

The Cottages



Ownership Information



Cooperative Ownership

A cooperative is a type of common property ownership where residents own shares in the corporation that owns the property, rather than owning their own units.

As a cooperative homeowner at Atlantic Heights, you will own stock in the housing cooperative. You also enjoy certain rights and responsibilities similar to individual home ownership and which are outlined in the cooperative's documents: articles of incorporation, bylaws, manager's agreement and proprietary lease.

Simply said, the articles of incorporation are required by Maine law and are filed with the Secretary of State. They give birth to the corporation. The bylaws describe how the corporation will operate and be governed. The manager's agreement establishes the role of the manager and the manager's relationship to the cooperative. Lastly, the proprietary lease allows you to occupy your specific Cottage Home.

As a shareholder, you select board members, remove board members, and may amend the bylaws. You also have the responsibility to pay your monthly charges on time as well as following the cooperative's policies. The cooperative maintains a blanket insurance policy that covers damage to the cooperative's property from fire, water, or other disasters. However, this policy does not cover any damage to personal belongings inside your unit. Contents insurance is recommended to protect your personal possessions and for your personal liability in the event of an accident in your home.

Co-op housing residents have the same potential tax benefits as other homeowners, including deducting real estate taxes. The deduction can be very beneficial, but you must itemize your deductions on your tax return. Section 216 is the section of the Internal Revenue Service Code that allows the pass-through of mortgage interest and real property tax deductions from the cooperative housing corporation to the shareholders. *You can find more information about it on the [IRS website](#).*

At this time and by act of Congress, co-op shareholders are treated the same as single-family homeowners when they sell. If your co-op has been your primary residence for two of the five years prior to selling, the first \$250,000 (\$500,000 if married) of gain is excluded from federal income tax. However, we are not tax advisors and you should consult your tax advisor because if you do not qualify for preferential tax treatment (for example because you do not meet the two year residency requirement) you may be liable for taxes on all or a portion of any capital gain that you realize upon sale. Tax laws change frequently and are re-interpreted by the IRS and the courts from time to time, so ask your tax advisor for specifics before buying or selling.

Another benefit to the Cottages at Atlantic Heights is that you may sublet your cottage home in accordance with the cooperative documents. You also will receive the benefits of our Gain Sharing™ Program. Unlike some communities that only pay back a portion of your initial cost, Gain Sharing™ guarantees that if prices go up, your wealth goes up too.

Gain Sharing

Preserving Your Estate – Our Unique Equity Model

Your decision to move to The Cottages at Atlantic Heights can be made with confidence that you have made a sound financial decision for yourself and your family. Unlike communities where you only recover your initial investment, our Gain Sharing™ Program guarantees that you will benefit from your investment when resale prices appreciate while you own and live here.

Here is how it works – and all at no extra cost to you!

You are guaranteed ninety percent of the resale value of your cooperatively owned Cottage Home.

Your equity will increase when the Cottage Home valuations at Atlantic Heights appreciate.

The sales team from Atlantic Heights will market your residence for resale at the annually determined price.

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Atlantic Heights

Frequently Asked Questions



Q: What is the size of the hot water tank?

A: Hot water is provided through a tankless system and will provide endless hot water.

Q: Are the cottages on generator back-up?

A: Homeowners may purchase residential generators that are activated when power loss is encountered.

Q: What is the major source of energy?

A: Liquid propane.

Q: Are pets allowed?

A: Dogs and cats are allowed. Other pets must be considered on a case-by-case basis, unless they are always kept inside and pose no threat to others. There is a pet application process.

Q: Can grandchildren visit for extended stays, and for how long?

A: Grandchildren, family members and friends are all welcome to visit for extended periods. They may not reside on a permanent basis or have Atlantic Heights Retirement Community become their permanent address unless they meet the qualifications for living in the community in their own right.

Q: Are outdoor activities allowed on my site?

A: Temporary sports or recreation gear may be set up and used. It must not create a safety hazard or disturb others living in the community.

Q: What types of businesses can I operate from my cottage home?

A: Only those business activities that are permitted under Saco's ordinances are permitted. In addition, the community offers limited parking for such activities.

Q: Are taxes subdivided for income tax purposes?

A: Yes, homeowners of co-op stock enjoy the same deduction for home interest as those with deeds, so long as the taxpayer is otherwise able to take the deduction. There are phase-outs and limitations, so each individual should consult with his or her tax advisor.

Q: Who determines annual increases, and how will the annual increases be determined?

A: The co-operative homeowners association will decide the annual budget related to the cottage community. Therefore, cost increases will be governed by price changes for services as managed by the association.

Q: Where is the mail delivered? Do I have my own mailbox?

A: Each cottage resident has a mailbox; the United States Post Office Service delivers the mail daily. Mailboxes are in small clusters of two, three or four boxes on a post located close to each cottage. Mailboxes for some homes may be directly across the street from the home, as the post office requires all mailboxes to be on one side of the street.