

Condo and Home Owner Tips

Personal Observations Presented by Ken R Fisher, Realtor
and Member of the Muir Woods Home Owner Association

Condo Owner Tip #1. I always make a point to instruct the home buyers that I represent that “You should always talk to your potential neighbors before signing the initial papers for the purchase of your house or condominium. Your concerns are builder/general contractor quality, timeliness of construction, quality of construction, general satisfaction with the completed project including responsiveness after the closing, truthfulness of the builder’s representatives, excessive noise between units, as well as Home Owner Association services, specific responsiveness and promptness to resolving problems. It would be quite beneficial to visit several previous neighborhoods built by the builder to talk with those homeowners before signing on the dotted line”. Most buyers do not complete these very important steps.

Condo Owner Tip #2. I also state that whenever buying new construction, “You should make a point to find out the company names of the sub-contractors who are working for the builder before you sign the contract to build. You should retain this information along with contact information in writing. Drive through the subdivision and stop at work under construction ... ask the sub-contractors who they are. Ask them for their opinion of the builder ... you may be surprised. Keep in mind that some builders use the “lowest bidder”. Again, most buyers do not complete these steps either.

Condo Owner Tip #3. Anytime you are purchasing new construction, it is a must to purchase an inexpensive minimum 2 mega-pixel digital camera or an inexpensive 35mm camera and record every construction event as it occurs during the construction of your home. Events would be site preparation including plumbing layouts under the driveway slab and the living area slab or crawl space, installation or lack thereof of insulation material around the edges and under the slab to be poured, completion of the slab pour and slab cracks (slabs of the proper thickness and appropriate grade installed over properly prepared sites crack very little), installation and completion of the exterior framing, completion of the interior studs, completion of the ductwork, completion of the plumbing (including the mismatched pipe locations in the slab and the resulting breaking up of that slab to move the pipes to the proper locations), completion of the electrical wiring and device installations, completion of the wall and ceiling insulation, completion of sound abatement installation, completion of the drywall, completion of the kitchen cabinetry and appliance installation, completion of the exterior and everything else just before the walk-through prior to closing. Pay close attention to the insulation and sound barrier installation to make sure that it is appropriate and that the coverage is complete. (Apparently, the Baldwin model is susceptible to considerable noise from the above unit as the insulation is inappropriate.) You should take pictures of all 4 walls and corners of every room as well as the ceilings as you proceed through the construction stages. You will find it to be very important to have this historic record when discussing construction defects with the builder. It is a very good thing to have a record of where the electrical wiring, plumbing and heating/cooling duct work is should a problem occur anytime after

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the closing of the purchase of your condo. Further, It is also a benefit to take exterior pictures of brick, siding, gutters and trim installation and paint or lack thereof. Check to make sure that the roof decking actually meets the gutter boards. Improper siding gaps and poor siding installation/nailing are often noted (these gaps can allow birds, bugs and bees into your attic). Note the grading around your property. A slope in the dirt toward your foundation, porch and patio will allow water to seep under creating a strong potential for heaving and freeze cracks. Note the concrete walks and steps, they should tip slightly away from the property to insure that water runs away from the property and not toward it. Also, closely inspect the concrete driveway. Most builders prohibit contractors from parking commercial vehicles, heavy trucks and commercial equipment on a customer's driveway because the weight could cause cracking, Hills apparently does not. Then, Hills doesn't want to honor any crack of less than 3/8" without a conflict. Their policy may well cause you a problem and could ultimately impact the value of your property. Another comment about concrete and driveways: Using various chemicals including driveway salt and tire shine on your vehicle can permanently stain your driveway. These unsightly problems are your problems and will not be remedied by Hills or the Association. If you have a problem with flowers, bushes and other plants dying in your landscaping beds, it could be because those beds are filled with gravel, rocks, construction debris, some dirt and a lot of mulch to level it all out.

Condo Owner Tip #4. Builders continually refer to their compliance with the Builders Association of Greater Indianapolis Quality Assurance Builder Standards. Keep in mind that the builders belong to the Association and those same builder members of the Association make the standards. They say that the consumer must 'accept' those standards. Some builders hide behind those standards. **You** do not have to accept their 'standards'. It may finally take a lawyer to properly convince the builder, but you do not have to accept the 'standards'. Please note that many builders bury a 'mandatory arbitration clause' in their purchase agreements in an attempt to avoid a court room.

