

# THE HOMEBUYING PRO'S “THINGS TO CONSIDER” GUIDE







Buying a home is one of the most important purchases you'll make. While buying a home can cost you a significant portion of your income, they are the places where families grow, friends are entertained, and where we head for peaceful relaxation and bonding with loved ones.

Whether you're in the market for a new home because you need more space, want something cozier, or are purchasing your very first home, there's a lot to consider for such a substantial purchase.

In this ebook, we discuss five major factors worth considering in the homebuying process. Use this knowledge as you home shop, so your search is more efficient and optimal for your future memories.





## 1. LOCATION: WHAT'S REALLY IMPORTANT

The Valley is vast, and its neighborhoods are just as diverse as its homebuyers. Where your home is located could have a major impact on its value — and the purchase price. Being close to amenities is important for some, while others want their own little neck of the woods where they can find more solitude. Get details on what to talk about with your real estate agent when you're weighing location options for your home.



## 2. FIXER UPPERS VERSUS TURNKEY HOMES: WHICH SHOULD YOU MOVE INTO?

Both fixer uppers and turnkey homes have their respective pros and cons. You might dream of using sledgehammers and nail guns in your new home, or you may want the ability to open the door and not have to change a thing. What's right for you and your family will depend on a number of factors. Take a look at some of the advantages and disadvantages of both fixer uppers and turnkey homes to help you narrow down your home search.



## 3. HOME AGE: BENEFITS OF NEW, OLDER AND HISTORIC HOUSES

New, older or historic? New construction homes may be able to be customized, but they also tend to be more expensive. Older homes can have charming features and be in great locations, but you might have to pay more for maintenance or renovation. Historic homes let you live in a piece of history, but there are restrictions on what you can do to your own home. Get a breakdown of lots of pros and cons for each type - you may be surprised by what you discover!



## 4. HOAS: THE GOOD, THE BAD AND THE UGLY

HOA is an acronym that can be polarizing, especially depending on where you live and what it provides. Learn an explanation of what homeowners associations do, the benefits they can provide, and the costs you might have to bear. Before you move into a home where you're locked into an HOA or where you don't get to be a part of one, discover the pros and cons that might influence your decision.



## 5. EVERYTHING OUTDOORS: WHAT IT COSTS TO MAINTAIN AND IMPROVE YOUR PROPERTY

It's vital to factor in landscaping and pool costs as you're home shopping. There are many ways to save money by xeriscaping, but if you're the type who just wondered, "What is xeriscaping?" we've got you covered. Learn about typical pool installation and maintenance costs, what major landscaping projects will run, and how you can incorporate xeriscaping in your outdoor design to save money and help protect the environment.



## READY, SET, SHOP

At Desert Financial, it's our goal to help aspiring or current homeowners, like yourself, get all the information needed to make an informed decision about purchasing a new home. Let's dive into the first chapter, where it's all about location, location, location!





# Location: What's Really Important

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If you have ever watched any of those home-hunting shows on TV that involve people trying to find the house of their dreams, you have probably seen them present their list of must-haves to their Realtors<sup>®</sup>. These patient professionals then dutifully try to find them their ideal house based on this wish list, which typically includes things like a specific number of bedrooms, a pool, open concept and desired cabinet colors and countertop materials.

In the real world, choosing which home to buy goes well beyond an open concept or a nice backyard — location is also crucial to the decision making process. In fact, in a [recent survey](#) that Trulia conducted with Harris Interactive, nearly 5 out of 6 Americans said that the neighborhood would be “equally important or more important” than the actual house. In other words, buyers are not simply looking for a place to hang their hats — they are also looking for a great neighborhood.

With this in mind, let's look at some of the key factors that help determine if a home's location is desirable for your family, or if you would be better off looking in a different neighborhood.



## HOW ARE THE LOCAL SCHOOL SYSTEMS?

If you don't have children or your kids are already grown and gone, you might think that selecting a home in a neighborhood with an amazing school system is a moot point. However, living in a good school district doesn't just involve good test scores and dedicated teachers — it can also mean higher home values and faster resale rates.

Good school districts are definitely equated with a good neighborhood, stable home value and of course, a great education for the local kids. The National Association of Elementary School Principals suggests reading the school district's annual report; asking about the school's discipline policy; checking to see what types of services are available at the school; what safety policies they have in place; and if there is an active parent organization like a PTA or PTO. To help with your research even further, you can use handy online tools like [SchoolDigger.com](https://www.schooldigger.com) and [GreatSchools.org](https://www.greatschools.org); they allow you to enter in your zip code to see the local schools and their ratings.

