

Misconceptions about Property Values

Like almost every community in the country, we too are feeling the pinch in the housing market. We'd like to dispel a few common misconceptions about what contributes to the rise and fall of property values.

Assessments are too high

False. Actually, assessments have nothing to do with property values, and high assessments will not turn off potential buyers—if they're educated buyers. Our assessment may be higher—or lower—than a neighboring community depending on many factors. Are we providing more services? Is our property older? What utilities are included in the assessment or do we have more homes?

The more important question is what value are residents getting for their money? To answer that question, the association mails a detailed budget with line-item documentation to all owners and makes it available to potential buyers. A low assessment should be as much a red flag as one that appears too high.

We have too many renters

False. Lenders are required to charge higher rates for loans or deny a loan for homes in associations with renter-owner ratios that exceed a certain percentage. But that doesn't mean renters affect property values. Our association board sees renters as owners-in-training who aren't ready to purchase their homes yet. In fact, renters have all the same rights to enjoy our community as owners—except voting or holding office. We welcome renters, encourage them to participate in association activities and hope they will eventually buy a home in our community.

Community living is carefree

True and false. Association living is *maintenance* free—leaving maintenance decisions to a board—but not entirely carefree. Residents need to care about their community and recognize that common-interest living involves service and commitment. Good maintenance increases curb appeal which helps sales and may help property values. However, without committed residents to serve on the board and in other positions, maintenance and curb appeal are quick to suffer.

Architectural and aesthetic uniformity are necessary to protect property values

False. The board's objective is to maintain standards rather than ensure uniformity. Yes, *some* uniformity is good, but the board believes there is room for individual expression—as long as aesthetic standards are met.

Property values are based largely on comparative values of homes throughout our community. However, we can ensure that our values are at peak levels by assessing adequate fees to maintain our community now and for years to come, by ensuring all residents are involved and engaged in the community and care about the association and by maintaining high aesthetic appeal.