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By Jack C. Harris and Jennifer S. Evans

Some 20,000 gated communities exist across the country, housing more than eight million people, according to Mary Gail Snyder and Edward Blakely's recent book, *Fortress America: Gated Communities in the United States*. But why are these communities becoming so common? The answer is because homebuyers like them. In fact, 47 percent found gated entrances desirable, based on responses to a 1996 survey conducted by the National Association of Home Builders.

Gates and exterior walls do not add much to development costs. Consequently, while gates may be thought of as a prestigious feature, they are showing up on a wide range of subdivisions. An innovative affordable housing project (homes start at \$75,000) west of Houston incorporates a gated entry along with a fenced border. A recent development of high-end (\$100,000) factory-built homes in Elkridge, Maryland, is a gated community. One of the few security-gated communities in Bryan, Texas, is a garden apartment project.

What is a Gated Community?

Brokers and salespersons increasingly face the challenge of marketing homes in gated communities. The term "gated" is not applied to subdivisions that merely have some type of identifying entranceway, no matter how elaborately decorated. Actually, the gate does not necessarily have to be a physical one on all sides of the development. It seems to be essential that the subdivision be placed out of the way of through traffic, either by natural or man-made barriers, and that some system be in place to discourage entry by those who do not have a legitimate reason to visit.

The main entrance to the community may have a guard who operates a gate or merely checks cars before they are allowed to enter. The gate may be automated and operated by way of magnetic cards, remotes (similar to a garage door opener) or a keypad-entered code. The system may be passive, in that anyone is allowed to enter but has warning signs that only residents and guests are allowed.

The San Antonio survey found that 97 percent of the gated communities use keypad entry systems. The Houston survey found 33 percent of the communities use a keypad or card-operated entry system. Guards are much less common: 14 percent in San Antonio and 5 percent in Houston.

All such communities are governed by homeowners' associations. Indeed, these associations can take on many of the duties of local government by maintaining community streets and common property, providing security and enforcing neighborhood bylaws and deed covenants. Most associations have the ability to collect periodic dues and special assessments from residents and can place a lien on the homes of delinquent payers. If the developer chooses a "gated community," then the homeowners are responsible for street maintenance that normally is paid for by the city.

There are some instances around the country in which communities have incorporated themselves into small municipalities. In the recent survey by the San Antonio Planning Department, the average homeowner association fee was \$608 per year but varied from \$180 to \$2,100. A study conducted by the Real Estate Center and the Houston Community Association Institute indicated local fees ranged from \$45 to \$900.

Gated Community Appeal

Gated communities often are associated with prestigious, high-cost housing, although they are not limited to upscale developments. For any community, the addition of a gated entrance, combined with some barrier to set off its boundaries, adds a touch of distinction. Developers believe that gates are a worthwhile feature for marketing affordable projects, as well as homes at the upper end of the range.

The primary appeal of gated communities is their promise of improved security. The barriers and gates are intended to keep out those who would steal or destroy residents' property or threaten their safety.

The first gated communities were retirement settlements, where those over a specified age could take refuge from increasingly violent urban areas, in southern Florida and California. Some find it ironic that so many residents feel threatened while crime statistics are trending downward. Others point out that there is no evidence that gated communities are any more crime-free than surrounding areas. However, perception is what counts, and residents of gated communities feel safer.

A poll conducted by the Community Associations Institute reported that 70 percent of gated community residents believed their community was safer than surrounding areas. With many homeowners installing home security and most new cars carrying anti-theft devices, living in a more secure community is consistent with these trends.

It is important too, that if a crime does occur, it may take police and emergency services longer to get to the residence because of the gates. In Arlington and Irving, "knocks locks" are required, which allow the emergency service vehicles to open the gates by hitting them. In San Antonio, emergency services have access to the gate codes, and in gated communities with guards, access can be granted by the gate attendant.

Another thing that may make residents feel safer is the reduced automobile traffic that gates and walls provide. Gate security may not be able to stop a determined and

knowledgeable thief, but it does cut down on casual pass-through traffic as well as any trouble visitors may cause. There is the added benefit of making the neighborhood safer for children at play and those who stroll the streets.

The gated community can provide its own services under the homeowners' association. Because associations can enforce deed restrictions, controls on what homeowners are allowed to do with their homes can be much more strict than government land-use regulations. Many people like the clean, quality appearance that strict controls create, but others may chafe at the restrictions on what they can do with their property.

Municipalities, in many cases, provide fewer services to gated communities. In San Antonio, homeowners' associations are responsible for the maintenance of parks, streets and sidewalks. Most cities require that the streets be private and maintained by the homeowners' association. Arlington does not require that the streets be private, but the developer has that option.



APRIL SOUND, A GATED COMMUNITY on Lake Conroe, protects residents with gates, a guarded entrance and security patrols.

