

March 2017

Powered by **NewHome**central.com

**CONDO
TOWNHOME
& LOFT**

LIVINGAZ

INSIDE THIS ISSUE

- 2** Closet collaborations; Wall beds
- 3** Spectacular pools
- 4** Condo financing
- 5** Featured community; Contest winner
- 7** Community maps



Your condo title

Is it different from a single-family home?

By David M. Brown

Issuing title insurance on a condo is really no different than insuring a single-family home. However, differences do exist in how the units are defined as well as the requirements financial companies have to meet in lending on “warrantable” as well as “nonwarrantable” condos.

The owner of a single-family home, of course, owns the lot as well as any improvements that have been made. In contrast, a condo buyer receives title to the airspace within or inside the common walls, ceiling and floors of a particular unit. Common areas, for example, are the pool and spa, exercise room and parking, which each condo owner owns in part and enjoys as part of the community lifestyle.

Numerous lending options

Condominium buyers have many lending options: Conventional Fannie Mae or Freddie Mac, government FHA (Federal Housing Authority) and VA (Veterans Administration) and other nontraditional loans. The Federal Home Loan Mortgage Corporation (FHLMC), also known as Freddie Mac, and the Federal National Mortgage Association (FNMA), also known as Fannie Mae, are public government-sponsored enterprises (GSEs) that provide a secondary mortgage market for new-home lending.

These loans stipulate unique requirements that must be satisfied or confirmed before lending in a particular community, said Jeff Williamson, mortgage professional/condominium specialist for Homeowners Financial Group, Scottsdale.

To “warrant” or not to “warrant”...

Often a condominium community is referred to as “warrantable” or “nonwarrantable,” referring to whether the project adheres to Fannie/Freddie, FHA, VA or other guidelines.

“When buying a condominium, the lender is not only verifying a borrower’s credit-worthiness, his or her ability to repay and financial health, they are also underwriting the financial health of the condominium project itself,” Williamson said.

Among the general questions: Are the homeowners’ association (HOA) fees being collected in a timely manner? Are reserves sufficient? Is the HOA or community a party in any litigation? If so, what type of litigation?

YOUR CONDO TITLE; continued on page CL6

Walkability

Closeness to amenities is a major consideration for condo buyers



Toscana of Desert Ridge

By Debra Gelbart and Meghann Finn Sepulveda

It may surprise you to know that walkability — a principal attraction for buyers of condominiums — has a broader definition than simply what is accessible on foot from your residence.

“Walkability is how easily you can walk, bike or take public transportation to a place you want to get to from your home,” explained David Newcombe, co-founder and associate broker at Scottsdale-based Launch Real Estate. “Walkability is related to how easily you can get to somewhere without a car.” Walkability is typically most evident in urban areas, Newcombe said.

“Well-maintained community streets, sidewalks and crosswalks that allow for walking and biking to nearby shopping centers, restaurants, golf courses, entertainment, walking trails and parks” are the essence of walkability, said Shantelle Monongye of the Statesman Group of Companies, which developed Toscana of Desert Ridge on the Scottsdale-Phoenix border and The Cays at Downtown Ocotillo in Chandler.

The concept can be as simple as “close proximity to retail, dining, entertainment, recreational activities and to offices,” said David Hovey Jr., president of Optima Inc., the designer, developer and general contractor for the Optima Kierland community in Scottsdale.

Walkable communities “are those located within walking distance to shopping, restaurants, entertainment, recreation, employment and other services such as grocery stores, hair salons, dry cleaners, pharmacies and banks,” said John Waldron, a principal at Williams Waldron, a company that manages sales and marketing for The Enclave at Borgata condo community in



Courtesy HighStreetAZ.com



“With nine months of mild sunny weather, the walkability factor becomes important to buyers for health, exercise, sociability and lifestyle.”

—Shantelle Monongye,
Statesman Group of Companies

Scottsdale. “Walkability has become a primary motivation for many new-home buyers, especially condominium buyers, who are often looking to engage in their community while simplifying and enhancing their overall quality of life.”

