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RESIDENTIAL

HOA Survey Results: 2020 Recap and 2021 Outlook

What Will Boards Do Differently?

We asked community and high-rise association board members to reflect on 2020 and share their plans for 2021. How did they respond to the events of 2020? How will those changes affect their plans in 2021? And perhaps most importantly, *do their answers line up with yours?*

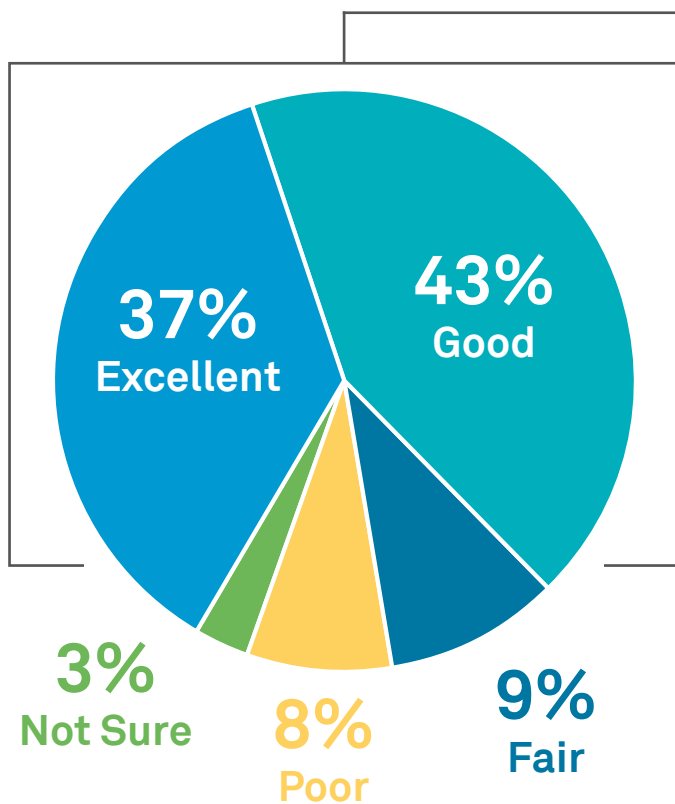
Read on to find out how board members responded and get insights on how to approach budget, maintenance, emergency plans and board decisions in the months ahead.

2020 Recap: Staying Positive

Good news! Despite facing a big curveball in 2020, most board members (**about 80%**) said they were confident in their performance. Boards who are prepared and have a strong foundation and resources they can rely on (e.g., human resources (HR) support to handle staffing furloughs, management guidance with social distancing policies, emergency standard operating procedures and communications, etc.), will come out of a crisis stronger than before.

TIP: Whether you knocked it out of the park in 2020 or faced a major setback, there's always room to improve your association and position yourself for further growth. Having a solid vision and 5- to 10-year plan can help you prioritize projects and make better decisions. Partner with a management company that has the expertise to help you align on important decisions and provide project guidance that will help enhance your resident experience and property values.

How would you rate your association's overall performance in 2020?



What were the primary reasons you rated your association excellent or good in 2020? (Surveyed board members could select 1 or more option.)

- ▶ 90% Successfully managed budget and financials
- ▶ 52% Improved communication with residents
- ▶ 56% Completed important capital improvement or maintenance projects
- ▶ 12% Improved board alignment and decision making
- ▶ 12% Created a more robust emergency plan
- ▶ 26% Retained and supported staff
- ▶ 40% Enhanced cleaning and safety procedures
- ▶ 26% Created successful virtual event and amenity offerings

BIG CHALLENGES IN 2020

Of the **20% of board members*** who rated their performance in 2020 as **fair, poor or undecided**, the **top 3 challenges** that they faced were more resident requests or complaints (62%), postponement of maintenance projects (62%) and staff or manager turnover (38%).