Condo Owner Tip #5. Before you do your walk-through prior to closing, **READ** the "Limited Warranty" Guide in your Conditions, Covenants and Restrictions Book that you should have received from Hills Communities when you signed your initial paperwork initiating the construction process on your condominium. This guide outlines Hills One Year Warranty without reference to the laws of the State of Indiana. Indiana Code 32-27-2-8 (b) indicates the following: a) the home will be free from defects caused by faulty workmanship or defective material for **two** years; b) the home will be free from defects caused by faulty installation of plumbing, electrical, heating, cooling or ventilation for **two** years; c) the home will be free from defects caused by faulty workmanship or defective material in the roof or roof system for **four** years; and d) that the home will be free from "major structural defects" for a period of **ten** years. It further provides survival of these warranties when the initial home buyer passes legal or equitable title in the new

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home to a subsequent home buyer. The fact that Hills issues a Warranty actually supersedes the Indiana law.

Condo Owner Tip #6. It is recommended that you complete a **pre-walk through** on your own preferably with a home inspector a day or two prior to the builder's walk through. I would not notify the builder of your intentions in advance ... just do it!

Condo Owner Tip #7. The white on white on white 'blinder effect' tends to cover all types of defects when doing a walk-through. Insist on a day with sunshine rather than a cloudy day. If it turns out to be a cloudy day, it would be to your benefit to 'be sick' that day and find it necessary to reschedule. It is your responsibility to note and resolve problems with potentially poor quality latex and latex semi-gloss paint work prior to closing. If you look very closely, you will note that touched up paint takes on a whole new meaning. Personally, In my well over 30 years of new home selling, I have NEVER seen such a poor paint, caulking and coverup job in new construction, even the cheapest new construction. Step back and really look closely at flat surfaces for mars, cracks and divots in the walls, the ceilings, the floors as well as the poor paint work (white on white paint makes it difficult to see all of the touch up marks that will magically appear within 2-3 months after you move into your new condo). It is your responsibility to resolve problems with cracks, nicks, divots and unfilled nail holes in woodwork and walls as well as painted over dirt, sawdust, blobs of caulk and fingerprints prior to closing. Also note paint and caulk on the door hinges and locking mechanisms as well as on the carpeting, flooring, woodwork, tile and cabinetry. Also note improperly installed lock sets and misaligned striker plates. Make sure that you test everything including appliances, the HVAC system, the sinks, the toilets, the doors (and door locking mechanisms) and the windows for operability. Check out the counter tops and cabinet tops to make sure that some idiot has not scratched off stickers with a screwdriver or worse. Some builders think this walk-through process is a game ... if they are successful in covering up their defects on the walk-through, it becomes your problem ... forever. If you have not already done so as recommended, it would be worthwhile to have your home professionally inspected at this time ... this is YOUR Right ... always accompany the inspector.

Condo Owner Tip #8. You should be able to secure paint for touch-up use from the builder. Provide 4 new quart cans to secure interior latex, interior semi-gloss latex, brown trim paint and gray trim paint. This should have been provided to you at no cost when you closed your purchase.

Condo Owner Tip #9. Nail pops, drywall cracks and improperly installed metal drywall bead are a One Year Warranty Claim problem ... READ the Warranty Booklet. Nail pops, obviously, would seldom occur if drywall screws were used properly. Properly designed structural framing and properly cured lumber would, for the most part, eliminate sagging drywall corners around door openings. It will be of considerable inconvenience to you when it comes time for the builder to resolve those problems.

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Consider the inconvenience of workers and moved furniture and drywall patching dust and sawdust all over your house as well as the time it requires for you to personally supervise the work in process. I am of the opinion that once Hills repairs these problems at the one year warranty period, they remain fully responsible for another year that these specific problems will not recur. My opinion does not count.