For parents: If you are feeling nervous about paying more for a home in a top-rated school district, you may find that in the long run it makes more sense to live in a pricier house instead of a lower-cost home where most kids go to a private school. Trulia ran the numbers on tuition versus mortgages and came up with some financial food for thought: according to their research, the average tuition cost at a private school is \$10,940, which would average out to [\\$912 a month](#). A buyer who is purchasing a \$300K home could take that chunk of change and apply it to a higher mortgage, which means he or she could possibly afford a home that is closer to \$520K in value.

## CAN I LEAVE MY CAR AT HOME? WHAT ARE THE ALTERNATIVE TRANSPORTATION OPTIONS?

If you are hoping to take public transportation to work, the availability of alternative transportation options in certain neighborhoods can be a key factor in choosing your home's location. In the Valley, a number of areas are served by Park and Ride lots

that allow you to leave your car and hop on a bus from the parking lot, and several neighborhoods are served by light rail and city bus services.

Of course, you can always use a service like Uber or Lyft — however, if you buy a home in a remote area of the Valley, drivers might not go to your area. Valley Metro has a user-friendly website that shows the current light rail routes and [Park and Ride](#) services. If these are important factors in your home buying decision process, spend some time researching if these alternative transportation options are in or near your desired neighborhoods.



## ARE THERE PUBLIC PARKS AND PLAYGROUNDS NEARBY FOR MY POOCH AND I?

Having a public park close by is more than a convenience — it is also a great way to encourage physical activity and can help reduce health risks. To ensure that a neighborhood you are considering has an ample number of public parks, use a park finding tool or app. For example, [Find Your Park](#) helps you easily locate nearby State Parks and Monuments; this is great info to have if you want to live in a home that is close to hiking trails, camping and more. Finally, if you share your abode with at least one dog, [Nylabone's Dog Park Locator](#) can help you learn about local places devoted to pooches. Simply type in zip codes to see what dog parks, if any, are close to some of the locations you are considering.

## HOW SAFE IS THE NEIGHBORHOOD?

Another factor that determines if a home's location is desirable is neighborhood safety. Fortunately, it's pretty easy to check local crime stats and more using some online tools. Safewise.com has [links to a number of websites](#) that can help you research the safety of a particular neighborhood. For example, [AreaVibes](#) lets you enter a neighborhood

or address into its search box. The result will provide you with a livability score between 1 and 100 — it also gives a letter grade to the area for each of seven livability factors, including crime. [NeighborhoodScout](#) is another online tool that will provide crime stats and let you compare them to the state and national averages.

## LOCATION: MUCH MORE THAN RESALE VALUE

When shopping for a new home, location means so much more than possible future resale value. Location will also have a tangible and definite impact on your happiness, quality of life and enjoyment of your new neighborhood. From making sure your perfect pad is in a great school district to checking on public transportation and knowing if there's a dog park within walking distance, it is crucial that you research the location factors that are most important to you prior to purchasing a new home. For more information on what to keep in mind when buying a house, keep reading!







# Fixer Uppers Versus Turnkey Homes: Which Should You Move Into?

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Spend even a few minutes watching shows on HGTV and the DIY Network and you'll probably hear phrases like "fixer upper" and "turnkey home." HGTV even has a popular show called *Fixer Upper* that follows Chip and Joanna Gaines transforming run-down homes into gorgeous abodes. Whether you're looking at buying a perfect-as-is pad or you're ready to tackle major renovations, consider the following first:



## TURNKEY HOMES 101

A turnkey home, in its most basic and classic definition, is a space that is completely ready for you to move into. You don't need to paint a bunch of rooms first, you don't have to fix the roof and you don't have to renovate the laundry room that was built before you were born. You simply turn the key in the door, walk in, and get busy living your life.

## FIXER UPPER — MORE THAN A POPULAR TV SHOW

As its name implies, a fixer upper home may need either minor or major repairs prior to moving in. When you hear the term, think of the four R's: refurbishment, remodeling, reconstruction and/or redesign. This can mean needing a new foundation and roof or just wanting to knock out walls to open up a space. While some fixer uppers can be lived in and homeowners can work on them as they have the time, others need to be majorly overhauled in order for the house to be safe to move into.

Please note that these two different kinds of houses are dramatically different in their appeal to potential homeowners. People who adore fixer uppers may love older homes with character and have experience with construction, remodels and interior decoration. On the other hand, since a turnkey home does not require any work at all, they appeal to people who don't have the desire or intestinal fortitude for a major remodel. In many cases, turnkey homes are pre-designed, pre-made homes in planned communities.

Even if people swear that they want a turnkey home, 80% of home buyers end up doing at least one home improvement project within a year — spending an average of \$4,000. In addition, [MarketWatch.com](https://www.marketwatch.com) notes that 51% of home buyers intended on buying a home that had no major renovations, while a quarter of home buyers had every intention of buying a turnkey home but ended up with a fixer and 18% of buyers intentionally bought a fixer upper.