The pricelessness of proximity

Walkability is one of the key reasons to buy a condo, Newcombe said. “You love a particular area and you want to take friends to things that are close by,” he said. “In a single-family home, friends may come to where you live to enjoy what’s in your home, but often in a condo, you want to show off what is around you as much as what your home looks like. So in a condo, you sacrifice a little space to get a lot of convenience — so much convenience, in fact, that you can measure how close you are to restaurants or

WALKABILITY; continued on page CL6



Davis Architecture via The Enclave at Borgata



what a beautiful way to live!™



**LUXURY
WATERFRONT
CONDOS**
FROM THE MID
\$230's

- Luxury single level condos with split bedroom plans
- Elevator access from underground parking
- Wellness classes (Yoga and AquaFitness)
- Heated resort pool/spa
- Fitness Center with top of the line equipment
- Smart Technology with 200 MB internet speed
- Next door to top restaurants and shops

The Cays
at Downtown Ocotillo

STATESMAN
what a beautiful way to live!



Ocotillo
COMMUNITY ASSOCIATION



2511 W. Queen Creek Road, Chandler
480.248.3737 | thecaysatocotillo.com

Specifically, these requirements mandate that at least 50 percent of the units are owner-occupied (new construction can vary and is dependent upon legal phasing); fewer than 15 percent of the units are in arrears in association dues; the HOA is not named in any lawsuits; commercial space accounts for 25 percent or less of the total building square-footage; and no single entity owns more than 10 percent of the project units.

“If the project does not meet warrantable guidelines, there are other nontraditional or niche programs available for buyers seeking financing in one of these projects,” Williamson said. “Typically, the interest rate might be slightly higher than regular financing and the down-payment requirement will likely be higher than the Fannie Mae minimum of five percent down. It really comes down to what is causing the project to be nonwarrantable.”

“If the project does not meet warrantable guidelines, there are other nontraditional or niche programs available for buyers seeking financing in one of these projects.”

—Jeff Williamson, Homeowners Financial Group

His company encourages condo developers to meet with him or an associate before finalizing any legal phasing documents and Covenants, Conditions and Restrictions (CC&Rs). “We want to make sure that we are setting the project up to be successful upfront and that all documents are drafted in accordance to Fannie Mae guidelines,” he said.

If the project isn’t warrantable, a potential condo-buyer needs to find out why the project is not considered warrantable by the GSEs, FHA or VA. Make sure, for instance, that you understand what the condo/homeowners’ association fees fund.

“Buying in a project that is nonwarrantable isn’t necessarily a bad thing. Remember, the lender has an interest in making sure the project is sound,” Williamson said. “However, we see projects that were once nonwarrantable become warrantable. This is common in new construction as the project continues to meet required sales percentages.”



Optima Kierland

shopping by the number of seconds or steps it takes you to get there.”

Indeed, Waldron points out there are at least six businesses near The Enclave at Borgata that are no more than 620 steps (several are substantially fewer than that) door to door.

Toscana’s location is 150 steps to High Street “where you can explore the fabulous restaurants, shopping, entertainment, services and a market,” Monongye said. Desert Ridge Market Place, with its two million square-feet of retail space and plenty of outdoor recreation, shopping, dining and entertainment venues, is less than 2,000 steps from Toscana, she added.

Meanwhile, at The Cays at Downtown Ocotillo in Chandler, Monongye said that an array of restaurants, a coffee shop and services such as a dental office and a salon are just 65 steps from the community.

All ages appreciate a healthy, active lifestyle

All age groups value a walkable lifestyle, Hovey said, “but our older demographic seems to really appreciate it at all of our communities.”

Hovey said residents like to be able to walk just across the street to be at world-class dining, shopping and entertainment. “Our buyers are health-conscious and active and our walkable lifestyle (has) generated a lot of interest and is a big attraction.”

Monongye said walkability is important to all demographics including young professionals, mature down-sizers, empty-



The Cays at Downtown Ocotillo

nesters, those recently single and second-home owners. Baby Boomers and millennials are the biggest fans of walkability, Newcombe said. “Millennials (those born after 1981) want to be in the middle of great dining, shopping and attractions,” he said, “and so do Baby Boomers.”

