

Buying in an HOA Community

Living in a homeowners' association-governed community is a unique experience with its own set of pros and cons.

There are significant differences if you're more accustomed to life in a single-family home. So make sure you're aware of the associated advantages and disadvantages prior to making a decision to purchase or lease a property managed by an HOA:

PROS OF HOAS

HOAs play an important role in upholding property standards, ensuring the condominium or neighborhood's visual appeal is maintained. By overseeing common areas, landscaping, and architectural consistency, they aim to enhance curb appeal. HOA communities may also include attractive amenities like swimming pools, playgrounds, security services and fitness centers, adding value to residents' lives without the burden of maintenance. Depending on your season of life, that might be a very important consideration. Social events organized by



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HOAs can promote a sense of community, fostering connections among neighbors. By enforcing maintenance standards and managing common areas, HOAs also help preserve and potentially increase property values over time, providing homeowners with peace of mind about their investment.

They also offer a structured framework for resolving disputes among neighbors, as well.

CONS OF HOAS

HOAs require residents to pay monthly or annual dues. These fees are used to cover the costs of providing amenities, maintaining common areas, making needed repairs, and general management of the HOA. There are often strict rules that govern various aspects of the community, ranging from the colors of exterior paint to maintenance of your yard. These rules are meant to maintain a certain

aesthetic, but they can limit your creative freedom – and you'll be required to comply even if you disagree, or face fines. Your personal preferences may not always align with those of the HOA board.

At the same time, members often have less influence than board members over decisions like how the budget is allocated and changes to the rules. Receiving penalties for minor infractions can be frustrating. In some cases, HOAs may mis-

manage funds or make decisions that have a negative impact on the community. That's why it's crucial to thoroughly research the HOA's history and governance structure before purchasing. Changes in HOA board leadership can also lead to unwanted shifts in rules and regulations.

MAKING A DECISION

Homeowners associations can impact property values in both positive and negative ways. They help maintain a well-kept appearance, while offering amenities and potentially fostering a sense of belonging among residents who were once strangers. But they can also deter potential buyers with their strict regulations and fees. Living in an HOA community offers a sense of security and shared access to gym facilities and a pool may improve your quality of life.

However, HOA living can also involve giving up certain freedoms. You might end up having to navigate conflicts related to rule enforcement. Your property could actually lose value through bad HOA management decisions. So, carefully evaluate your financial situation and lifestyle preferences to determine if living in an HOA is right for you. Find one that strikes the right balance of community and stable property values with regulations and costs.



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REAL ESTATE 101



HOMEWISSE GLOSSARY

Condo Ownership Risks

Condominium ownership is shared through a homeowners association, and that may lead to unexpected liability if something goes wrong. The HOA is also typically in charge of general maintenance and your property value could drop if those projects are deferred.

Employer-assisted housing: A program in which companies assist their employees in purchasing homes by providing assistance with the down payment, closing costs, or monthly payments. **SOURCE:** Federal Trade Commission

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