

What are CC&R's

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"CC&Rs" is an acronym commonly used in the homeowner association industry. It means "Covenants, Conditions & Restrictions." It is used generically for any HOA rule or policy.

Who creates the CC&Rs?

Covenants, Conditions and restrictions are limitations and rules placed on a group of homes by a builder, developer, neighborhood association and/ or homeowner association. All condos and town-homes have CC&Rs; however, so do most planned unit developments and established neighborhoods.

What do CC&Rs do?

Covenants regulate what property owners in a particular area can or cannot do with their property. When a geographically restricted group of homeowners are bound by neighborhood covenants, individual homeowners are better insulated from the possibility that one errant homeowner will bring down the value of surrounding properties because of the appearance of his or her house. Covenants ostensibly ensure that a residential area will remain a desirable one to live in; that the properties contained therein will retain their value; and that, in return for some minor sacrifices, homeowners will be able to better enjoy their own properties. Zoning laws can change, leaving residents unprotected from the possibility that a strip club or deer processing plant might move in.

Advice for Home Buyers

Many home buyers are so charmed by the appearance of a house for sale that they fail to take the time to read the CC&Rs that come with the property. They are so pleased with a nice kitchen or a fenced-in back yard that they sign a purchase agreement without realizing that existing CC&Rs may prevent them from keeping their boat or truck on the property, or erecting a basketball hoop in the driveway. Often, title companies will not have copies of the CC&Rs affecting the property until the day of closing, and they are often overlooked at that point. However, CC&Rs are binding upon the purchaser, and the purchaser will become subject to them, whether or not they have been reviewed, read, or understood. The general rule of "constructive notice" applies in these cases. The purchaser should review all the CC&Rs (and zoning laws) affecting the property before closing.