## WHAT TO LOOK FOR IN A FIXER UPPER HOME AND WHY SOME PEOPLE ADORE THEM

As for why some home buyers are drawn to the dream of owning a fixer upper, many people love the old-school charms that are often found in older abodes: think real hardwood flooring, pocket doors, stained glass windows and built-in china cabinets. In addition, they are not completely freaked out at the idea of putting in time, money and elbow grease to find the beautiful swan that is inside the ugly duckling of the home. They don't mind the notion of living in a DIY project 24/7 and like the idea of burning the midnight oil scraping off old wallpaper, restoring ancient floors to their original glory and maybe finding a rustic fireplace hidden behind a family room wall.

Of course, even the savviest fan of fixer uppers must weigh the financial risks of buying a property that needs a lot of love. Prior to purchasing a fixer upper, home buyers should start with a thorough home inspection that will determine if the property is worth the investment. Next, work with a couple of contractors and get estimates for the total cost of the renovation and determine if you need permits for any of the work — this can add both time and money to the project.

Then, check your schedule and make an honest assessment of your time and your skills. While some home improvement programs have a way of making the process look relatively doable, real life DIY fixer upper projects are not neatly wrapped up in 30 minutes. Plan for complications, extra time, money and stress — and if the numbers, timeline and schedule all make sense, then go for it.

## POSSIBLE DEAL BREAKERS AND MAKERS FOR FIXER UPpers

For people who are considering buying a fixer upper, here are some additional tips and questions that can help you determine if you are getting an awesome deal on a doable project, or if you are about to fall head first into a major money pit:



## ARE THERE MAJOR STRUCTURAL ISSUES?

As Realtor.com® notes, a solid structure is crucial for a fixer upper. The roof, heating and air conditioning, plumbing, electrical and foundation should all be closely inspected. If there are no major issues and the figurative bones of the home are healthy, the fixer upper might be a great project to take on.

To look into these and other costs further, HomeAdvisor.com has created a highly informative [infographic](#) that looks at the average cost of 57 common home improvements. They include:

- Remodel a bathroom: \$9,274
- Remodel a kitchen: \$19,920
- Install a bathtub: \$2,838
- Install a furnace: \$3,881
- Install a roof: \$6,626

As you can see, these costs are not exactly chump change. Even if you get a great deal on a home that needs a lot of work, the costs to fix basic necessities can quickly add up.

## WHAT ABOUT BUGS AND BATS?

Many fixer uppers will have some type of unwelcome infestation, ranging from mold and dry rot to mice and termites. While mice, bats and other critters can often be easily dealt with, thanks to the help of an exterminator and closing off any entry points, asbestos, black mold and dry rot can be dangerous and costly to remedy.



## IS THE LOCATION TERRIFIC?

A fixer upper might have the most amazing built-ins ever in the formal dining room, incredible wainscoting and original lock and key doorknobs throughout. But if it's by a busy intersection, near a dump or a block from a strip mall, it might not be worthy of your investment and time. Like any other home, consider the fixer upper's location carefully.



## WHAT ABOUT TURNKEY HOMES? WHO IS BUYING THEM?

While any homeowner could want a turnkey home, newer homes are especially popular with the Millennial generation. Millennials definitely think of owning a home as an important part of their American Dream — they just don't want to deal with old wallpaper and sagging floors. In addition, once they save up enough money for a down payment (possibly while paying off a student loan), there isn't usually any money left over to fix up an old place. In general, most Millennials want a move-in-ready home that has an updated kitchen and bathroom with modern fixtures, "eco-friendly" features like solar panels, an open floor plan, a home office, and great internet and cell service.

Some modern homebuyers are looking for even more to be included in their home's purchase price. If you're aiming for one step further — a home that even has furniture included — consider this advice from Forbes: a fully staged pad is probably going to cost about 30% more than one you have to furnish yourself. The bottom line? If you don't want to have to decorate a scrap of your new living space, be ready to fork over more dough.

## OTHER CONSIDERATIONS FOR TURNKEY HOMES

There are additional points to consider when looking at turnkey homes — especially if the community it's in is still under construction. First, make sure that the developer is reputable and that the homes are being built in desirable areas on quality land. Second, check out the location thoroughly and be sure it has all of the amenities and features you want in a new home, including a great school district and more. Third, verify in writing what "turnkey" means for the specific new build. Finally, ask any and all questions up front, not after the construction is almost finished.