- Small changes can make a big difference when it comes to many of these challenges. For instance, proactive communication during a crisis or event can help mitigate additional requests or complaints. Ask your management company to help you create an effective communication plan. They should provide solid, vetted communication templates and help you determine the right channels for delivering your message.

*Surveyed board members could select 1 or more option.

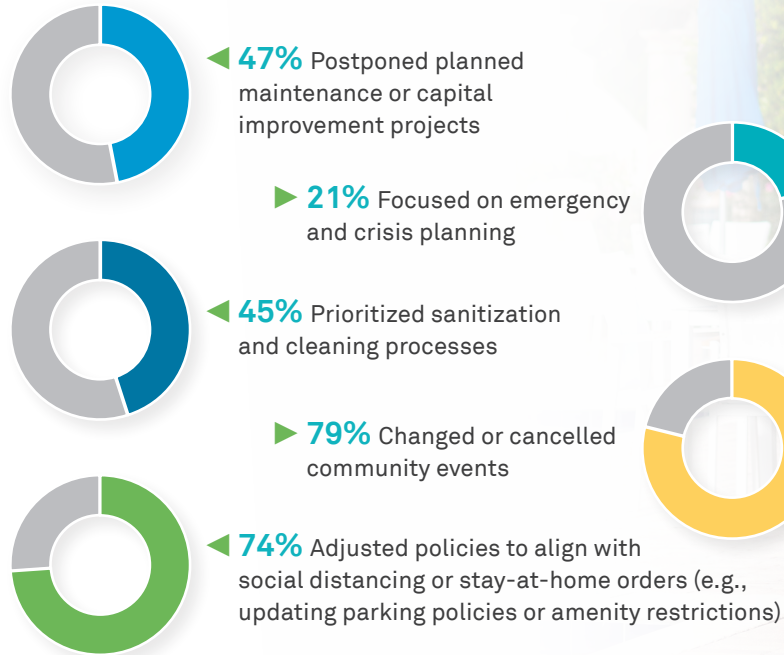
2020 Recap: Pivoting in a Crisis

Perhaps not so surprisingly, nearly 60% of board members surveyed said that they changed their association's strategy or plans in 2020. When an emergency strikes or a natural disaster occurs, you need to have the foundation to make decisions quickly to ensure that your association remains strong and healthy (even in a crisis). This foundation should be built around a well-defined vision, strongly aligned board and responsive communication.

TIP: Successful pivoting often requires adjusting policies (with guidance from your association attorney and management company) or changing or cancelling events (with **ample communication** to ensure that residents are kept in the loop). Make sure you have a support team backing you for these critical decisions so that they don't adversely affect your reputation with residents.

What aspects of your strategy or plans did you change in 2020?

(Surveyed board members could select 1 or more option.)



WHAT WERE YOUR 2020 BUDGET PRIORITIES?

Even when big changes are occurring, having a strong association budget is critical. When surveyed about their 2020 budgets, the top 3 priorities for boards* were ensuring operating cash remained stable (61%), maintaining assessments at or near the current level (61%) and prioritizing reserve fund investments (38%).

- **Remember:** While maintaining assessments at the same rate can be tempting (particularly during a crisis), preparing for future expenses and raising assessments incrementally can keep your association healthy in the future (and help boost property values over time). The key is to openly communicate with residents and make sure you share the “why” behind assessment increases (e.g., rising maintenance costs, continued improvements, etc.). It's easier to communicate an increase that equates to a couple of cups of coffee a month than a substantial increase down the road (or a special assessment).

*Surveyed board members could select 1 or more option.