Condo Owner Tip #10. You must continually 'harass' the builder and the builder's sub-contractors to get problems remedied. It appears in some instances that the procedure follows certain steps (1) identify the problem, (2) inform the builder or sub-contractor, (3) wait, (4) wait, (5) wait, (6) remind them, (7) wait more, (8) complain, (9) complain more, and (10) someone appears (without an appointment) to resolve the problem or attempt to explain it away. The squeaky wheel gets the grease! Keep in mind that the builder hires the sub-contractors and the sub-contractors build your home. It is then your responsibility to work with 'the builder's' sub-contractors to resolve the builders' problems. Most of these problems occur due to what the writer believes to be a completely ineffectual job supervisor. Sweet-talking rises to a new level and acceptance of the excuses and side-stepping on problems will ultimately cost you dollars. Keep in mind that you must work with the sub-contractor only to a point. Unresolved problems should be referred back to the builder promptly. If no response, refer your problems to a good attorney. There is absolutely no reason not to enlist the services of an attorney once you have exhausted your efforts at reasonably resolving the problems. Consider the money that you spent to acquire the property. Consider that amount of money in relation to what you actually received ... **SUE** could perhaps be one of the best words in your vocabulary.

Condo Owner Tip #11. Does your condo cost more to heat and cool than your previous house of twice the size. You need to check where the heating/cooling vents enter your home from the attic space as often those openings are not properly sealed (you will have to remove the individual distributor grills to view this problem) ... you may be heating and cooling your attic. These gaps and openings must be sealed. You then need to talk to the heating contractor. Vectren Energy (gas) will not conduct an energy audit for you. If you are smart and convert your gas furnace/central air system to a heat pump with gas backup, contact Cinergy PSI, they will sometimes run a free energy audit for you. They do offer energy audit services for a fee. You must do this BEFORE the one year Warranty claim ... you will need to refer the identified problems back to the builder for resolve. Considering that the Hills installed furnaces have low efficiency and that gas prices are on the rise, it may be to your considerable advantage to install an Electric Heat Pump designed to use the gas furnace as a back up ... you can save money in both winter and summer with the upgrade. Regarding your furnace filter, apparently quality furnace filters were not included in the price of the home that you purchased. A cheap filter was provided on the air return, but not in the furnace filter container. For the Amana Furnaces, Lee Supply in Carmel has a stock of 3" x 25" x 16" filters available in the near \$20.00 range. You can make your own by using 2 rather

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inexpensive 1" x 25" x 16" filters and 1 mid-expensive filter in the same size ... put the mid-expensive filter closest to the furnace and then place the two inexpensive filters away from the furnace. Slide the filter pack as a group into the filter receptacle ... you can cut your cost by over half and you can pick them up most anywhere. Check your filter pack every 60 days or so and change each individual filter as it begins to show dust or dirt.

Condo Owner Tip #12. You may be able to save considerable money on heating and cooling cost for the property by adding insulation to the attics. The walls of living areas have R13, the ceilings with attics have R30. Cinergy recommends wrapping the house in a plastic material such as Tyvek to reduce air penetration and a minimum of R22 in the walls and R49 in the ceilings respectively. Your condo was not wrapped ... the siding provides little protection from air infiltration and bugs, ladybugs, beetles, roaches and bees ... these creatures move into your attic and then come into your home through the improperly sealed duct openings and electrical fixture receptacles. The garage exterior walls and the ceiling have no insulation ... the builder doesn't even offer the option. For the Baldwin model, the approximate cost to upgrade from R30 to just R40 in the ceiling attic over the Great Room and install R30 in the attic over the garage is \$300.00 (Fall, 2004). Nothing can be done once the garage walls have been finished. Call Environmental Insulation at 896-5324. No matter the model, you should arrange to have the attic insulation in your home increased from R30 to R49 to considerably reduce your heating and cooling bills. Have someone caulk around the heating/cooling ducts and electrical fixture receptacles (you will lose a lot of heat through your receptacles). You should also consider adding insulating panels in your garage overhead door. The door is an Amarr Garage Door installed by Door Master at 485-6878. The approximate cost is \$106.00 installed (Fall 2003). Why didn't Hills offer this upgrade? Another factor to reduce heating and cooling costs is to keep your garage door in its natural state ... DOWN. In the winter, an open garage door will allow the cold temperatures to penetrate the ceiling and walls of your unit as well as the walls and ceilings of your neighbor's unit.

