

MARK PEARLSTEIN

The Dean of Condo and Association Law

by Barbara Long



Mark Pearlstein is the first to admit that he stumbled onto the practice of Condominium and Association law “quite by accident.”

Having owned a condominium in a development that went bankrupt, he says he became the association president and lawyer “by default and sort of learned on the job.”

Now a name partner at **Levenfeld Pearlstein, LLP**, Pearlstein relishes the opportunity to help people protect their most important investment: their home. That, and to play a part in ensuring that the residential industry continues to thrive in Chicago. “Although our real estate group has a national practice, our Community Associations group is happy to focus on the Midwest. There is enough in Chicago to keep you busy.”

As a resident of Chicago since the age of five, he has enjoyed watching the resurgence of housing—largely due to condominium development—in Albany Park, where he grew up. He says that its location near public transportation and educational institutions will probably allow the neighborhood to thrive even through the recession.

Most of Pearlstein’s clients are condominium associations, including some mixed-use projects, located both in Chicago and the suburbs.

Despite his Chicagoland-focused practice, Pearlstein has lectured and written extensively for state and national organizations and has discussed condominium and association law with representatives from Japan’s Osaka Condominium Institute, a group from Uzbekistan, and attorneys from Canada, Australia, and South Africa.

A couple years ago, Pearlstein spoke at a Toronto condominium show, a city where he says “the condominium lifestyle is well-situated.” The show attracts around 15,000 to 20,000 people each year, which reflects Toronto’s prevalent condominium housing. Pearlstein says that “it is very much like Chicago.”

In addition to bringing results to his clients, Pearlstein is the current chairman of the Illinois Legislative Action Committee of the Community Associations Institute (CAI), whose aim is to provide education and resources to those involved in the community association industry at large, and to advocate for these interests at the local and state level. He has also written for CAI’s *Common Interest* magazine and lectured at their national seminars.

Taking the advocate role of CAI very seriously, Mark recently took the lead on promoting a bill that would require association property managers to be licensed, and to receive continuing education. It is hoped that by licensing managers, people will be better protected from management fraud, of which there have been several recent high-profile cases. The Act also sets forth a regulatory commission and provides for discipline and licensing requirements, and if passed, will mandate community association managers to provide fidelity insurance to their clients to insure against theft.

Mark was also recently appointed to a City of Chicago Task Force, which he says aims to “examine condo conversions and operations and to try to enhance low-income housing, emphasizing the importance of educating condominium renters and owners so that they understand the process from conversion to operation.”

Through this position, as well as his former

chairmanship of the Chicago Bar Association Condominium Subcommittee, Pearlstein has had an integral role in bringing about improvements in condominium law through amendments to the Illinois Condominium Property Act.

Pearlstein believes that ultimately, the Illinois Condominium Act is in need of an overhaul. “The Act itself has really been a hodge-podge of changes. The law needs to be reorganized, shortened, and clarified. More English, less legalese.” Pearlstein says that “to a certain extent people should be required to review information and make their own conclusions,” but the lack of clarity in the law, particularly with regard to disclosure rules causes the board to be “dragged into controversies it shouldn’t be.”

Another area of recent concern is whether relying upon email to communicate with board members is consistent with the law. “Right now there is a tendency of too many boards to communicate via email” but yet there are certainly benefits of “getting associations into the 21st century by having a web site that boards and owners can access for information and to communicate electronically,” he says.

Another means by which Pearlstein is able to help people with their most important investment is through his weekly Sunday column on condominium and homeowner association law, “Condo Advisor” in the *Chicago Tribune*. For 21 years, Pearlstein has responded to reader letters, giving what he describes “not as legal advice, but as stimulating a discussion of the issues facing associations.”

Mark receives about six or seven letters a week, and has a backlog of questions that might never be answered in the limited space available in a newspaper column. He is impressed with the intelligence of most of the questions, and says they “resemble the questions clients ask during a regular business day.”

Not surprisingly, the strained economy has had a major impact on the types of questions he is asked, both in his practice and for his Tribune column. While he says that his practice itself is “recession-proof,” to be sure, the kinds of issues that arise and the problems to work

through are impacted greatly. “In good times, you have more sales and development; in difficult times, you get more litigation,” he says.

Right now, “people are very concerned about the ability of their association to raise enough money,” he says. “You find that pretty much across the board except for the highest income developments, though those are even not immune from foreclosures.” Foreclosures are not only hard on a condominium association because of the reduced prices for comparison sales of units, but also for the lost assessment revenue and the headaches created for the board in trying to get all that should be coming to the association. People are also understandably wary about buying a new condominium in such a volatile market, where there is always a concern as to whether the developer will be able to finish the project.

The strained economy makes “things certainly more tense,” which requires that attorneys like Pearlstein remain grounded. “One thing about this business,” he says, “is that people tend to be more emotional about dealing with associations than they might ordinarily be in their business life. To succeed in this practice you need to keep your head; stay professional and stay cool.

“You have to get to the point quickly and give them the bottom line,” he adds.

As a former varsity college tennis player, Pearlstein has remained active in the sport. Also a lover of traveling, Pearlstein has attended both the U.S. Open and Wimbledon, a special honor given his life-long love of tennis. He also traveled recently in Europe, visiting Budapest, Vienna, and Prague. Traveling and tennis aside, Pearlstein is an attorney who truly enjoys his career. “It’s been a lot of fun.”

Despite the current economic difficulties, Pearlstein is “very optimistic about the industry.” “I think there is an untapped market of buyers who still want to return to the city,” he says.

“You like to think that you affect the lives of more people perhaps than an average attorney because you are representing an association. I think all of us in this area have the sense that we can improve the residential lives of our clients.” ■