Homebuyers Are Specifying "No HOA" on Their Internet Searches. Here's the Data.

REAL ESTATE TODAY

By JIM SMITH
Realtor®

Personally, I have found more reluctance on the part of buyers to purchase a home in a subdivision that is governed by an HOA. There are valid arguments for and against HOAs, and the state-mandated purchase contract does provide deadlines to receive and review HOA documents and to terminate if the buyer doesn't like what he/she reads.

Those documents include the financial statements, reserve studies, budget, rules and regulations, covenants, plus the minutes from the most recent six months' board meetings and the most recent annual membership meeting. Occasionally a buyer will take advantage of the opportunity to terminate and get their earnest money refunded after studying those documents.

HOAs were created because developers and homeowners needed a way of managing shared infrastructure, enforce standards, and maintain the quality and value of residential communities and thereby of the homes within it. If your neighbor is allowed to park trucks or derelict vehicles on their property, it detracts from the value of your property. HOA rules keep that from happening.

Enforcing such rules — even, for example, what color you can paint your home — has caused many homeowners to move out of a neighborhood, just as the derelict vehicles might cause homeowners not in an HOA to move out of ***their*** neighborhood.

For whatever reason, homebuyers do take advantage of the ability to filter home searches by whether or not listings are in an community ruled by an HOA.

This week I gathered some statistics from REcolorado, studying listings within a 15-mile radius of downtown Denver.

I learned that in July 2026, there were 6,245 active listings in HOAs, and there were 1,407 sales. That computes to an inventory of ***4.4 months***. The median days on market was ***29 days***.

But we need to distinguish between ***single-family homes*** that are in an HOA and ***condos***, which are ***always*** in an HOA. The inventory of homes in an HOA was ***2.7 months***, but the inventory of condos was ***6.8 months***. The days on market for homes with an HOA was ***18 days***, but of condos was ***47 days***. The article below explains one reason for this discrepancy.

Meanwhile, the inventory of homes ***not*** in an HOA was only ***3.0 months*** and the median days on market was ***12 days***.

Beware: QR Codes Are Scammers' Latest Tool

Careful readers already know the golden rule of digital safety: ***never click on links in unexpected emails or texts***. That's classic phishing. But those dangerous links now come in a new, more deceptive form. The humble QR code, once a convenience, has become a powerful tool for scammers.

A recent post on the YouMail Blog, ***"Think Before You Scan: How to Avoid QR Code Scams,"*** lays out just how quickly this threat is growing.

QR-code fraud works because you can't see the destination URL until after you scan. Scammers paste fake QR stickers over legitimate ones, or send QR codes in texts that look like routine service messages. You think you're paying for parking, checking a delivery status, or updating an account. Instead, you're being routed to a spoofed website designed to steal your information.

"By hiding malicious links inside what appears to be a normal QR code, scammers can trick victims into visiting fake websites," the blog warns, highlighting several familiar narratives:

- ♦ **Package delivery problems.** A QR code promises to help reschedule or pay a small fee.
- ♦ **Account trouble.** You're told something needs immediate attention, and the QR code directs you to a fake login portal.
- ♦ **Suspicious activity alerts.** The scammer pushes you to a fraudulent security page.

"When people believe there's a problem that needs immediate attention, they're less likely to question where the QR code is actually taking them," the blog notes. That's the psychology scammers count on. "The scam itself only takes a few seconds, but recovering from identity theft or financial fraud can take much longer."

Fortunately, the defenses are simple:

- ♦ **Check the URL** after scanning. Misspellings or odd domain names are red flags.
- ♦ **Be skeptical of QR codes in an unsolicited message.** If you didn't expect it, don't scan it.
- ♦ **Keep your phone secure** with strong passwords and multi-factor authentication.

QR codes aren't going away, and neither are the scammers who use them. As YouMail's blog reminds us, ***"The next time you're asked to scan a QR code, take a few extra seconds to think about where it came from and where it's taking you."*** That small pause may be all it takes to avoid a very big headache. See my Substack for the blog link.

