

New Higher Majority Requirement for Condominium Deconversions in Chicago: Here's What You Need to Know

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Chicago Passes New Legislation Effective Immediately

On September 18, 2019, the Chicago City Council unanimously passed a [new ordinance](#) that increases the percentage of owners required to approve the sale of a condominium building in the City. The ordinance, introduced by Alderman Brendan Reilly (42nd Ward), increases the required unit owner vote on a deconversion condominium sale to 85% of unit owners, up from the 75% currently required in the rest of the state under the Illinois Condominium Property Act.

A condominium “deconversion” generally occurs in connection with a bulk sale of condominium units to a single purchaser who then converts them into rental apartments. Deconversions have been on the rise in Chicago over the past five years with dozens of condominium properties having been deconverted by developers and investors.

The topic of condominium deconversions in Chicago is increasingly debated with proponents of the ordinance arguing it will help protect long-term residents from being forced to sell. Having represented condominium developers and deconverters, HMB expects the new ordinance will significantly slow the number of deconversions in Chicago.

What You Need to Know

- The ordinance is effective as of September 18, 2019
- Not less than 85% or more of unit owners in a Chicago condominium building must vote in favor of deconversion for the sale of the entire building to be approved
- The Illinois Condominium Property Act still sets the threshold at 75% for the rest of the state, however Chicago has home-rule authority which preempts this state law
- Owners who vote against the sale may be entitled to certain proceeds from the sale, including the value of the owner’s interest and reimbursement for relocation costs

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