

by *Ilyce_Glink*

Q: I purchased a brand new home in Texas. I have lived in the home almost two years but I have been trying to sell it for the last year. The reason I'm trying to sell is that our subdivision has been bombarded with investor sales. We are living next to low-income housing, and the builder has put seven to 10 rental properties on some streets. Our street looks terrible right now. If I am going to sell my house, I will have to beat the builder's deals. I want to know if there is anything legally that I and others can do against the builder. Almost everyone is unhappy with what we were sold. We were told we would have a homeowner's community and we would be active members of the homeowner's association once 150 homes sold. This is not true. Many of us in the community were lied to before we bought our homes. The builder is selling houses like cars. The problem with this is that we cannot trade our houses in like we can a car. What can we do? A: As the real estate market has cooled down - or has become rather frozen in some parts of the country - more developers are having trouble getting rid of their homes. If they have to, they will rent them out to cover some of their expenses. You may not have any rights against the developer if the company complied with the terms of their purchase contract with you - that is, if they built the home correctly and are abiding by all of the required governmental disclosures and other requirements. If the only thing the developer has done is rent out homes that should have been sold, you probably can't do anything about it. It may take a long time for the market in your area to come back. Unfortunately, unless you are willing to take a large hit when you sell your home, your options may be limited. If the builder has lied to you, and those lies are material and relate to the construction of the homes or the promised amenities that are part of the homeowner's association, you might have a legal claim against the builder. Depending on your claim, you might get something for your troubles. But the builder will still be able to rent out homes in your community. If the builder has failed to create the homeowner's association and by law the builder should have done so by now, you may have a legal claim against the builder for that issue. But suing the developer for that issue won't fix the underlying problem your neighborhood is facing. You may want to talk to a real estate attorney who can sit down with you and review your purchase contract and the disclosures you received, and discuss what the builder has done and not done in your development. It seems likely that the developer would prefer to sell the homes, and get his money, rather than renting them out. Clearly, the developer isn't willing to let the homes be sold at such a deep discount that he won't get his money out of the deal. But if he did sell them at a heavy discount, your home would effectively be worth thousands of dollars less than you paid for it. It might take years for your community to recover. If the homes remain rented, at least you have a chance of maintaining some of the value in the homes that have been sold in the community. If there is a homeowner's association or documents that govern the homes in your community, you may want to make sure that the developer enforces the rules and regulations of the community. If the people who are renting homes are not taking care of the homes, the builder might have to enforce the rules or kick the offending tenants out of the community. If the builder does not respond to your requests, you might want to find out what your local government can do to enforce the codes and ordinances of the city in which your community is located. © 2007 by Ilyce R. Glink and Samuel J. Tamkin. Distributed by Tribune Media Services.