## WHAT'S BEST? IT'S UP TO YOU!

Like many choices in life, there is no right or wrong answer when it comes to purchasing a turnkey home or a fixer upper — it all boils down to your personal preferences. If you are not scared off by DIY projects and love older homes with character, a fixer upper might be your thing. However, if you are short on time, money and like new homes that are ready to go, a turnkey home sounds like a great choice. To continue your home buying education, turn to our next chapter.







# Home Age: Benefits of New, Older and Historic Houses

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Every home has a story. Some are brand new homes waiting for their first residents to move in, get cozy and establish some memories within the walls. Others are older homes with great bones, ready for the right homeowners to spruce them up with their own special touch. Historic homes play an important role not just for the families who move in, but for the communities they reside in.

Are you sold on a vintage charmer or set on a brand-new home in a master planned community? You may be surprised that a home type you never considered could actually be your perfect fit. Let's examine the considerations for homes, old and new.





## NEW HOMES

If home improvement shows make you cringe or your to-do list is already a mile long, you may not have the time or energy to put tender loving care into getting a home into tip-top shape. With a newly constructed home, you don't have to worry about putting work in, unless you want to. You'll be the first resident to lay down roots. You can take several whiffs of that new home smell, and you can enjoy the very latest in home-building materials and construction in the place where you rest your head.

New construction homes are trending in the United States. According to MarketWatch, in October 2017, sales of newly-constructed homes climbed to the highest they had been in the past 10 years — making up [36% of home sales](#). In Phoenix, new construction is especially common in the outlying areas of the metro. The Meadows in Peoria, The Arbors gated community near South Mountain, Rio Paseo in Goodyear and the Vista at Granite Crossing in East Mesa are just a few of the local master-planned communities where you can score a fresh build.

### PROS:

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#### Customization

If you work with a builder early on in the process, you may be able to have a say in the construction of your home. Everything from the layout, flooring and cabinets to paint and trim may be customizable. It's like you can play designer and architect as well as shopper when you're buying a new home.

#### Energy Efficiency

A 2018 survey of 13,000 households by Zillow found that [50% of new homebuyers](#) want energy-efficient homes. New construction homes often offer the most energy-efficient options, since they can be built with solar panels, green appliances and tighter building envelopes to keep air from escaping. Energy-efficient features can save homeowners money on electric and energy bills years in the future.

#### Turnkey Features

New homes are definitely move-in ready. With everything in the home being brand-new, you can also enjoy fewer repairs and less maintenance. U.S. News & World Report states that new homes are often fully warrantied [for at least a year](#), so you can enjoy your new space without worry.

#### Technology-Minded

Another distinctive pro of newer homes is that technology is often built right in. Newer homes are ready to power up cable and internet and usually have outlets all over the house. Some come equipped with smart sound systems and alarm security features, too.

### CONS:

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#### Cost

The latest amenities and construction typically cost more. New construction homes average around [20% more](#) compared to similar existing homes, *Forbes* reports. If you want to add in upgrades like a walk-in closet or large kitchen island during the construction process, expect the price tag to rise, too.

#### Location

Ever heard of *exurbia*? It's a residential region outside city suburbs — and that's where new home construction typically happens when there's no space to build near popular destinations. That means you may have to commute to get to work, schools, libraries, sporting and entertainment venues and other city destinations.

#### Waiting Game with Nature

If you love lush foliage and dream of shady, tree-lined streets, new construction in the Valley isn't likely to have the greenery you crave just yet. You might have beautiful landscaping at your new home, but it can take years to develop into something substantial. If you need hearty plants and trees now, it will likely be more expensive.

#### Time to Build

New homes take around up to six months to build. If you decide to purchase something that hasn't been constructed yet, prepare to wait and get living arrangements to tide you over until then.

## OLDER HOMES

Throughout most of the United States older homes are more plentiful, with more than half of all housing built before 1980. But in Maricopa County, Arizona, the statistics tell a different story. There's a [1 in 4 chance](#) that a home here was built between 2000 and 2009, with 66% of all homes having been built after 1979. Of course, that still leaves plenty of homes in the "older" category between historic homes and modern builds. Much of central Tempe, The Provinces in Chandler, and the Thunderbird neighborhood near the ASU West Campus in Glendale are among the many neighborhoods dominated by homes from this era.

As mentioned previously, older homes will typically save you around 20% on the price tag compared to a similar new construction home. More cha-ching in your wallet is enticing enough for some home shoppers, but older homes can also cost more over time. Here are some pros and cons to older homes:

### PROS:

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#### Established Neighborhood

When you move into an older home, you're also moving into an established community. That means you can connect with neighbors to form new friendships, get advice on what to do in the area, and join community clubs like a neighborhood watch group. With plenty of neighbors already calling your neighborhood home, these older residences can feel homier compared to moving into a less lived-in area.

