

# 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 boards are planning to optimize their budgets in the future.



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## The Good News: Budgets are Holding Steady

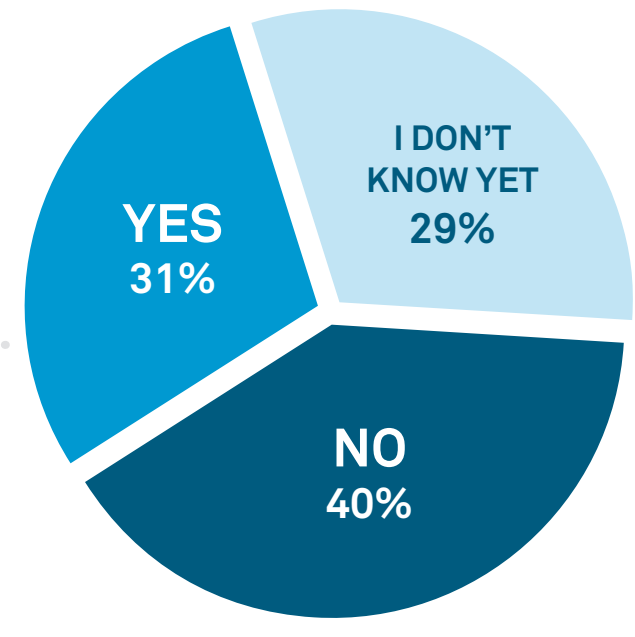
Of the board members surveyed, 40% said that their budget has not been negatively impacted by the pandemic. Many boards maintained a healthy budget in spite of the financial challenges COVID-19 has presented. This indicates that association boards plan their budgets with the future in mind with enough of a contingency to address unforeseen emergencies.

Many of the board members who said their budget was being negatively impacted attributed it to increased expenses due to additional cleaning and disinfecting. While necessary and prudent, the additional measures being taken to ensure that residents are safe do come at a cost to association.

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 the associated cost are not going away any time soon.

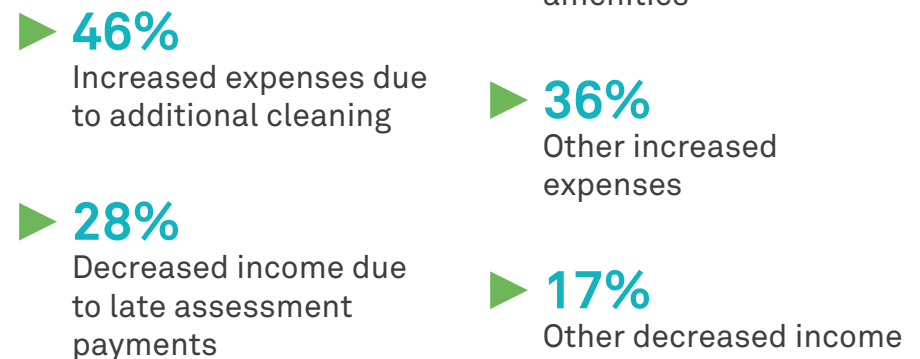
**Recommendation:** Work with your manager to secure bulk pricing on cleaning products such as disinfecting cleaner and wipes, hand sanitizer and more.

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



What factors are causing that impact?

*(Respondents could choose more than one option.)*



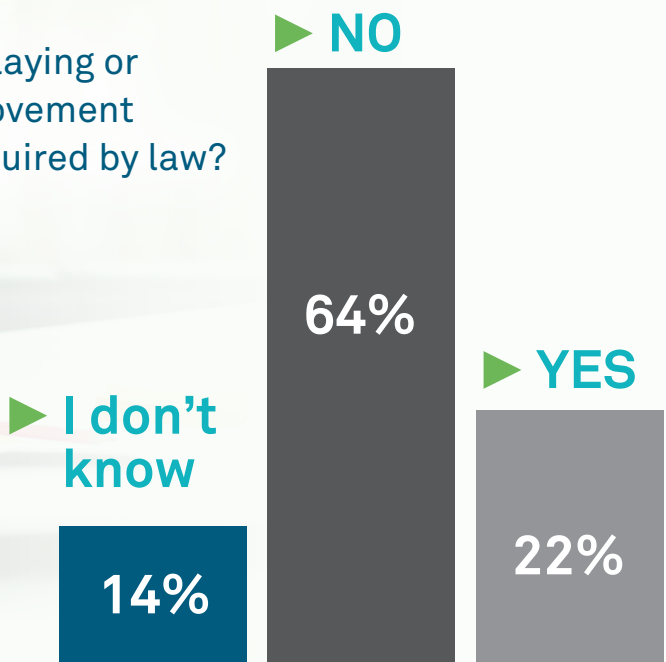




# The Great News: Capital Improvement Projects are Continuing as Planned

Yet another positive trend with survey respondents was their commitment to move forward with planned capital improvement projects. **More than 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 will continue to increase property values within the community.

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

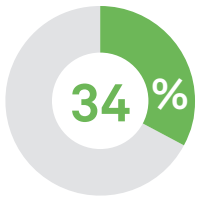


## Optimizing Budgets During the Pandemic

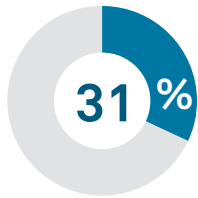
Boards are making the right decisions and taking the right steps to keep their residents safe and their budgets on target despite the pandemic. However, **half of all survey respondents are still looking for ways to optimize their budget for the coming year**, which comes as no surprise. What board wouldn't 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:

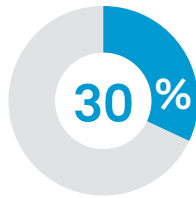
*(Respondents could choose as many areas as were relevant.)*



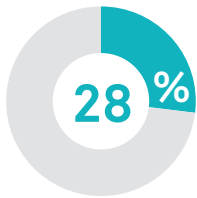
▶ Energy and utilities



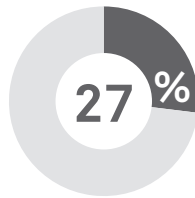
▶ Preventive maintenance



▶ 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:** FirstService Energy is happy to discuss potential savings opportunities with your board and property manager. FirstService Energy can also recommend some vendors that offer creative financing options that may allow for limited cash outlay or even positive cash flow. 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. Your management team, in conjunction with a mechanical engineer and a plumbing engineer, can ensure you are performing the necessary asset management tasks while keeping your association's finances under control.

## 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 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. Visit [www.fsresidential.com](http://www.fsresidential.com).

*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](#).**