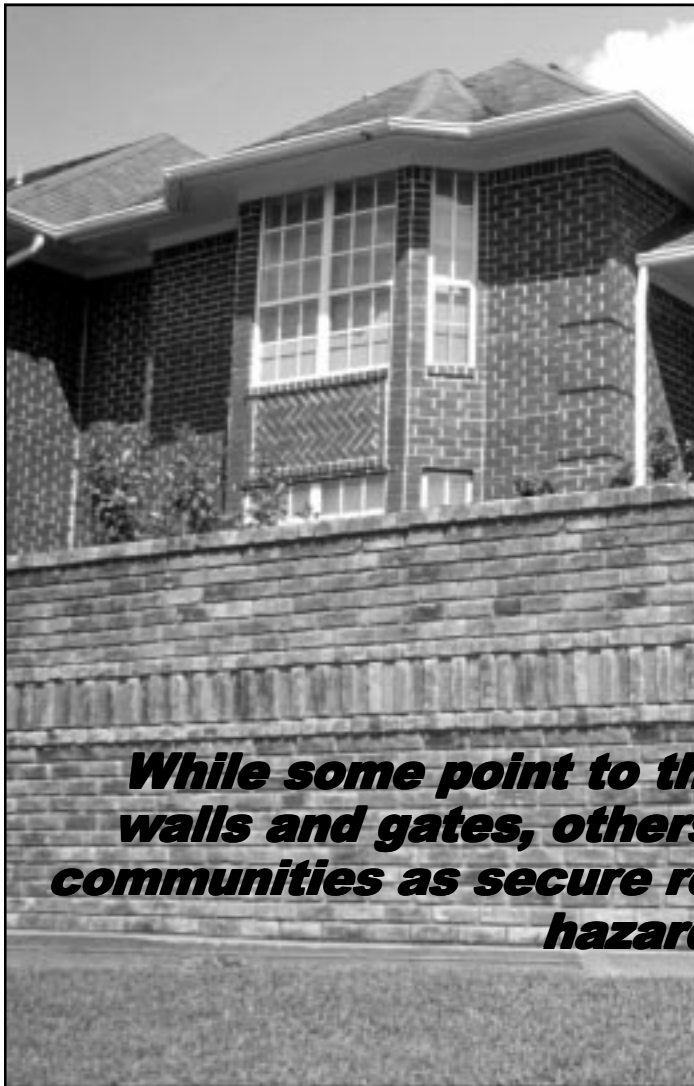
Homebuyers may like the safe feel of a gated community. Amenities vary, and some provide parks, pools and other facilities. Potential homebuyers should be aware that the homeowners' association in many cases is responsible for services that the city would normally provide, such as streets, sidewalks and park maintenance.

Converting an Existing Subdivision

Gated community popularity is not restricted to new subdivisions. Some established neighborhoods have taken steps to limit access. Generally, for gating to be successful, several items must be in place:

- A homeowners' association. Existing associations require compliance with covenants and deed restrictions before homeowners finalize their paperwork. If the covenants are not already established, unanimous agreement is required.
- A near consensus among the residents that gating is desirable. Even though the homeowners' association can act on a majority vote, any sizable dissension could compromise the success of the plan.
- The neighborhood should be surrounded by a natural or man-made boundary so that gating a few key access points will provide adequate security.

In most cases, gating a public road is not permitted. Therefore, the association must gain possession of the streets within the community. This requires cooperation from the city or county if those streets were constructed by or dedicated to the local government.



While some point to the futility of walls and gates, others see gated communities as secure refuges in a hazardous world.

There may be other requirements as well, such as plans and policies for public and emergency access. If any of the streets to be gated provide access to adjacent communities or commercial areas, the city or county probably will not approve the action. After permission is obtained, the association should adopt a set of policies and bylaws to cover

operation of the gates and other issues concerning access. Finally, there would be the costs associated with designing the gate system.

Hints on Selling Homes in Gated Communities

Agents should be aware that some associations limit how a home may be marketed. For example, in some neighborhoods, yard signs are not permitted. Also, the logistics of an open house might be difficult in a community that restricts visitors.

Agents should inform the potential buyer of those services provided by the homeowners' association and any fees involved. Here are some questions that someone buying into a gated community may ask:

- Does the inconvenience caused by the security system outweigh the benefits? Getting in and out should not be an onerous task. Likewise, the system should not discourage guests or inhibit emergency vehicles. Mechanical breakdowns can trap residents in, often at inopportune times. There should be methods for defeating the system on such occasions.
- How onerous are the homeowners' association's controls? Some might find them too restrictive while others highly value continuity. At the least, any prospective buyer should become familiar with the bylaws and deed restrictions. Beyond that, it would be beneficial to get specific examples of prohibitions. In most cases, however, a buyer should expect to conform to current neighborhood appearance because that is probably what the developer intended and the association wants to maintain.
- What are the costs? For any effective security system, there will be periodic costs: salaries for guards, maintenance of equipment and so forth. There may be costs involved with any common facilities provided in the community. Often, the streets in the community are privately owned, and, therefore, must be privately maintained. All these expenses are factored into the monthly homeowners' association dues, which must be paid, in addition to local taxes providing similar services for other subdivisions. Prospective buyers must evaluate how affordable and worthwhile this extra expense is.

Gate Ways

Gated communities appear to be winning the endorsement of a significant number of homebuyers. Much can be, and has been, made of homeowners' desires to wall themselves off from neighboring residents. Some point to the futility of walls and gates as a crime preventative. There are probably some homebuyers who view a gated community as a secure refuge from an increasingly hazardous world. Most know that no system is perfect but value that extra layer of security that limited access provides.

Gated communities do not appeal to everyone. To many homeowners, the restrictions that often accompany such communities will seem bothersome. Others prefer to move into open spaces on the urban fringe or expose themselves to the rich architectural and cultural diversity of the city.

Most homeowners like to feel a part of a community. They expend some effort to create or seek out enclaves of compatible neighbors and amenable surroundings. Viewed as part of this effort, gated communities can be seen as attempts to recreate the idealized small American town where everyone knows and cares about each other. ☐

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