With a significant aging population in the Greater Phoenix area, Newcombe said, “older condo buyers may wonder, ‘what happens if I can’t drive a car anymore?’” That isn’t a concern when you live in a condo, he said, because even if being on foot is challenging, you can rely on shared ride services like



Walk Score

If walkability is important to you, visit [walkscore.com](https://www.walkscore.com). Newcombe said that ideally, a condo community you’re considering moving into will have a walkability or “bike-ability” rating of 60 or higher (on a scale of zero to 100).

Uber or Lyft. For younger condo owners, too, walkability remains a primary draw, Hovey, Monongye and Newcombe agreed.

Explore the area

To determine if a condo community’s walkability is sufficient for you, you really need to visit the actual community.

“We encourage prospective buyers to explore the neighborhood and offerings in the general vicinity of Optima Kierland,” Hovey said, “to see for themselves all there is to offer right here. When you combine a walkable lifestyle with your regular routines, you’ll find new ways to see the sights, entertain your guests and easily enjoy the vast resources that the entire Kierland area has to offer.”

More info

The Cays at Downtown Ocotillo
TheCaysAtOcotillo.com; 480-248-3737

The Enclave at Borgata
EnclaveAtBorgata.com; 480-362-5283

Optima Kierland
Optima-Kierland.com; 480-630-1200

Toscana of Desert Ridge
ToscanaOfDesertRidge.com; 844-TOSCANA

REPUBLIC MEDIA

CUSTOM PUBLISHING

A division of
The Arizona Republic
200 E. Van Buren St.
Phoenix, AZ 85004

General Manager
CAMI KAISER
CKaiser@RepublicMedia.com

Creative Development Director
ISAAC MOYA
IMoya@RepublicMedia.com

Editor
PAULA HUBBS COHEN
Paula.Cohen@cox.net

Contributing Editor
JIM WILLIAMS
JLWilliams@RepublicMedia.com

Design
CARL BEZUIDENHOUT
CarlBez@me.com

Project Manager, Custom Products
NICK KOSTENKO
NKostenko@RepublicMedia.com

For general advertising inquiries, contact Republic Media at 602-444-8000.

ADVERTISING Director, Classified Sales
BRETT SONDRUP
BSondrup@RepublicMedia.com

Real Estate and Rentals Manager
LORNA WALKER
Lorna.Walker@gannett.com

MICHELLE MURRIETTA
602-444-8208
MMurrietta@RepublicMedia.com

GENA ZESTRIJAN
602-803-8653
GZestrijan@RepublicMedia.com

arizona dreamin'

Brand New Designs – New Models!

Priced from the \$300-\$500k's

1,381 – 2,088 sq. ft.

2 & 3 bedroom condos

THE RIDGE

AT TROON NORTH

TheRidgeTroonNorth.com

480.431.9377

Open Daily 10am – 5pm



10260 E. White Feather Lane #1049
Scottsdale, AZ 85262



Sales by Cambridge Properties, Inc. Keith Mashlin, Broker. Square footage is approximate and may vary. This material is not an offer to sell real property and shall not be construed as an offer in violation of the law of any jurisdiction. Obtain all relevant documents, disclosures, and covenants, and read them before signing anything. The depictions herein may reflect building, amenities and improvements some or all of which may be conceptual only, and subject to change without notice. All brokers welcome. Price, terms, incentives, material, and availability subject to change without notice. Subject to Public Report.





Lachet HOMES | **ENJOY[HOME]LIFE**



Luxury condominiums from the low \$300s

- Immediate move-in available
- Oversized 2-car garages with storage
- 1,091 - 1,870 sq. ft.
- Swimming pool and spa area
- Single level living plans
- Elevator in each building
- Walk to shopping and dining
- Fabulous freeway access



MONTEREY RIDGE

17850 N 68th St, Phoenix, Arizona 85054

480.356.0179 • www.montereyridge.com



All pricing, availability and plans are subject to change without notice. Sq. footage is approximate. All brokers are welcome and must accompany prospect on their first visit. Sales subject to review of Subdivision Public Report.