated by state statute 718. Also, each of the 12 building corporations within Hampshire Gardens has its own elected Board of Directors, consisting (at a minimum) of a President, Treasurer, and Secretary, where these board members are stock holders in their corporation and are elected by the stock holders of their corporation.
- Although one can be represented by an attorney when buying into a cooperative, the transferring of stock process is rather straight forward and most people elect to not be represented by an attorney (thus saving money).

- When buying into Hampshire Gardens, one can not get a mortgage on the Hampshire Gardens property; rather, one needs to obtain the funds via other means (e.g., from savings, or from a home equity mortgage on another owned property, etc).
- The exteriors of the buildings, and the common property (e.g., the heated pool, the clubhouse, and the grounds), are maintained by a separate corporate entity, called Hampshire Gardens, Inc. (HGI), which consists of a Board of Directors each of whom must be stock holders within one of the twelve building corporations, and must be elected through an election involving all 236 stockholders of Hampshire Gardens.
- The equity owners of HGI (which includes the common properties) are the 12 building corporations.
- HGI functions as a management company, which enters into and executes contracts for maintenance of the over-all facility (e.g., landscaping, pool repairs, building exteriors such as the roofs, etc).
- A Presidents' Council (consisting of the 12 building corporations' presidents) reviews and must approve an annual budget (which is formulated and presented to them by HGI, aka, the Management Company). The Presidents' Council must also approve "Special Projects" (which are in essence capital projects such as replacement of roofs, painting of buildings, replacement of railings, etc). These projects are also formulated and presented to the Presidents' Council by HGI. In many ways, the over-all functioning is similar to an on-going business corporation where the Presidents' Council is analogous to the business corporation's Board of Directors, and HGI is analogous to a company President and his staff.
- Hampshire Gardens does not allow for the renting of a unit.
- Many residents of Hampshire Gardens are part time residents, with most choosing to reside here in the winter months. And, although renting is not allowed, the inability to collect rent is off-set to a large extent by the fact that the costs of running Hampshire Gardens is quite low compared to other housing complexes. Its ability to minimize costs is due largely to (a) not having a separate management company, but rather relying on volunteers from the community to serve on the HGI Board, plus (b) having an all volunteer "Monday Morning Work Crew", which does minor repairs such as painting of pool areas, etc.
- In summary, and as the name "Cooperative" implies, living within Hampshire Gardens is to live within a community that fosters working together for the benefit of all.