

## Choosing the Right Property

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## Your Property Wish List

While your opinions on the type of home you want to own may change during the home buying process, use this easy checklist to help you prioritize and make the shopping process less time consuming.

- How close do you need to be to: (a) public transportation \_\_\_\_\_ (b) schools \_\_\_\_\_ (c) airport \_\_\_\_\_ (d) expressway \_\_\_\_\_ (e) neighborhood shopping \_\_\_\_\_ (f) other \_\_\_\_\_?
- What neighborhoods would you prefer?
- What school systems do you want to be near?
- What architectural style(s) of homes do you prefer?
- Do you want a one-story or two-story house?
- How old a home would you consider?
- How much repair or renovation would you be willing to do?
- Do you have special facilities or needs that your home must meet? ③ Do you require a fenced yard or other amenities for your pets?

<i>Prioritize each of these options into</i>	<i>Must have</i>	<i>Would prefer</i>
Yard (at least_____)		
Garage (size_____)		
Patio/Deck		
Pool		
Bedrooms (number_____)		
Bathrooms (number_____)		
Family room		
Formal living room		
Formal dining room		
Eat-in kitchen		
Laundry room		
Basement		
Attic		
Fireplace		
Spa in bath		
Air conditioning		
Wall-to-wall carpet		
Hardwood floors		
View		
Light (windows)		
Shade		

## **Tips for Finding the Perfect Neighborhood**

The neighborhood you choose can have a big impact on your lifestyle—safety, available amenities, and convenience all play their part. And, picking the right neighborhood directly affects the resale value.

1. List the activities—movies, health club, church—you engage in regularly and stores you visit frequently. See how far you would have to travel from each neighborhood you're considering to engaging in your most common activities.
2. Check the Schools. The Department of Education in your town can probably provide information on test scores, class size, percentage of students who attend college, and special enrichment programs. If you have school-age children, also consider paying a visit to schools in the neighborhoods you're considering. Even if you don't have children, a house in a good school district will be easier to sell in the future.
3. Is the neighborhood safe? Ask the police department for neighborhood crime statistics. Consider not only the number of crimes but also the type—burglaries, armed robberies—and the trend of increasing or decreasing crime. Also, is crime centered in only one part of the neighborhood, such as near a retail area?
4. Is the neighborhood economically stable? Check with your local city economic development office to see if income and property values in the neighborhood are stable or rising. What is the percentage of homes to apartments? Apartments don't necessarily diminish value, but they do mean a more transient population. Do you see vacant businesses or homes that have been for sale for months?
5. Ask your agent for information about price appreciation trends in the neighborhood. Although past performance is no guarantee of future results, this information may give you a sense of how good an investment your home will be. A government planning agency also may be able to tell you about planned developments or other changes in the neighborhood—like a new school or highway—that might affect value.
6. Visit the neighborhood. Once you've narrowed your focus to two or three neighborhoods, go there, and walk around. Are homes tidy and well maintained? Are streets quiet? Pick a warm day if you can and chat with people working or playing outside. Are they friendly? Are there children to play with your kids?

## **Tips on Buying in a Tight Market**

Increase your chances of getting your dream house instead of losing it to another buyer, with these easy steps.

1. Obtain a mortgage prequalification. You'll be able to make a firm commitment to buy and make your offer more desirable to the seller.
2. Stay in close touch with your Real Estate Agent to find out first about new listings that come on the market. And be ready to go see a house as soon as it goes on the market. Your agent may have already signed you up with the MLS to receive notifications of all new listings that fit your criteria as they are added.
3. Be prepared to decide. Spend lots of time in advance deciding what you must have so you won't be unsure when you have the chance to make an offer.
4. Make your initial bid competitive. You may not want to start out offering the absolute highest price you can afford, but don't try to go too low to get a deal. In a tight market, you'll lose out. Your agent can advise you on what to offer.
5. Minimize contingencies. Restrictions such as needing to sell your home before you move or wanting to delay the closing until a certain date can make your offer unappealing. In a tight market, you'll probably be able to sell your house rapidly. Or talk to your lender about getting a bridge loan to cover both mortgages for a short period.
6. Don't make the purchase a bidding auction. Just because there's competition doesn't mean you should just buy anything. And even though you want to make your offer attractive, don't neglect inspections that help ensure that your house is sound.

## The Pros and Cons of Condos

Condominiums and townhouses offer an affordable option to single-family homes in most areas. But consider these facts before you buy. The VA offers a complete list of Approved Condominium Communities at:

[www.vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch](http://www.vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch)

1. **Storage.** Some condos have storage lockers, but usually there are no attics or basements to store belongings.
2. **Outdoor space.** Yards and outdoor areas are usually smaller in condos, so if you like to garden or entertain outdoors, this may not be a good fit. However, if you hate yard work, this may be the perfect option for you.
3. **Amenities.** Many condo properties have swimming pools, fitness centers, and other facilities that would be very expensive in a single-family home.
4. **Maintenance.** Many condos have onsite maintenance personnel to care for common areas, do repairs in your unit, and let in workers when you're not home.
5. **Security.** Many condos have keyed entries and or even door attendants. Plus, you'll be closer to other people in case of an emergency.
6. **Reserve funds and association fees.** Although fees generally help pay for amenities and provide savings for future repairs, you will have to pay the fees agreed to by the condo board, whether you're interested in the amenity or not.
7. **Resale.** The ease of selling your unit is more dependent on what else is for sale in your building, since units are usually fairly similar. Single-family homes usually are more individual.
8. **Freedom.** Although you have a vote, the rules of the condo association can affect your ability to use your property. For example, some condos prohibit home-based businesses. Others prohibit pets. Read the covenants, restrictions, and bylaws of the condo carefully before you make an offer.
9. **Proximity.** You're much closer to your neighbors in a condo or townhome. If possible, try to meet your closest prospective neighbors before making a decision.

## 10 Questions to Ask Any Condo Board

Before you buy, contact the condo board with the following questions. In the process, you'll learn how responsive—and organized—its members are.

1. What percentage of units is owner-occupied? What percentage is tenant-occupied? Generally, the higher the percentage of owner-occupied units, the more marketable the units will be at resale.
2. What covenants, bylaws, and restrictions govern the property? What grandfather clauses are in place? You may find, for instance, that those who buy a property after a certain date can't rent out their units, but buyers who bought earlier can. Ask for a copy of the bylaws to determine if you can live within them. And have an attorney review property docs, including the master deed, for you.
3. How much does the association keep in reserve? How is that money being invested?
4. Are association assessments keeping pace with the annual rate of inflation? Smart boards raise assessments a certain percentage each year to build reserves to fund future repairs. To determine if the assessment is reasonable, compare the rate to others in the area.
5. What does and doesn't the assessment cover—typically common area maintenance, recreational facilities, and trash collection are included.
6. What special assessments have been mandated in the past five years? How much was each owner responsible for? Some special assessments are unavoidable. But repeated, expensive assessments could be a red flag about the condition of the building or the board's fiscal policy.
7. How much turnover occurs in the building?
8. Is the project in litigation? If the builders or homeowners are involved in a lawsuit, reserves can be depleted quickly.
9. Is the developer reputable? Find out what other projects the developer has built and visit one if you can. Ask residents about their perceptions. Request an engineer's report for developments that have been reconverted from other uses to determine what shape the building is in. **If the roof, windows, and bricks aren't in good repair, they become your problem once you buy.**
10. Are multiple associations involved in the property? In very large developments, umbrella associations, as well as the smaller association into which you're buying, may require separate assessments.