Condo Owner Tip #13. You can further reduce high heating and cooling costs. In the Winter, keep your window blinds and curtains closed when the sun is not shining into specific rooms. In the Summer, keep your window blinds and curtains closed when the sun is shining into specific rooms. Additional heating and cooling savings can occur with a storm door and it will also provide a nice outside view. We recommend a Larson Door from Menards as we have purchased the product. Rudy from Able Installers at 523-8447 does an excellent and reasonably priced installation.

Condo Owner Tip #14. If you purchased your new home or condo in the winter months, it is very likely that the HVAC contractor did not activate your outside Air Conditioning unit. It is also quite possible that the unit has minimal Freon. You should

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test your A/C the first Spring Day over 50 degrees. If it does not work, call for warranty service immediately. If you wait until the weather warms, you may have to wait for several days to get service.

Condo Owner Tip #15. Sewer Gas! Yuck! Sewer pipes must be vented to allow the plumbing to work properly. Some units have interior venting to save the builder money at the expense of your nose. A \$20.00 Magic Aire device is installed on the drain pipe under each sink as well as in the wall in the laundry room near the washing machine. These devices **fail frequently**. Sometimes, an inoperable vent will cause a backup in your sinks or toilet. It might be a benefit to purchase several of these vents directly from B&W Plumbing and keep them available for emergency use ... at least you can avoid the cost of the service call. Also, the floor drain in the laundry room can be an odor source. You should periodically drain a small amount of water from the water heater pop-off valve into the drain to make sure that the drain trap always has water in it. If you have a water softener, the drain trap will retain water from the recycling function. Don't forget to turn off and drain then refill and turn on your water heater annually to prolong its' life.

Condo Owner Tip #16. Noise generated from a unit built above your unit may very well be a considerable problem even though you may have been told that it would not be a problem. Hill's lied! Ample insulation and noise reduction solutions between floors should have been installed. **Obviously, it was not.** Once the unit is constructed, it is too late to remedy this potentially irritating problem other than perhaps adding another sheet of drywall to your ceiling. This disclosure problem is a very good candidate for a Class Action Lawsuit ... it has been ruled favorable to victims in California and elsewhere. It is recommended that you meet your neighbors and gently remind them that you do live below. It would not be good idea to move in under a family of tap dancers (or big dogs with large nails). **Some owners have reported excessive noise from vacuum cleaners, dishwashers, washing machines, out-of-balance dryers, furnace blowers, stereo systems, radio and TV's, hard soled and high heel shoes, closing of doors, closing of drawers, voices, bedroom activities, barking dogs, your neighbor's garage door opening and closing, and even blowing one's nose as well as using the bathroom.** There should be an item in the Covenants, Conditions and Regulations prohibiting tile and hardwood flooring above a Baldwin unit. The approximately 18" cavity of 'dead air' transmits sound like an echo chamber or a Klipsch stereo speaker. The builder installed R11 CertainTeed acoustic insulation between the floors ... thickness appeared to be about 3" but coverage appeared to be minimal and results are seriously lacking. A thick sound deadening spray could have been installed under the upper level floor and on the pipes and duct work within the area and would have considerably reduced the problem. Hills personnel have insisted that it is not really a problem ... they just avoid the issue and obviously don't live here! A Hills representative has stated to the writer that if you feel that it is a problem, you should consider moving to their new one level duplex project just north of 116th and

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Brookschool Road. Condominium owners in Los Angeles have successfully sued their builder for failure to install proper sound abatement materials. Home owners can also sue the inconsiderate individual perpetrator (the home owner) of the noise problem in Small Claims or Superior court ... usually just the threat of the legal action will control the problem according to newspaper columnist Robert Bruss. Keep in mind that Paragraph 15 of your Purchase Agreement with Hills states that “the Purchase Agreement contains all the terms and conditions agreed upon by the parties hereto, there being no oral conditions, representations, warranties or agreements”. In effect, you have agreed that whatever you were told is not a future consideration if the statement or statements were not a part of the written Purchase Agreement. Also keep in mind that this Purchase Agreement was typically not read to you nor explained to you prior to your signing.

