

The Reckoning of HOA Costs: Rising Fees Demand a Nuanced Approach in 2025

HOA fees are catching up with rising inflation. Home buyers need to understand this rising cost and what how to assess the implications.

CHICAGO, IL, UNITED STATES, January 15, 2025 /EINPresswire.com/ -- Homeowners associations (HOAs), long considered a steady cost in property ownership, are facing a reckoning in 2025. As inflation catches up with these traditionally lagging institutions, HOA fees across the Chicagoland area are climbing sharply, leaving buyers and owners to reassess the true cost of living in managed communities.

Rising Costs Take Center Stage Landscaping, snow removal, insurance, exterior maintenance, and masonry work—critical components in Chicago’s HOAs—have seen substantial cost increases. Monthly fees for smaller condo buildings that averaged \$300 just two years ago are now frequently exceeding \$400, with some pushing \$450 or more. When you have high-rises with pools, door staff, elevators - cost increases push even higher.

“HOAs are finally feeling the delayed impact of inflation, and that time is now,” said Ryan Gable, Owner of StartingPoint Realty. “Buyers need to take a much closer look at what these fees cover and what risks may be hiding in an HOA’s financials.”

A Four-Tier Approach to Evaluating HOAs StartingPoint Realty has developed a comprehensive process to help buyers navigate these challenges:

First Look: During the initial showing, agents evaluate the HOA by inspecting common areas, facades, porches, patios, and other visible components.

Understanding Coverage: If the buyer expresses interest, the agent gathers details on what the HOA covers, such as roofs, windows, facades, water, and insurance. They also inquire about any special assessments or planned capital expenditures.



In-Depth Review: Once a contract is signed, the HOA's financials and disclosures are reviewed thoroughly, typically within two weeks. StartingPoint agents:

Examine issues like rising assessments, special assessments, and financial stability with the buyer.

Conduct a market search of similar units within a 1/2-mile radius to compare HOA fees. This side-by-side analysis highlights whether the fee aligns with market norms. Buyers are also advised that abnormally low HOA fees could indicate future problems, as some HOAs may not be proactive in addressing maintenance and capital expenditures.

Arrange calls with HOA board members for additional clarity when necessary.

Addressing Issues: If significant concerns arise—such as planned special assessments or large debts versus cash reserves—StartingPoint Realty works with the seller's agent and the attorneys involved to resolve them. If no resolution can be reached, buyers retain the right to cancel under Illinois' condo review five-day contingency period.

Implications for Buyers and Owners Higher HOA fees are making affordability an even bigger challenge for buyers, especially when combined with rising interest rates and increased property taxes. For sellers, it's critical to understand how rising HOA costs might impact their property's marketability.

"Understanding an HOA isn't just about knowing the monthly fee; it's about evaluating its long-term sustainability," added Ryan Gable. "Buyers need to approach this with diligence, and sellers must be prepared to answer tough questions."

About StartingPoint Realty StartingPoint Realty specializes in empowering first-time homebuyers in the Chicagoland area through education, transparency, and expert guidance. The brokerage has developed proven strategies to help clients navigate the complexities of the real estate market, including HOA evaluations.

For more information or to learn about upcoming seminars, visit www.StartingPointRealty.com or contact Ryan Gable at 847-942-6952.

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