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PRESS RELEASE

FOR IMMEDIATE RELEASE

January 29, 2024

TEXAS SUPREME COURT RULING ALLOWS HOA'S TO ENFORCE RESTRICTIVE COVENANT AMENDMENTS AGAINST SHORT TERM RENTALS

Friday, January 26, 2024, the Texas Supreme Court denied pending petitions for review of appellate cases involving a challenge to the validity of restrictive covenant amendments that incorporated new restrictions regulating the use of property for short-term rental purposes ("STRs") and thereby effectively ruled that the owners in a homeowners association have the right to amend their restrictive covenants to regulate or restrict STRs, as long as the correct procedures are followed.

In short, this means that any short-term rental restriction amendment that is properly approved by the members of the homeowners association will be valid and enforceable against all property owners regardless of when they purchased their property, even if some owners within the community purchased their property with the intent to engage in short-term leasing prior to the enactment of the amendment.

The Cagle Pugh law firm was involved with most of these cases from the trial court through the proceedings in the Supreme Court and we are proud of the result that we were able to secure for our clients and their communities. This ruling puts control of the residential character of communities and their respective use restrictions for property therein squarely in the hands of the owners in the community.

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For reference, those cases are identified as:

- JOLIE CHU v. WINDERMERE LAKES HOMEOWNERS ASSOCIATION, INC.; from Harris County; 14th Court of Appeals District (14-21-00001-CV, 652 SW3d 899, 08-30-22)
- EMILY FOURNIER, DAVID FOURNIER, THOMAS NELMS, AND SUSAN NELMS v. ANGELWYLDE HOA, INC. AND ANGELWYLDE PLACE HOMEOWNERS ASSOCIATION, INC.; from Travis County; 3rd Court of Appeals District (03-21-00269-CV, ___ SW3d ___, 03-17-23)
- CHARLES CAUTHORN v. PIRATES PROPERTY OWNERS ASSOCIATION; from Galveston County; 1st Court of Appeals District (01-22-00401-CV, 679 SW3d 876, 08-29-23)
- COTTONWOOD TRAIL INVESTMENTS, LLC v. PIRATES PROPERTY OWNERS
 ASSOCIATION; from Galveston County; 1st Court of Appeals District (01-22-00400-CV,
 ___ SW3d ___, 08-29-23)