A Condo HOA's Condition Can Scuttle a Mortgage Loan for Which You're Approved

Condominium financing has changed. I asked Jaxzann Riggs, owner of The Mortgage Network, to weigh in on the topic and this is what she said:

A financially strong buyer can qualify perfectly for the mortgage but still be unable to finance a condominium.

Lenders are evaluating not only the borrower, but they are also looking closely at the financial and physical health of the condominium project.

What Is the Lender Looking For?

While the lender is "underwriting" the prospective purchaser's loan application, the lender will also require a Condominium Questionnaire be completed by the HOA. Its purpose is to evaluate the financial health and physical condition of the HOA.

Here are the answers that matter most.

Are reserves adequate?

For many established projects, Fannie Mae's Full Review currently requires at least **10% of annual budgeted assessment income to be allocated to reserves**, unless an acceptable reserve study supports another level. That standard increases to **15% beginning January 4, 2027**.

Weak reserves can mean future special assessments and subsequently, higher HOA dues.

Are owners paying their HOA dues?

No more than **15% of the units may be 60 days or more delinquent** on regular HOA assessments.

If too many owners aren't paying, the association may struggle to fund maintenance, insurance and reserves.

For sellers, this can be frustrating... ***you can pay every one of your own HOA bills on time and still have your sale affected by owners who don't.***

Who owns the units?

A high percentage of investor-owned units is not automatically disqualifying, but lenders may look more closely at projects with substantial rental or investor concentration.

Single-owner concentration also matters. Generally, lenders limits one person or entity to ***two units in an 11–20-unit project and 20% of the units in projects with twenty-one or more units.***

If one large owner stops paying assessments or has significant influence over the HOA, the financial health of the entire project can be affected.

Is there a reserve study?

A reserve study looks at major future expenses, roofs, siding, elevators, parking structures and other common elements and whether the HOA is setting aside enough money to pay for them.

It can give both the lender and a prospective buyer a valuable glimpse into expenses that may be coming.

Are major repairs or assessments being discussed?

Meeting minutes and HOA records may reveal structural problems, water intrusion, roof replacement, deferred maintenance, engineering reports or possible special assessments.

The question isn't simply whether repairs are needed. It is ***what needs to be done, what it will cost and how the HOA plans to pay for it.***

Is the HOA adequately insured?

Lenders also review the HOA's master insurance coverage and deductibles.

If the project's insurance does not meet conventional lending requirements, the buyer's individual condominium policy generally cannot simply make up the difference.

Sellers: Don't Wait for the Buyer's Lender to Find Out

Most sellers prepare the condominium itself before listing. It may be equally important to understand the condition of the association behind it.

Jaxzann has created a **preliminary** questionnaire that sellers can ask their HOA or management company to complete before listing. To get a copy of it, send email to Jaxzann@themortgagenetworkonline.com. It is not a Fannie Mae, Freddie Mac or lender questionnaire, and it does not determine whether a project will ultimately be approved. The buyer's lender will still conduct its own review, but it **will** identify obvious financing red flags before there is a buyer and a transaction at risk.

The bottom line is that condominium financing involves ***two approvals: approval of the buyer and approval of the project.***

MIT Releases Report on AI in Education

The 70-page report looked at all aspects of AI use by students and professors and produced some recommendations for the Institute that will be of interest to the rest of us. I have posted a summary of it at http://RealEstateToday.substack.com.

CENTURY 21 GOLDEN REAL ESTATE
Hometown Service Delivered with Integrity

Jim Smith, Broker
CENTURY 21 Golden Real Estate
303-525-1851
Jim@GoldenRealEstate.com

The articles in this ad are posted at RealEstateToday.substack.com.

PDFs of past columns are archived at www.JimSmithColumns.com.

Read Our Substack