

The Pros and Cons of Buying in a Community With a Homeowners Association

Like every real estate agent, I have encountered buyers who don't want to buy in a neighborhood with an HOA. I have set up more than one MLS alert for buyers with "No HOA" as one of their search criteria.

There are many good reasons to avoid an HOA, just as there are reasons to want an HOA. Among the negatives, an HOA costs money, although those dues do cover some expenses you would otherwise have to pay for on your own, such as trash collection. In a patio home community, dues could cover snow removal up to your front door and garage, grounds maintenance, a community pool, fitness center, and even water and sewer. Unless the community is self-managed, your dues also pay for a management company.

The more common negatives we hear concern personal liberty. You can't change your home's exterior, including paint color or adding a new deck, without approval by the HOA. You probably can't store your RV on the street or on your lot. And there's always that one neighbor who is a self-appointed enforcer of the covenants and rules. I was turned in once by one who saw my lawn person passing through the adjoining common space to reach my backyard.

According to the **Community Associations Institute (CAI)**, the number of HOAs in the United States has increased from just 10,000

in 1970 to more than 320,000 today. If you buy a home in a subdivision developed in the last 30 years, you most likely will be buying in a neighborhood with an HOA. So, what are the arguments in favor of an HOA?

A common refrain in support of HOAs is that they protect property values for their members. Without an HOA to enforce its rules, a neighbor could paint his home dayglo yellow or litter his yard, visible to you, with old furniture and cars on blocks. He could allow the paint to peel and not replace his obviously hail damaged roof and let the exterior of his home go into disrepair. These are just a few examples of how one homeowner can affect a neighborhood's property values. Imagine putting your beautifully updated home on the market if the above description applied to your neighbor's house.

People in non-HOA communities can tell "bad neighbor" stories to rival any HOA horror story.

Back in the 1970s it was common for subdivisions to be built with covenants that applied to every home in that subdivision, but no HOA was created to enforce those covenants. If a neighbor violated a covenant, one's only recourse was to sue that neighbor in civil court — an unlikely scenario. Some non-HOA neighborhoods have created neighborhood associations with voluntary dues (for example, \$30 per year), which cover the cost of community picnics, newsletters, etc. I listed a home in one such non-HOA subdivision, Columbine Knolls South in south Jeffco, which is quite aggressive in enforcing a covenant that restricts the type of roof a homeowner can install.

Starting around the 1990s, subdivision developers created HOAs which they controlled until a certain percentage of homes were sold, at which point they would turn over control to a board elected by the residents. Unless it was a really small subdivision, this board would then hire a management company to handle the hiring of vendors (such as trash haulers or grounds keepers) and enforcing covenants, as well as rules and regulations promulgated by the board of directors at their monthly meetings or by the homeowners at their annual meeting.

Done right, HOAs can be an efficient means of providing services, assigning payment responsibility and being responsive to members' concerns. Such factors have driven the continued growth of association-governed communities, including HOAs, condominium associations, and other "common interest communities."

HOAs can fund a diverse variety of services and amenities, from golf courses to equestrian facilities and fitness centers. Few Americans could afford such benefits without the shared responsibility made possible with an HOA. According to CAI, "People who don't want to contend with gutters and yard work can purchase homes in communities where these responsibilities are taken on by the associations. There are age-restricted communities, pet-free and

pet-friendly communities, even communities with air strips. Community associations give people options, alternatives, facilities and resources they could not otherwise enjoy."

CAI states that more than 62 million Americans live in neighborhoods with an HOA and "take advantage of association-sponsored activities like holiday events, social clubs, athletic and fitness activities, pool parties and more. These activities help residents get to know their neighbors and forge new, supportive friendships."

Because it's not a popular assignment (and is unpaid), you can probably get elected to your HOA board and have a say in its governance. I did that myself but resigned after a couple years. You may be more suited to that experience.

I totally respect those who want to avoid HOAs for one reason or another. Rita and I have experienced both ways of life and, while we don't value one over the other, we appreciate why others may have a strong feeling for or against living in an HOA-governed neighborhood.

If you are not outright opposed to an HOA but do have concerns, just know that when you go under contract with a home in an HOA, the seller must provide financial and other documents as well as bylaws and minutes of recent HOA meetings, and you can terminate if you don't like what you read.



By JIM SMITH, Realtor®

Green Home of the Month

The Metro Denver Green Homes Tour is every October, but you can take a video tour of one of the best "green homes" of the last 20 years at www.GreenHomeoftheMonth.com.

Consider Installing a Heat Pump Water Heater

If you're attuned to the issue of sustainability, you may already know that heat pump water heaters are a smart replacement for gas water heaters and a great way to reduce your "carbon footprint."

Combine it with replacing your gas furnace with a heat pump mini-split system and your gas range with an electric induction cooktop, and you could disconnect your gas meter and go all-electric. Then trade in your gas-powered car for an electric car and put enough solar panels on your home to power it all, and you're on your way to eliminating the use of fossil fuels altogether — provided you're willing to live without your gas fireplace!

Heat pumps don't *create* heat, they *move* heat, which is why they are more efficient than gas or resistance heating. Toasters and electric space heaters are examples of resistance heating. Rather than heating water directly, a heat pump water heater moves heat *out* of the room *into* the water tank. For synergy, put it in the same room as a freezer, which is doing the opposite — moving heat *into* the room. Or build a wine cellar around your water heater for free cooling of your wine!

I purchased my Rheem unit for under \$1,300 and earned a \$400 rebate from Xcel Energy plus a \$300 federal tax credit.

Price Reduced on Secluded Western Slope Paradise

Have you yearned for the wide open spaces? This home at **20045 High Park Road** in Cedaredge, a small town (2,253 population, elevation 6,230) 30 miles south of Powderhorn ski area, might be just the ticket. It's on 5.87 acres, nestled against the Grand Mesa, minutes from downtown Cedaredge. This property with its fenced 3+ acre irrigated horse pasture, two ponds and the sound of Williams Creek outside your bedroom window, is one of a kind! The home is situated perfectly to allow the southern sun to provide passive solar heat through the large window in winter, not to mention spectacular views of the San Juan Mountains. Cool summer evenings can be spent out by the creek watching the wildlife play in your backyard. Find more pictures and take a video tour of this home at www.CedaredgeHome.info, then call your agent or **Kim Taylor** at 303-304-6678 for a private showing.



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