#### Proximity to Popular Destinations

Restaurants, shopping, community centers and other attractive destinations are likely already built near older homes that are part of thriving neighborhoods. Compared to moving into an exurb where those venues may not have been built yet, you may be able to find an older home that's already close to public transportation or within walking distance of where you want to go.

#### The Great Outdoors

Want a big backyard? You're more likely to get more outdoor space for the same buck with an older home. Realtor.com® reports that from 1990 to 2016, lot sizes for new homes [decreased around 1,300 square feet](#), while the actual home sizes have increased around 350 square feet. In addition to more yard space, you can also get bigger trees and more grown-in landscaping that has had time to develop at older homes.

#### Good Ol' Charm

Older homes have more potential for quirky designs and fixtures than a home in a new development. If you were a '70s baby and wish you were a homeowner in that era, an older home might have eye-catching original touches that give your abode character and serve as conversation pieces.

### CONS:

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#### Maintenance and Repairs

Old heating and air conditioning, just-barely-working plumbing, outdated wiring and other features that need to be brought out of the Stone Age can cost you in maintenance and repairs. There also could be hidden dangers lurking in an older home, like asbestos, lead, mold and mildew.

#### Renovation Costs

You might like the structure and certain details of your home, but its green carpets might not be for you. Adding personal flair to an older home means renovation costs, which can [average around \\$20,000](#) for a kitchen remodel and \$10,000 for a bathroom upgrade, according to HomeAdvisor.

#### Restrictive Layouts

One of the top qualities today's homebuyers want in a new home is an open layout, according to a 2018 report by *Professional Builder*. Unfortunately, not every older home provides this. It can mean additional renovation costs if you decide you want to knock down that wall between the living room and kitchen, which costs between \$300 and \$1,000 on average, according to HomeAdvisor (and even more for a load-bearing wall). Older homes also might come with unusable features, like a nonworking fireplace, an old laundry chute or a dumbwaiter. Some might think these design features add to a home's charm, but to others, they just equal renovation dollars.

#### Unknown Histories

An older home may have been the site of raucous parties, smelly pet messes or bug infestations. While those situations are in the past, they may have left damage that has been covered up by paint or plaster — and these types of minor impacts may not be detected by a home inspection.

# HISTORIC HOMES

Historic homes are a source of pride for state, city and community. Some of the most desirable neighborhoods of metro Phoenix have received historic designation, including the Encanto, Willo and FQ Story districts in downtown Phoenix and Chandler's "Silk Stocking" area. When you live in a historic home in one of these districts, you're literally living in a piece of history every day.

But, like older homes, historic homes' problems can be just as quirky as their features. Since historic homes are often designated as such at a local or federal level, they also must adhere to certain regulations in order to keep their historic designation. Doing certain work to a home also needs to be approved by the Historic Preservation Office. If you're interested in owning — and living in — a piece of history, here are some things to consider:

## PROS:

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### Part of History

Your historic home may have been built nearly 100 years ago, still retaining its structure and adornments characteristic of the time period when it originated. In today's modern age flanked by technology, having a sanctuary steeped in history can be something to look forward to coming home to.

### Cool Neighbors

Living in a historic neighborhood near other historic homes means you probably have more than a little in common with your neighbors. Your homes provide the perfect icebreaker — you can connect on common ground. Since these older homes might have similar upkeep needs, your neighbors can share maintenance tips, too.

### Unique Value

Historic homes are around [5.6% more expensive](#) compared to similar-size homes in the same ZIP code, according to Realtor.com®. Because there is far less inventory of historic homes, your home may go up in value over time simply due to scarcity. There are also city programs for local preservation efforts and financial assistance availability from the Historic Preservation Bond Fund. As a historic homeowner, you gain local and federal advocates in your corner to preserve your home.

### New Connections

If your home becomes part of a local home tour, you as the homeowner can meet influential people in the community. Historic homes are often featured in local publications and even travel guides, which can widen your social circle in the larger community. If you own a business or work on a personal endeavor, being a historic homeowner can add a new point of interest to your own profile.

## CONS:

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### Upkeep

Because historic homes are often limited in the types of designs and materials they can feature, you may pay more in upkeep and general costs. Historic homes aren't equipped with today's energy-efficient features, which can mean increased utility bills compared to newer homes. You may also be required to maintain certain features which could necessitate expert help, like unique landscaping.

### Structural Issues

Cracks in brickwork or plasterwork and sloping floors can cause major structural issues like the shifting of your historic home. Rotting, mold and mildew can also create hazardous living conditions. Even overgrown trees and shrubs can affect the soundness of a historic home. All of these must be fixed in order to stay safely living in your home, and structural repairs will cost the homeowner.