Condo Owner Tip #17. Regarding the deck over your patio, sorry, but it is not a solid board or tongue and groove as you may have been told ... it is just plain wood with gaps between boards that will allow rain and snow and ice and debris as well as plant debris and pet waste to fall on you and your patio thereby making your patio unusable. Flipping cigarette butts and other debris off of decks is prohibited and any cleanup necessary will be billed to the unit owner ... report this activity to the Association. You should inform the folks above your patio that their debris is falling on you. As the deck ages, the gaps will widen. Other Hills projects, both condo and apartment, have solid floors on their decks preventing these problems from ever occurring. The writer recommends Champion Patio Enclosures to at least roof your patio to prevent debris from ruining your patio enjoyment. They install a very solid enclosure at a more than reasonable price. A local contractor has a fix for the situation for approximately \$1,200.

Condo Owner Tip #18. Have your new condo PROFESSIONALLY INSPECTED just prior to the final One Year Warranty Claim if you did not have this done at the time of your builder walk through. You should also have resolved problems re-inspected to make sure that the remedy was completed properly. A professional opinion will go a long way to resolving your problems. Your personal opinion will very possibly be ignored.

Condo Owner Tip #19. The typical unit provides two garage parking spaces and two driveway parking spaces. Limited guest parking is also provided FOR GUESTS at the Clubhouse. Owners should not ever make a practice of dominating the Guest parking as the Guests will then park in front of the driveways and mailboxes. There are 3 turn-arounds in the subdivision ... none are to be used for vehicle parking. Parking on the streets, the grass, in front of the mailboxes or across the roadway from someone's garage is prohibited by the Covenants, Conditions and Regulations, you will ultimately be billed to remedy the damages. Damage to your vehicle is your responsibility. Vehicle towing will result after warning. Motor homes, campers and boats and trailers must and will be parked elsewhere ... even temporary parking is prohibited. Long term parking in guest parking is not permitted. Refer to the Covenants, Conditions and

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Restrictions for Muir Woods. You agreed to abide by those Covenants, Conditions and Restrictions when you accepted legal title to the property ... whether you read them or not.

Condo Owner Tip #20. Upper level condos usually have only one entrance. In case of fire, the owner should have an emergency ladder to drop over the deck rail to the ground for escape. Every condo owner should have at least one easily accessed fire extinguisher. We recommend one in the home in the kitchen, one in the laundry room and one in the garage. The length of the dryer vent pipe to the exterior may be a fire hazard due to its length. The material used in the bathroom vents appears to be substandard.

Condo Owner Tip #21. Maintain contact with the Homeowner Association Management Company to insure that each condo owner secures their own trash on trash day You really don't want that stuff blowing all over your neighborhood. Trash should not be placed outside a condo until after 6:00pm the night before or the morning of the scheduled trash pickup per the Covenants, Conditions and Restrictions for Muir Woods. If it is, and it is blown around, the condo owner may be assessed a special clean-up fee for each occurrence. The CCR's require trash containers MUST be stored inside the unit garages except for 12 hours before pickup and 12 hours after pickup of the trash.

Condo Owner Tip #22. Dog owners should be reminded to clean up after their dogs when walking through the neighborhood. It is required by the CCR's. Allowing your pet to urinate or defecate on the bushes and plants is not only STUPID, it is against the rules ... you may well have the opportunity to pay for the damage created.

Condo Owner Tip #23. Your condo fee will ultimately be held responsible for repainting exteriors and replacing trim and siding and roofs and lawns and landscaping and, yes, even poorly constructed and/or poorly maintained roadways. The poorly constructed and poorly maintained roadways and drainage systems will cost everyone a considerable amount of money in both the short and long term. Your monthly fee will only go UP! The resulting high Home Owner Association fees will ultimately reduce the market value of your condo ... 'poof', there goes your equity!

Condo Owner Tip #24. Builders often subsidize the condo fees during construction. Once construction has completed, they turn the community over to the Home Owner Association. Without the subsidy (disclosed or undisclosed) the monthly fee goes UP! Condominium owners in Los Angeles and elsewhere have successfully sued their builders for undisclosed and improperly disclosed subsidies provided by the builders. In several instances, when the transition from the builder control to the home owner control was completed, the fees more than doubled. (The builder used the 'low' monthly fees as a marketing enhancement). So far, your elected Home Owner Association directors have controlled potential increases quite well.

