

COVID-19 Budgeting

Survey Says...

The world is a different place than it was a year ago and boards must keep that in mind as they build their 2021 budgets.

We wanted to know how the COVID-19 pandemic has affected communities' budgets, so we surveyed board members coast to coast, asking how they have been managing their budgets while keeping their communities safe during the pandemic.

Read on to learn where current budgets are being impacted and how they are planning to optimize their budgets in the future.



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The Good News: Budgets are Holding Steady

A majority of the responses from board members surveyed said that their budget has not been negatively impacted by the COVID-19 pandemic. Many boards maintained a healthy budget during a pandemic that required so many changes to the way their communities were run. This indicates that many boards plan their budgets with the future in mind and enough extra cash to adjust to unforeseen emergencies.

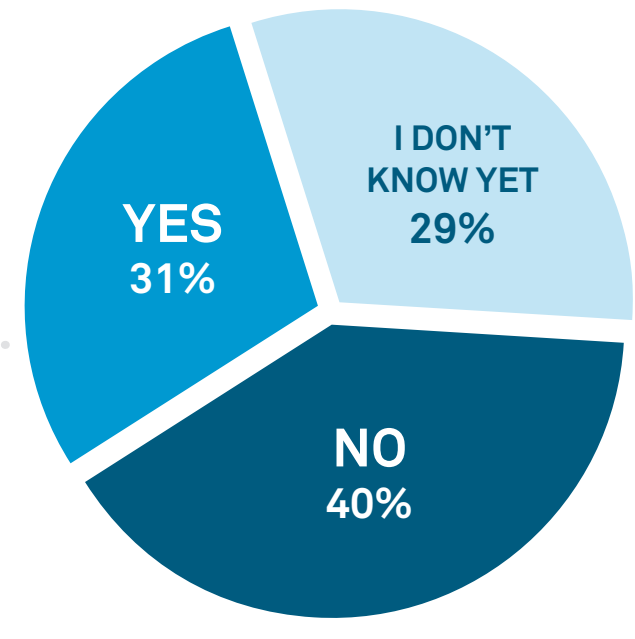
Of the board members that said they were being negatively impacted, nearly half said that the cause is increased expenses due to additional cleaning and disinfecting.

While it's great to see that so many communities are taking disinfecting measures seriously, it's unfortunate it affects their bottom line.

The Center for Disease Control (CDC) still recommends thoroughly disinfecting all common areas of the community at least 3 times a day, meaning the need for continued disinfecting and its increased cost is not going away any time soon.

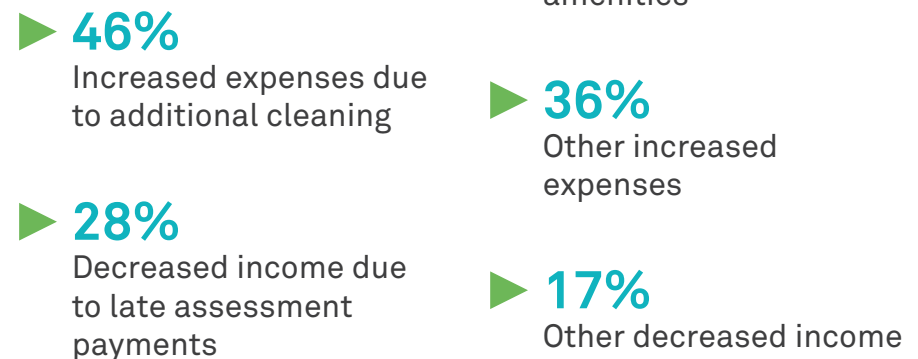
Recommendation: Work with your manager to secure bulk pricing on cleaning products such as disinfecting cleaner and wipes, hand sanitizer and more.

Is your budget being negatively impacted by the COVID-19 pandemic?



What factors are causing that impact?

(Respondents could choose more than one option.)

