

WeExplain: HOA vs Non-HOA Properties

The pros and cons debate of living in a housing development with a homeowner's association (HOA) has been going on for decades. Ever since the first master-planned communities started appearing in the 1960s, home buyers have had to decide if the advantages of a HOA outweighed some of the disadvantages. As with most aspects of home buying, the final answer is that it's a personal preference, but there are some important considerations that should be discussed before buying a property with a HOA. Prospective buyers will be provided a document of CC & Rs (covenants, conditions and restrictions) which outline the specifics and they should be carefully reviewed.



HOMEOWNER'S ASSOCIATION | *Benefits*

There are many benefits to owning a home with an HOA. The same restrictions and rules that you might find limiting also limits your neighbors. Perhaps you can't tell the difference between one beige house color and the approved beige house color, but that same rule prevents your neighbor from painting their house purple.

Community Appearance and Standards

All aspects of the community will be monitored by the HOA. Not only house colors, but also landscaping, tree height and other design elements must be approved by the HOA review board. Often the community will include neighborhood parks and greenbelts which are maintained by the HOA as well as other amenities like swimming pools, sports courts and exercise facilities.

Association Management

HOA management control varies from one association to another, but all provide some level of authority over the community. Disputes between neighbors which might otherwise land in court are often resolved by a review board with the authority to make final decisions.

Lower Maintenance Costs

Depending on the HOA, the front yard landscaping and other maintenance tasks will be handled by the HOA. These can include services such as trash, street cleaning, water and some even offer cable and internet. Not only do these add up to real savings, but if a household member is deployed or traveling for work, it can bring peace of mind to the family at home by removing some of the upkeep of a home.

Higher Home Values

Home values are often higher in housing developments with an HOA than those without. The HOA will have policies in place to prevent a property or an area from becoming neglected or unattractive. This keeps the neighborhood looking better than those without an HOA and attracts home buyers.

HOMEOWNER'S ASSOCIATION | *Negatives*

Of course this level of management can also seem oppressive at times. Depending on the rules and regulations, residents might find their personal tastes restricted on their own property.

Design Restrictions

First and foremost, the HOA will have restrictions on how the exterior of a home and the lot appear. The goal is to create a sense of unity and harmony in the neighborhood appearance. This could include something as simple as the approved house colors or as detailed as the ability to fly a flag in the front yard.

Parking and Street Use

Many HOA rules will include restrictions on how parking is addressed. Not only the use of parking decals can be controlled, but often a homeowner will be restricted from leaving their garage door open or parking a car in the driveway. RVs are also typically restricted.

HOA Fees

HOA fees add cost to homeownership. Depending on the amenities offered and the financial health of the HOA, homeowners pay for the activities of the HOA through monthly fees. Additionally, if the finances of a HOA are mismanaged, the owners can be assessed extra fees/costs to adjust or make large repairs. While members of the HOA are also owners and subject to the same costs, if they can't make payments required, the HOA as a whole will have to pay.

The presence of a HOA can make a big difference in your enjoyment of a property - both positive and negative. Before buying a home with a HOA, it's important to review the CC & Rs to ensure you are willing and able to abide by the rules, investigate the financial records and observe the effect of the HOA on the specific. Then you can determine the value to you and your family. If you are unsure if a neighborhood has a HOA, your WeVett real estate agent can help you determine this and guide you by explaining the pros and cons of that particular HOA.