### Neighborhood Limitations

Because historic homes aren't as plentiful as older homes or even new construction, they're far more limited in terms of geographic location. This means if you really want to live in a certain part of the state, you may not be able to find a single historic home in that area up for sale. Depending on where you work or where your kids go to school, relocating to a part of town where historic homes are up for sale may not be for you.

### Renovation Restrictions

While there are no restrictions on painting, making repairs or replacing materials in kind, historic homeowners must get permission from the Historic Preservation Office for major work. This includes erecting, demolishing, moving, restoring, rehabilitating, reconstructing, altering and changing the exterior appearance of historic homes. The review process can take up to a month or more depending on the scope of the work.



## WHICH HOME AGE DO YOU IDENTIFY WITH MOST?

Age can be deceiving when it comes to the true value of a home and how it works for your lifestyle. To recap:

- **New homes** are turnkey-ready and can be built with the latest energy-efficient features and technology. They'll likely cost top dollar, though, and you might have to wait months for your dream home to be completed.
- **Older homes** typically cost less than new construction, are likely to have more yard space, and can be renovated to your wildest desires. Be aware of possible problems like asbestos or lead and be mindful of potential renovation costs.

- **Historic homes** let you live in a piece of history, a home that has seen decades of progress and has grown with its community. You'll likely face restrictions on what you can do to a historic home.

As you're compiling homes to check out on your home shopping search, review the information here to help you decide what types of homes may be a great fit for you, your lifestyle and your family.

Ready to learn more about what to consider when buying a home? On to the next chapter!





# HOAs: The Good, the Bad and Everything In-Between

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If you're looking for a home in the Valley, you're likely to encounter one aspect to homeownership that can affect your daily life and monthly bills: a homeowners association (HOA). An HOA is a mandatory association for homeowners of condos or single-family units within a certain home complex or neighborhood. Homeowners within an HOA must abide by certain conditions and restrictions and pay monthly dues that go toward things like landscaping and maintenance of common areas.

HOAs can offer tremendous benefits, like upkeep of building features that enhance quality of life, which help preserve property values. However, HOAs can also pose some hassles to homeowners, from limiting the types of pets you can have to requiring approval for new exterior paint colors.

The number of community associations across the country has grown from 10,000 in 1970 to 342,000 in 2016, according to the Community Associations Institute. In Arizona, there are at least 9,000 HOAs, and about half of Valley homeowners live in a community that has one, according to *The Arizona Republic*.

When you're shopping for a new home, be mindful of these HOA considerations and how they may affect you as a homeowner.





## THE GOOD

When you live in an HOA community, you and your neighbors are required to maintain a certain standard for your complex or neighborhood. HOA members can attend meetings and provide input that affects not just their home, but their community. In addition to regular meetings, many HOAs have frequent social gatherings.

If you're looking for a home that has a built-in community, one that has an HOA may be appealing. Here are some benefits.

### 1. Access to Amenities

Amenities like clubhouses, golf courses, tennis courts, heated pools and spas, workout facilities and more may be offered to HOA homeowners. If you are already paying for amenities like these — for example, a monthly gym membership — you can eliminate that when you move into a place with similar amenities.

Some HOAs will even build cable television into the services that all homeowners get. You may be able to save money with an HOA and have amenities that make your life more enjoyable.

### 2. High Standards

Compared to living near a neighbor whose idea of upkeep is to mow the lawn once a year, living in an HOA means you can be surrounded by homes that all live up to the same high presentation standard. Some HOAs mandate that weeds can't grow to a certain height or that homes cannot be painted garish colors. Other HOAs ensure that all grass on the property is perfectly green and mowed.

If you find an HOA home in a beautiful complex or neighborhood, the HOA will probably guarantee it stays that way. There are even HOAs that pay for the repaving and maintenance of roads and parks inside the community, which can also enhance your life.

### 3. Save Money on Upkeep

Not everyone is in love with DIY projects. If you fall into this camp, you'll be glad when your

condo's HOA takes care of repair projects like fixing a leaky roof, plumbing or repainting. You might love flowers but don't have a green thumb. Some HOAs will maintain beautiful gardens and landscaping at your property complex. Keep in mind that if you own a freestanding home with an HOA, there's a good chance that you'll still be responsible for most of your property maintenance costs.

If you're interested in saving time (and possibly money, too) on having to find and hire laborers to work on your house, then buying a condo with an HOA alleviates the burden of upkeep.

### 4. Home Value Stays Intact

Who you live by can affect your home value. For example, if you live in an independent neighborhood, you might take immaculate care of your home's appearance, but your next-door neighbor's abode might be an eyesore. That can affect your ability to sell your home in the future or to get the sales price you want. When you live in an HOA, things like the quality of homes you're surrounded by stay consistent.