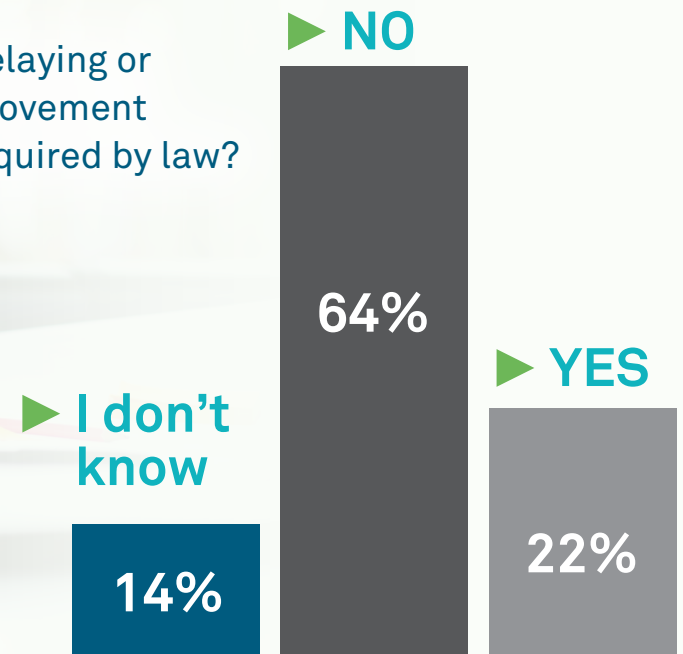




The Great News: Capital Improvement Projects are Continuing as Planned

Yet another positive trend with survey respondents was their commitment to move forward with planned capital improvement projects. **Over 60% of board members surveyed said they were not delaying or canceling capital improvement projects.** This points to careful planning by the board to ensure their capital improvement projects are properly funded and they will continue to increase the property value of the association.

Are you considering delaying or canceling capital improvement projects that aren't required by law?

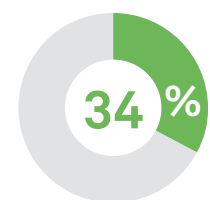


Optimizing Budgets During the Pandemic

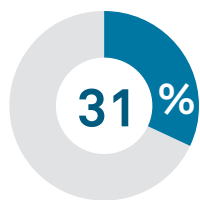
Boards are making the right decisions and taking the right steps to keep their residents safe and their budgets on target despite the pandemic. However, **half of all survey respondents are still looking for ways to optimize their budget for the coming year**, which comes as no surprise. What board wouldn't want to find ways to better invest their funds in any given year, let alone one that has provided unique challenges to many communities?

These are the top 5 areas where boards are looking to save:

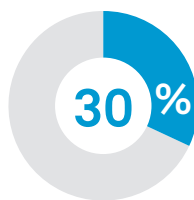
(Respondents could choose as many areas as were relevant.)



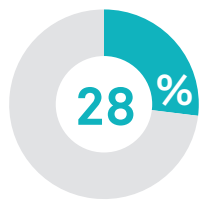
► Energy and utilities



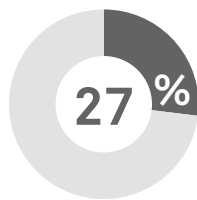
► Preventive maintenance



► Décor and aesthetics



► Landscaping



► Programming and events

The good news is there are a number of steps boards can take to optimize these areas without reducing the value they provide to residents.



Optimizing Budgets During the Pandemic (cont.)

ENERGY AND UTILITIES

Recommendation: Utility companies are usually willing to provide an energy audit upon request. They examine your association's power usage and make recommendations for reducing your energy expenses.

Many companies and cities also offer rebates to offset the cost of replacing existing lighting or heating and cooling systems with high-efficiency options. Talk to your manager for help with an audit and recommendations to lower your energy costs.

DÉCOR AND AESTHETICS

Recommendation: As mentioned earlier, taking advantage of bulk buying for any of the décor or aesthetics in your common areas can help you save on the special touches that make your community unique. Ask your manager about existing relationships with companies that will allow you to purchase décor at a discount.

PREVENTIVE MAINTENANCE

Recommendation: Ongoing maintenance to your community is an essential part of its upkeep and should not be overlooked. If you're looking for ways to save within your maintenance schedule, try a cost/benefit analysis. There may be a less expensive way to get the work done or your current vendors may be able to provide greater value for the money.

Additionally, remember that saving money in the short term could end up costing your association more in the future, so be sure not to skimp on critical preventive maintenance to avoid a costly replacement or repair down the road.

PROGRAMMING AND EVENTS

Recommendation: While the COVID-19 crisis has certainly put a damper on in-person gatherings and events, that hasn't stopped a number of resourceful associations from moving to digital events. From Bingo Nights to Happy Hours, video conferencing platforms have allowed many communities to stay connected. The best part is that online events are more cost-effective than in-person events, so your board will save money while still entertaining the residents.

LANDSCAPING

Recommendation: Before you forego the landscaping, work with your manager to negotiate a better deal on your behalf. Many companies have been affected by the COVID-19 crisis—including some of your vendors—and they may be more willing to keep a client by negotiating, than lose one altogether.

Happy, healthy residents are the most important part of any thriving association and board members can achieve community well-being by keeping their budgets just as healthy as the people living in the community.



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About FirstService Residential

FirstService Residential is the Illinois expert and North America's residential property management leader, partnering with more than 500 community associations within the Chicagoland area and over 8,500 communities in the US and Canada. Community associations, HOAs and condos rely on our extensive Illinois experience, resources and 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/illinois.

Want to share?

In any crisis situation, a balanced budget is critical to keeping your building or community safe and healthy. **If you'd like to share the results of this survey with someone you know, [click here](#).**