

How to Evaluate HOA Properties

Presented by Kelly G. Richardson, Esq.

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Is it a "Common Interest Development"?

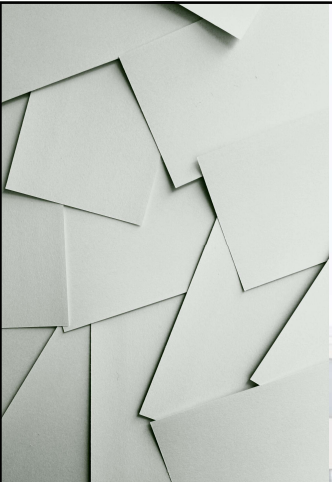


aka "Homeowners Association" or "HOA"

- Recorded declaration (usu. "CC&R's")
- Mandatory membership
- Some separate ownership interest
- The former CID – expired CC&R's

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What Type of CID is it?

DON'T LOOK AT THE BUILDINGS-
LOOK AT - THE PAPER!

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The "TOWNHOUSE"

Could be...

- condominium
- "own your own"
- planned development
- stock cooperative
- or something else!

A TERM NOT KNOWN IN REAL ESTATE LAW...

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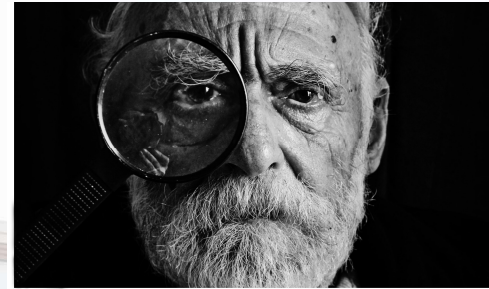
**The Appraisal is NOT addressing
all aspects of the condo's value!**

What about the RESERVES...

Who is talking about the RESERVES?

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- The Reserve Fund
- BRE warning - Sept. 2012
- FHA/FNMA requirements
-10% of budget annually
- Reserve health not
considered in appraisal
- CAR disclosures

**What is that property REALLY worth-
[What the Appraiser doesn't know] -
Reserves**

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HOW TO PICK 'EM- Management, Minutes & Moolah

Professionally or self-managed?

Regular, concise minutes

Budget? How long since last assessment increase?

Reserves? How much or how little?

How is the overall project maintenance?

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