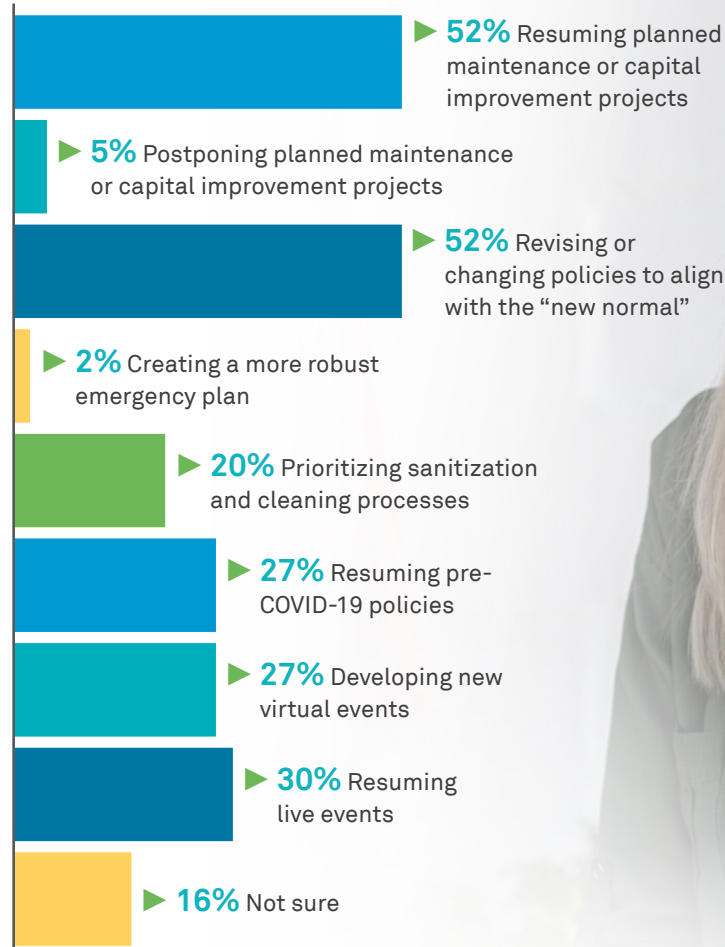
2021 Game Plan: Reevaluate, Revise, Resume

As all of us know, 2021 didn't come with a switch that turned everything back to normal. As with any crisis or event that affects your community, there will always be changes that carry over into the future. However, as board members look to 2021 and beyond, they are clearly focused on improving and resuming important projects.

TIP: To effectively prioritize maintenance and capital improvement projects, it's important to have a good handle on resident wants and needs as well as what projects are best for the community (and will keep your association running like clockwork). Ask your management company to help you survey residents and determine what projects will not only elevate the lifestyle experience, but also boost your reputation in the community at large (bringing in future residents). They can help you partner with the right vendors who will provide expertise and potential cost savings as you resume projects.

What areas do you plan on changing or adjusting in 2021?

(Surveyed board members could select 1 or more option.)



COMMUNICATE, COMMUNICATE, COMMUNICATE

As mentioned, clear and proactive communication is the key to maintaining your reputation among residents and heading off any concerns they may have in the process. This is particularly true as you resume capital improvements (even with amenities being limited) or revise policies that may affect the resident experience. Work with your management company to develop appropriate and transparent communications to share with residents.



