

# HOA communities trade individuality for consistency

By Cheryl P. Rose



For many buyers, homeowners associations are considered a positive selling point in a new home. Having an HOA in place helps maintain community appearance and amenities and protect home values.



Some homeowners associations are more restrictive than others. Regulations on basketball hoops or backyard kiddie pools might be a deal-breaker for some, so it is recommended that potential buyers read the HOA covenants thoroughly before purchasing a home.



Living in a neighborhood with manicured esplanades and clear streets is very pleasant until you get a notice that your homeowners association (HOA) thinks your grass is too long or your new garden gnome breaks the neighborhood covenants. These restrictions on homeowner liberty can

be annoying, but real estate professionals say those protections are often a good trade-off for maintaining your most important investment – your home.

## **Rules and regulations**

HOAs can regulate many aspects of homeownership in a community.

“People who love HOA communities love them because they feel home values are protected” said Missy Stagers of Coldwell Banker DAnn Harper Realtors in San Antonio. “On the flip side, people who do not like HOAs don’t like the far-reaching control they have and don’t like being told what owners can and cannot do with their property. Most HOAs have an architectural control committee, requiring that any proposed changes to the exterior of the home be submitted and blessed. There are often standard rules about where and what you can park and how yards are landscaped and maintained”

Rules differ in every community, but some HOAs regulate exterior paint colors, landscaping options, lawn maintenance and watering, fences, play equipment, sheds, garbage collection, boats and RVs, on-street parking, satellite dishes, holiday displays, yard sales and even pet breeds.

Stagers noted that recent Texas legislation protects solar energy devices and certain patriotic flags, but almost anything else is fair game to be structured as a community deems fit.

While most rules affect lifestyle, restrictions can be critical if they will impact your livelihood. Stagers said people who run a home business or drive a commercial vehicle for work should be particularly attentive to rules about what a community will allow before buying.

## **Protecting property values**

Being denied a basketball hoop can be disappointing, but the same rules that feel strict when it’s your request also prevent neighbors from exerting their preferences for plastic flamingos and old cars on blocks.

“HOA rules provide continuity and consistency for the neighborhood,” said Kevin Best of Phyllis Browning Company in San Antonio. “They may feel restrictive, but if a neighbor wants to paint his house pink with polka dots, he can’t do that without approval”

HOAs key roles include maintaining the community appearance and common amenities, collecting fees and enforcing the regulations. Some HOAs are run by a hired management company and some are volunteer-based.

By signing the HOA contract, homeowners can be fined for broken rules or unpaid dues. HOAs can even take out property liens or other legal measures to collect from residents. The HOA also acts as an intermediary between neighbors, “playing the bad guy” as Best said. If a neighbor is

frequently breaking a rule, you can contact the HOA and let them communicate with the offender. Some neighborhoods develop ill will among residents when rules are enforced only sporadically or randomly. Overzealous fault-finding isn't popular either.

### **Annual fees**

HOA communities usually charge a set fee that may be billed quarterly, semi-annually or annually.

“Fee amounts in San Antonio are all over the board” Best said. “The amount depends on which neighborhood and what there is to maintain and how much control the HOA has. Typically, the more expensive the neighborhood, the more involved the HOA is in decisions because they want to protect the consistency. If a homeowner spends \$1 million on a house, they want the house next door to be a quality house too, so it doesn't bring down the value”

Stagers estimated the average local HOA dues to be about \$500 to \$600 a year, with those over \$1,000 considered high. Stagers also noted that HOA fees are billed separately and in addition to homeowners' mortgage payments. HOA fees are not tax deductible.

In the San Antonio market, Best said developers are building more gated communities that have recreational facilities.

“As a resident, you have to pay your pro rata share over the course of the year to have all those amenities available” he said. “Personally, I don't mind paying a bit more for nicer landscaping, tennis courts, a swimming pool or a sports field because it's good for the community. Those amenities may be the catalyst for why the next buyer chooses my house over another”

### **HOAs here to stay**

Both experts noted that communities developed in the last decade or so in the San Antonio area have HOAs in place. There remain areas around San Antonio without HOAs, but based on recent construction, associations will continue to gain prevalence. Whether a buyer feels comfortable purchasing in a community with an HOA should be discussed early on when home shopping. Stagers and Best emphasized that buyers should request and thoroughly read the covenants before purchasing a home.

“I always recommend in a HOA community that buyers get a copy of the rules right off the bat and to go through them with a fine-tooth comb, so they know what they are getting into” Best said.

In addition to the rules, Stagers recommends potential buyers check into the solvency and activities of the HOA.

“Do they have enough members contributing?” Stagers asked. “Do they have the correct insurances? Do they have any planned expenditures? Are there any transfer fees when you purchase or sell your home?”

Generally, Stagers and Best consider HOAs to be a positive selling point for resale purposes.

“There are so many more pros to having a homeowners association” Best said. “It’s there to protect you more so than to hurt you. Most homeowners welcome the protection of their home investment”

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