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Condo Owner Tip#25. It is your responsibility to attend every Home Owner Association meeting! Keep in mind that the Home Owner Association Professional Management Company was working for the Builder. The Association was turned over to the property owners in August of 2005. Until that time, they were NOT working for you ... they were just collecting your fees and trying to be nice as they can be in hopes of remaining the Management Company selected by the Home Owner Association once the builder relinquished control.

Condo Owner Tip #26. The transfer of control of the Home Owner Association from the builder to home owners was a very critical and important function. Improper transfer could have resulted in abnormally high monthly Home Owner Association fees which could negatively impact potential resale value of the individual properties. Responsibilities and financial consideration were involved in the transfer. Of considerable importance were things such as roadway condition, improvement and repair; drainage, common area condition and maintenance; exterior condition and maintenance; insurance; and escrows for unfulfilled warranty work and work in process. There were not to have been any outstanding invoices whatsoever against the Home Owner Association and common area property taxes were to have been properly paid and/or pro-rated. A bond, a reserve account, and a sizeable escrow account was to have been transferred containing funds for future maintenance and improvement of the subdivision. The writer was one of the members of the Muir Woods Home Association Transition Team. According to the Covenants, Conditions and Restrictions for Muir Woods as well as per Jim Bradbury of DPW of the Town of Fishers, the roadways will always belong to and be maintained by the Association.

Condo Owner Tip #27. The Homeowner Association Management Company secures lawn care and snow removal contracts per the Homeowner Association Board of Directors requests. Snow removal should be started on alternative sides of the neighborhood. In other words, if they start work at the front of the neighborhood one time, they should then start at the rear the next. It has been noted that retraining in lawn care appears to be necessary each year. It may be necessary to post speed limit signs on the lawns. No mower should EVER blow cut grass and debris onto your screens or patios or porches. The mulch in the landscaping should never be blown away by the contractor's untrained employees. The Association paid to have the mulch installed, the service companies and their employees should pay to have it put back.

Condo Owner Tip #28. Inform your Homeowner Association Management Company that standing water in improperly reversed downspout splash-blocks breed mosquitoes. Mosquitoes carry encephalitis, West Nile virus and dog heartworm. Mulch is cheap! Your health is not! Insist that your splash-blocks be positioned properly. If in doubt, call the Hamilton County Board of Health.

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Condo Owner Tip #29. The Homeowner Association Management Company has the responsibility and the liability to maintain exterior conditions to your unit. That is what they were hired to do. This includes prompt leaf removal from lawns and gutters, snow and ice control and removal as well as trash and debris removal. Use of salt or ice-melter on concrete surfaces will ultimately destroy those surfaces at a high cost to everyone in the Home Owner Association. Should someone slip and fall on ice that was not removed (sand does an adequate job), the liability is typically the responsibility of the Home Owner Association Management Company. However, there is a case pending in court where a Home Owner Association Management Company denied responsibility. The unit owner's interior condo owner insurance company paid the claim and is now taking legal action against that company. Please check with your condo owner insurance company regarding the extent of your coverage ... and talk to your interior insurance company to make sure that your coverage is compatible. It is important to note that the exterior insurance policy includes the Covenants, Conditions and Restrictions within the policy. The CCR dictates what the insurance policy must cover. Keep in mind that if you have a television dish installed on the roof of your unit, you are violating the CCR's as well as creating a problem with the integrity of the roof ... interior water leaks caused by your television dish antennae will be your complete responsibility. Read the CCR's for further information.

Condo Owner Tip #30. The Home Owner Association Management Company is also responsible for water that may drain under your patio, your porch and sidewalks and driveways as well as into your water meter pit due to poor grading by the builder. This water can ultimately freeze and cause cracks and breakage. The builder knows very well that all grading is to be away from the unit without exception.

Condo Owner Tip #31. Every owner should make a point to attend every Homeowner Association Meeting to make sure that they are aware of any problems or changes or updates in the Rules and Regulations. Complacency will cause both short and long term problems. At this time, it is the Home Owner Association Management Company's duty and the Builder's responsibility to personally notify you of each and every meeting.

Condo Owner Tip #32. High monthly condo fees will have a definite negative impact on potential resale value of condos within the neighborhood. This is a flat-out FACT that must not be ignored! Any experienced real estate agent will confirm this FACT! You should do your part to help keep monthly fees reasonable.