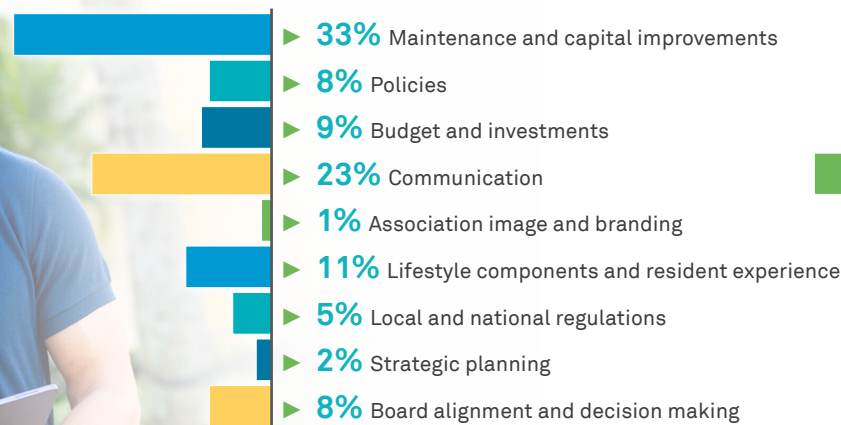
2021 Game Plan: Proactive Priorities

If 2020 taught us anything, it's that laying a foundation and proactively planning for future emergencies and changes are key to thriving as a community association. The most successful board members know that aligning with one another, focusing on education and partnering with the right resources (e.g., a solid management company and reliable association staff) are critical when the unexpected occurs. **To learn more about aligning on decisions as a board, go here: <http://bit.ly/Align-Guide-NV>**

GOOD NEWS: Board members remain vigilant in staying up to date on important issues and being knowledgeable about the HOA industry. (In fact, **86% of surveyed board members ranked their board's level of association expertise and knowledge as excellent or good**) Does that mean you can sit back and revel in the year ahead, knowing that everything will fall into place? Probably not (though that sounds pretty good after 2020!). Instead, focus on the areas that are best for your community and that will position you for success not only in 2021, but in 2022, 2023 and beyond. **(Take a 10-question quiz to discover your association's #1 area for growth: <http://bit.ly/HOANeeds>.)**

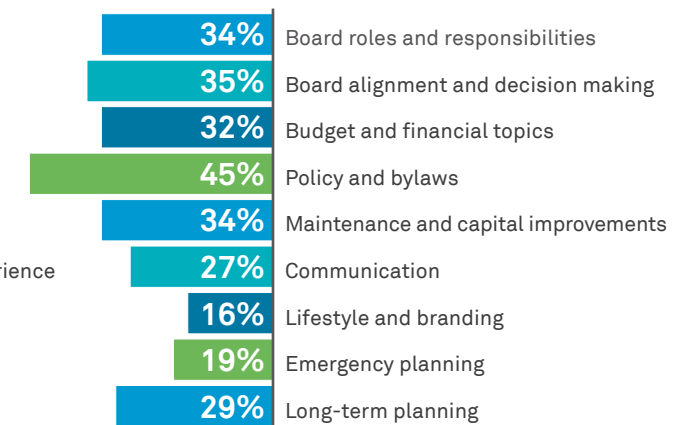


What do you believe is the most important area for board members to focus on in 2021?



What association topics do you want to learn more about in 2021?

(Surveyed board members could select 1 or more option.)



BACK TO WORK

Buildings, amenities, common areas and essential equipment like HVAC and plumbing still require maintenance during a crisis. While some boards may have paused maintenance or capital improvement projects because of physical distancing concerns or budgets, remember that delaying essential maintenance can lead to more expensive problems later on. (Get a 13 question guide to preventive maintenance here: <http://bit.ly/Maint-Guide-NV>.)

What's Next?

We may not have a crystal ball to tell us what each year will look like, but many board members are on the right track. In order to have a healthy association and maintain a great resident experience, you need to build a strong foundation and prepare for the unexpected. That starts with a solid vision and strategic plan and requires alignment with your fellow board members on key decisions. Partner with a management company that can provide guidance on both day-to-day decisions and emergencies, so that you are positioned for growth in 2021 and beyond.



About FirstService Residential

FirstService Residential is North America's residential property management leader, partnering with 8,500 communities across the U.S. and Canada. HOAs, community associations and condos rely on our extensive experience, resources and local expertise to maximize their property values and enhance their residents' lifestyles. Dedicated to making a difference, every day, we go above and beyond to deliver exceptional service.

FirstService Residential is a subsidiary of FirstService Corporation (FSV), a North American leader in the property services sector. Find out how we can help your community thrive. Visit www.fsresidential.com/nevada.

Need additional planning help in 2021?

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