



ALTUS LEGAL LLC
CONDO AND HOA LAW

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Implications of the Champlain Towers South Tragedy for Chicago High-Rise Condominiums

Chicago is known for its high-rise condominium buildings throughout the city. Understandably, the devastating news of the Champlain Towers South Building collapse has many of those building occupants seeking assurance that their boards and managers are taking the proper action to protect them from a similar tragedy.

Altus Legal attorney [Kris Kasten](#) was recently interviewed on Chicago's WTTW PBS news station (link [here](#)) regarding the legal implications of the Champlain collapse on Chicago's high-rise community. Altus Legal attorney [Nicholas Bartzen](#) was also recently interviewed on WGN's "Karen Conti" program related to same (link [here](#)). Both interviews provide valuable information to condo boards and residents.

Below are the three (3) main issues we are addressing with our clients regarding the Champlain tragedy:

1. **Proactive/Reactive Measures** – First, the Champlain tragedy provides stark evidence of a board's need to be both *proactive* and *reactive* regarding its association's capital infrastructure needs. Performing reserve studies with professionals, understanding the life-span and repair needs of a building's infrastructure and mechanicals, and obtaining independent third-party reports from engineers and architects are key proactive steps to a board performing its duty. But the job does not stop with *proactive* duties – a board must also be *reactive* and actually follow through with the recommendations to implement the repairs. That means setting aside the proper amount in reserves, adopting special assessments, and borrowing funds to see to it that the building is properly maintained.

No board member enjoys demanding money from his/her neighbors (indeed, no board member enjoys increasing his/her own common expense payments to an association). But owning a condo is, in some ways, no different from owning any other type of home. Buildings require constant maintenance, and maintenance costs money. Boards who "kick the can" down the road, not wanting to make the unpopular decision to assess more against owners, are putting themselves, their neighbors, and their association's property in danger.

Another proactive measure a board should consider is communication to residents. Tell the owners what the board has done, what it is doing, and what it plans to do. Such communication not only allays resident concerns that the board is properly performing its role but also provides the opportunity for a board "internal audit" of its actions to clearly see where it needs to take action to protect the association's occupants and assets.

2. **Legal Liability** – The lawsuits related to the Champlain collapse will likely last years. Lawsuits against the board members, the association, third-party engineers, and the municipality will all be considered before this is all over. As far as our clients are concerned, protecting the association is key, and the way to protect the liability of the association (and its board members) is to take the proper proactive and reactive steps to protect the association. However, hiring out and paying for the reports by engineers and reserve study experts will only offer so much protection. Such reports are useless if the board throws those reports in a drawer and takes no action to implement the recommendations. Such actions include setting aside reserve funds, properly budgeting for repairs, adopting additional assessments or borrowing funds, and actually getting the work done.

3. **Long-Term Impact** – Tragedies like Champlain South often bring about reform at the state and local levels. Much like the terrible fire at 69 West Washington in Chicago in 2000 or the multiple tragic deaths resulting from windows and crumbling façade in Chicago during the past 20 years, state and local officials often introduce new legislation and ordinances to require high-rise owners to enhance preventative measures. Such legislation includes the fire and life safety and critical façade examination requirements for Chicago high-rise communities. We expect state and local officials to consider additional requirements in Chicago and surrounding municipalities in the coming years.

We also anticipate boards engaging more actively with third-party professionals for engineering reports on association infrastructure and mechanicals. Such reports will likely lead to increased assessments and potential loans from banks to finance the projects.

The Champlain tragedy has resonated with people across the United States. In order to realize something of value from this terrible tragedy, boards should reexamine their methods and practices to ensure resident safety is given primary importance over all else.

For any further questions, feel free to contact [Altus Legal](https://www.altuslegal.com) at 312.450.6655 or at admin@altuslegal.com.