Condo Owner Tip #33. Condo rental properties will ultimately cause a resale problem in the neighborhood. One of the first actions of the Homeowner controlled Home Owner Association has been to pass a rule in the Association CCR's to limit potential rentals to less than 10% of the total units in the neighborhood. This was accomplished BEFORE the 10% level had been reached. Special assessments should be generated on properties that indicate less than expected owner required exterior maintenance (i.e. appearance).

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Again, this remedy must be accomplished BEFORE a problem exists. Should the percentage of rental units ever exceed 30%, the subdivision will lose FHA and FNMA financing approval and that will cause a severe problem with the value of your condo and your equity as potential buyers will have considerable problem securing financing.

Condo Owner Tip #34. Three factors can cause serious problems with the appreciation of your home or condo. (1) failure to secure enough financial reserves as now required by FHA and FNMA from the Builder for common maintenance and repairs when the Home Owner Association authority transfers from the Builder to the homeowners, (2) high monthly fees resulting from a failure to secure those financial reserves, and (3) poor, limited or delayed maintenance of the exteriors. The Transition Committee was able to resolve the first two problems quite satisfactorily. The Home Owner Association Management Company must continue to build up a reserve for use in proper present and future maintenance of your subdivision. Based upon the current policy of 10% of your net fee being retained for future Home Owner Association major expenses such as exterior repainting, roof replacement, etc., it appears that somewhere between \$160 and \$200 of your **annual fee** total is being retained for that purpose. Multiply those numbers by 10 or 15 years and you will note that they will not even begin to cover the necessary expenses when they occur. The original documents for Muir Woods called for a 30% fee retention. Hills reduced it to 20% and then further reduced it to 10%. This allows more of your fee to be used for current expenses with little regard for the future. This factor alone will ultimately cause your monthly fees to increase in the future as capital expenditures become more necessary. Perhaps the number should be increased to 15% for protection from future assessments. Some questioned whether or not Hills was using home owner association fees to pay for construction defects repair ... they denied it. Keep in mind that if there is not enough money in the Home Owner Association account to cover appropriate major expenditures, you will be assessed a pro-rated share of the expense to be paid by you immediately.

Condo Owner Tip #35. Make sure that your Property Tax Homestead Exemption with the Delaware Township Assessor's office is on file. This should have been done automatically by documentation you signed when you purchased your property. We recommend that you call the DTA at 317-577-0501 about 60-90 days after your closing to make sure that it was posted properly to the records. You should also file the Mortgage Exemption at the same time if appropriate. If you re-finance your mortgage, you must re-file the Mortgage Exemption. **Don't forget to make this very important call.**

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The information presented in this report is a continually updated and viable resource developed from over 38 years of successful Real Estate Broker and Realtor experience for your personal use. It is a combination of opinion, knowledge and standard practices and procedures developed, enhanced and practiced by the Author over the last 38

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The Author, **Ken R. Fisher**, was licensed as a Real Estate Broker by the State of Indiana in 1973. As a Broker-Associate for 14 years and a Broker-Owner for the last 24 years, Ken has worked as a sales associate, an office manager, an appraiser, a referral coordinator, a corporate relocation division manager, and as a managing-selling broker-owner.

Ken is a licensed Real Estate Broker, a Realtor and a Real Estate Consultant. Ken has 38 years experience in residential appraisals and Broker Opinions of Property Values. Ken is National Association of Realtors Certified Residential Specialist #3321 and a NAR Certified e-Pro. Ken's designations include Graduate of the Indiana Real Estate Institute, Real Estate Cyberspace Specialist and Seniors Real Estate Specialist. Personal sales have surpassed 1,500 sales transactions with over \$175,000,000 in value.

Ken R. Fisher established **Ken R Fisher & Associates, Realtors, Reduced Fee Discount Brokers, Owner Services and Consultants** in 1987 to provide an honest, upfront alternative to the large, expensive and impersonal, supermarket style real estate company that typically thrives on fast talking razzle-dazzle, high list prices and low selling prices. Real estate is local in scope, bought and sold by local people. The company is very strong on honest, efficient, well-trained, personal service at considerably less cost to the consumer. The company maintains an efficient 9 licensed salesperson staff. The company's average number of days on the market for sold properties is 56. Sales averages are 96.1% original list price to sale price.

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