## THE BAD

Unfortunately, despite the benefits HOAs can provide homeowners, they also limit homeowners in what they can do to their homes and how they can live. If you want true independence in making your space, and its surroundings, your own, an HOA home may not be for you. Consider these potential disadvantages to HOAs.

### 1. You Could Be Fined for Non-Compliance

Not paying HOA dues and not adhering to HOA covenants, conditions and restrictions can result in fines and, at worst, the HOA suing you or foreclosing on your home. Actions that can result in fines range from leaving up holiday decorations too long to painting your home a different shade of blue than is approved. Not all repairs may be covered by an HOA, either. For example, if you have broken roofing tiles, the HOA may require you to pay for their maintenance or risk being fined.



If you owe more than \$1,200 to the HOA or haven't paid fees in more than a year, the HOA can seek foreclosure on your home. A 2017 investigation by *The Arizona Republic* found HOAs foreclosed on a [record number](#) of Valley homes.

## 2. Your Freedom Is Restricted

HOA rules mean that homeowners must abide by them or face the penalty. In addition to what the exterior of your home looks like, you may be limited on how many of your guests can enjoy the amenities offered at your property, how many vehicles or what types of vehicles can park at your property, and how many pets you have.

You may even be forced to use non-environmentally-friendly methods in upkeep, like having to use pesticides for your lawn.

## 3. Fees May Go Up

The HOA fee you initially agree to when you move in can change at any time. HOA fees may go up annually or even more frequently depending on costs of services. Be aware of HOA fees at new construction homes, too. New developments may initially set fees low, and then raise them exponentially.

In addition to having to pay monthly or annual HOA fees, homeowners may have to pay for other costs of living in an HOA neighborhood. Special assessments for emergency costs may also be approved by the HOA and require homeowners to pay additional fees.

## 4. You May Pay for Services You Never Use

If you aren't interested in the amenities offered at your HOA home, you are not exempt from paying them. It's up to the homeowner to decide whether offerings like a movie theater or tennis court are something they'll actually use, or will be able to use depending on the hours the amenities are open.

# PROS AND CONS OF NOT HAVING AN HOA

When you come across a home you're interested in that doesn't have an HOA, there are some potential risks and benefits to consider. Here are some pros and cons:

## Benefits of Not Having an HOA

- No one will tell you what to do with your home.
- You won't have to pay HOA fees.
- You can be as community-involved — or independent — as you want.

## Downsides of Not Having an HOA

- Your neighbors' yards might get a little out of control, which could affect your home value.
- You'll be responsible for home improvement projects like new exterior paint.
- Unlike HOA communities where there are pools, clubhouses and entertainment venues, you'll have to find those on your own.

# IS AN HOA A FIT FOR YOU?

As you're home shopping, you should definitely investigate HOA terms for any property you're considering. Read HOA rules thoroughly, ask for a record of dues over the past 10 years to identify fee increase patterns, and ask for a copy of the minutes from the last HOA meeting to get an idea of whether or not an HOA is right for you.

You may find a particular HOA offers value in safety, security and quality of life — and it may even save you money. In other cases, an HOA may charge you exorbitantly for things you'll never use or need. Moving into a home with an HOA instantly makes you part of that community, so make sure it's one you'll feel comfortable being a part of.

There are more factors to consider when you're shopping for a new home. Check out the next chapter for details.



# Everything Outdoors: What It Costs to Maintain and Improve Your Property

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One of the most pleasurable things about living in the Valley is having gorgeous weather for a good portion of the year. Outdoor living is a top home demand for today's home shoppers, increasing for the **seventh year in a row** as the top emphasis in the 2018 American Institute of Architects' *Home Design Trends Survey*. More than two-thirds of architecture firms report an increased demand for outdoor living space, including covered outdoor space and outdoor "rooms" like decks and patios.

Outdoor space isn't just an enjoyable place to hang out. It can also increase your home value. The 2018 National Association of Realtors' Remodeling Impact Report found that landscape maintenance, overall landscape upgrade, standard lawn care service, new patios and new wood decks are the top features most likely to add value to a home for resale. Landscape maintenance is expected to bring a return on investment of 100%, while standard lawn care service can recover a **value of 267%**.

While the returns can be substantial, there will be some upfront costs for improving and maintaining the outdoor areas on your property. The average median sales price for a three-bedroom home is **around \$191,000 in Arizona**, but adding upgrades to a yard or renovating your patio or landscaping will add to your baseline cost. If you're already daydreaming of lounging outside or hosting friends and family in a beautiful welcoming yard, here are some costs to consider with outdoor maintenance.



## POOL OWNERSHIP

In hot summer months in the Valley, having a pool to jump into provides a welcome respite from the heat. Add a heater to your pool and you can enjoy the water all year-round.

