

Buying a Townhouse

By ANNA CHANG-YEN | Green Shoot Media

From the hilly neighborhoods of San Francisco to sprawling American suburbia, many people call townhouses home.

The term “townhouse” originally denoted an Englishman’s home in London, in contrast to his country estate. While the term was once associated with the wealthy, today it has a different meaning. It has come to be more broadly used in reference to row homes and individually owned multi-family homes attached on one or two sides.

In fact, today townhouses aren’t just for wealthy gents but make great starter homes for families and singles alike.

According to Realtor.com, recent U.S. Census data show that about 5.6 percent of homes in the U.S. today are townhouses and row houses.

VALUE

Townhouses can be a great value because they make efficient use of space. Without a yard surrounding each home, more homes can be situated in a smaller area. Realtor.com points out that when you buy a townhouse, you might own the exterior of the home, as opposed to a condominium. Townhouses typically offer many of the conveniences of a home, such as gourmet kitchen,



ens, laundry rooms and storage, and maybe even a private backyard. But they do so on a smaller scale, saving buyers money on extras they might not need, such as a two-car garage and or a vast lawn. The lower price points allow first-time buyers to find affordable homes that meet their needs. Much like condominiums, townhouse developments also typically include extras that many people would not be able to afford in a single-family home, such as a gym, a pool or a playground.

CONVENIENCE

A homeowner’s association (to which you will pay dues) typically handles maintenance, such as landscaping,

cleaning the gutters and ice and snow removal.

Of course, the trade-off is yard space, but if you don’t particularly relish the idea of pushing a lawn mower around or hiring a roofer when you need repairs, it might be the right choice for you. You’ll live in close proximity to neighbors, so you will likely make a few friends in the neighborhood. Some townhouse developments even offer social events, such as an annual picnic or potluck dinners.

LOCATION

Townhouses usually are located near buzzing shopping and dining areas, offering plenty of things to do nearby. Often townhouses are part of

mixed-use developments that might include retail, business offices and service businesses, offering walkable appeal.

OTHER CONSIDERATIONS

Owners in townhouse developments governed by HOAs will sometimes be faced with temporary HOA assessments due to needed repairs, such as replacing a roof. Townhouses also might have restrictive rules regarding how the outside of homes must look, limiting the owner’s creative choices. Those same rules might limit how you can use your home, such as disallowing home-based businesses, or they might prevent you from hosting parties or having pets. Read the covenants, con-

REAL ESTATE 101

Homes Across America

New York is the home of the condominium. Chicago is known for its many multi-flat greystones. In Detroit, most people live in single-family homes. America is a mish-mash of many different types of homes, from sea to shining sea. The Washington Post’s Wonkblog detailed the many different places we call home, by the numbers, at <http://wapo.st/2rRH3VE>.

ditions and restrictions (CC&Rs) supplied by the HOA before making a purchase so you don’t get any surprises.

When it comes to qualifying for a loan, it can be easier to buy a townhouse than a condo. Banks scrutinize condo loans more closely, since you are buying only part of a building and no property. That means the home values are highly dependent on how each individual owner contributes to the property. If many units in a condo go through default, property values in the entire building will suffer. Townhouses, however, are treated more like single-family homes for loan purposes, making qualifying easier.



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HOMESWISE GLOSSARY

Encroachment: an unlawful intrusion onto another’s adjacent property by improvements to real property, e.g. a swimming pool built across a property line.

Indenture: a formal written instrument made between two or more persons in different interests, such as a lease.

SOURCE: California Bureau of Real Estate

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