



NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

BUREAU OF HOMEOWNER PROTECTION

MEMORANDUM

TO: Planned Real Estate Development Communities

FROM: Jim Fahy, Chief – Bureau of Homeowner Protection

SUBJECT: N.J.A.C. 5:26-8.4 Administration and control – “Transition Elections”

DATE: March 16, 2020

The Bureau of Homeowner Protection (BHP) has received multiple inquiries from developers and legal counsel for developers of Planned Real Estate Development (PRED) Communities regarding the enforcement of N.J.A.C. 5:26-8.4¹ transition elections, in light of the Coronavirus (COVID-19) pandemic. At this time, in order to limit COVID-19 exposure to all residents and reduce the potential for spread in our communities, **please be advised that transition elections, pursuant to N.J.A.C. 5:26-8.4, can be postponed until such time as further directed by the BHP.**

¹ **§ 5:26-8.4 Administration and control**

(a) Irrespective of the time set for developer control of the association provided in the master deed, covenants and restrictions or other instruments of creation, control of the association shall be surrendered to the owners in the following manner:

1. Sixty days after conveyance of 25 percent of the lots, parcels, units or interests, not less than 25 percent of the members of the executive board shall be elected by owners;
2. Sixty days after conveyance of 50 percent of the lots, parcels, units or interests, not less than 40 percent of the members of the executive board shall be elected by the owners;
3. Sixty days after conveyance of 75 percent of the lots, parcels, units or interests, the developer's control of the executive board shall terminate at which time the owners shall elect the entire executive board.