If your yard doesn't have a pool yet, it will cost around \$40,000 to install an in-ground swimming pool, according to *U.S. News & World Report*. Then there's the maintenance. Opting to take care of your pool yourself can result in issues like broken motors or backed-up filters. To keep your pool running optimally, getting professional pool help is the way to go.

HomeAdvisor reports that annual pool maintenance costs average between [\\$3,000 to \\$5,000 a year](#). Some homeowners enlist weekly or monthly help for essential pool services like:

- Checking water levels
- Testing water chemistry
- Chemical application
- Skimmer cleaning
- Filters, equipment and settings checks

The good news is, with proper pool maintenance at least monthly, homeowners can typically avoid the need for costly repairs. A project like pool re-plastering can cost \$10,000 or more; but with regular expert care, homeowners can avoid this for up to around 30 years. Using energy-efficient pool tools, like a variable-speed pump, can also decrease pool energy costs.

In addition to keeping the pool clean and running, homeowners with pools also need to be aware of the risks involved with people who use their pools. You open yourself up to lawsuits if you have guests who are injured or drown in your pool. That's why liability coverage is essential if you own a pool, and insurance experts recommend purchasing at least \$300,000 worth of protection.

While pools take up a significant chunk of your backyard, landscaping sets a first impression and carries your aesthetic out back. Let's look at some of the typical landscaping costs.

## LANDSCAPING

Plants, flora and fauna have a big impact on the quality of homeownership. The Houzz 2018 *Landscaping Survey* of [more than 750 homeowners](#) in the United States found more than half of homeowners spend more time entertaining outdoors after they've completed landscaping projects.

HomeAdvisor reports average landscaping installation costs are more than \$3,200, while Landscaping Network advises to budget about 10% of your total home value for any major landscaping project.

Landscaping in Arizona has unique challenges (and costs) due to the dry and arid heat, especially if you have your heart set on a vibrant green lawn that thrives in 100-degree-plus temperatures. Some desert landscape ideas recommended by *Sunset* magazine include:

- Install drought-tolerant desert grass and trees.
- Choose foliage that provides wind control and shade.
- Plant trees, shrubs, perennials, ground covers and cacti that thrive in dry climates.

Investing in non-desert-climate-friendly landscape plant ideas means you'll pay more in maintaining plants and replacing plants that don't survive. Xeriscaping is the practice of using creative, environmentally-friendly landscaping that conserves water. It's a great practice to try in the Valley desert, with benefits for both your wallet and the environment.





## XERISCAPING TIPS

Xeriscaping is wise in the Valley because you'll pay less in water bills and fertilizers and will lessen the environmental burden of your landscaping. An acre of green turf uses [70% more water](#) than an acre of xeriscaping, *The Arizona Republic* reports. Plus, xeriscaping can attract more native wildlife.

You can even score a rebate for converting turf areas into xeriscaping, depending on where you live. Some best practices with xeriscaping include:

- Install plants that are drought-resistant, including native plants that have already adapted to the Valley's climate.
- Design the ground so that it efficiently distributes water, through sloping and various ground materials.
- Reduce lawn grass areas.

Just because you're conserving water doesn't mean you have to sacrifice beauty. Xeriscaping still enables Valley homeowners to integrate tons of beautiful plants and colors into their landscaping. Some stunning ones recommended by the Arizona Municipal Water Users Association include red spike ice plant, cat claw vine and desert marigold.

Because landscaping costs will vary wildly depending on the size of your home and the work you want done, you can estimate the potential costs of landscaping by using the [calculator here](#).

## BUDGET FOR YOUR HOME OWNERSHIP

Perfecting your outdoor space will cost time and money, but you could reap the rewards of relaxation and potential increased home value. A sparkling pool and pristine landscaping are often at the top of many Valley homebuyers' wish lists. But keep in mind pools can cost at least \$40,000 to install and around \$5,000 a year to maintain, while landscaping projects can average around 10% of your total home value. Maintaining landscaping will cost around \$150 a month.

As you're home shopping, add costs like a pool and landscaping into your budget. How much home you

can afford will depend on how much you'll be able to pay for installation and monthly maintenance costs for the feature you want. The Balance recommends budgeting [at least 1%](#) of your total home cost — or \$1 per every square foot of your home — for annual maintenance, though unexpected repair projects can always pop up. Home age, location and condition can all increase or decrease costs, too.

Now that you have a better idea of outdoor living space costs, you can decide which landscaping practices will best fit your lifestyle. You'll also be able to ask more in-depth questions about the landscaping at homes you're interested in to make sure it aligns with your Wish List - or consider possible changes it may need.



# READY TO START YOUR HOMEBUYING JOURNEY?

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