



FirstService
RESIDENTIAL

Survey Results: 2020 Recap and 2021 Outlook

What Will Boards Do Differently?

We asked high-rise and community 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 impact their plans in 2021? And, perhaps most importantly, *do their answers line up with yours?*

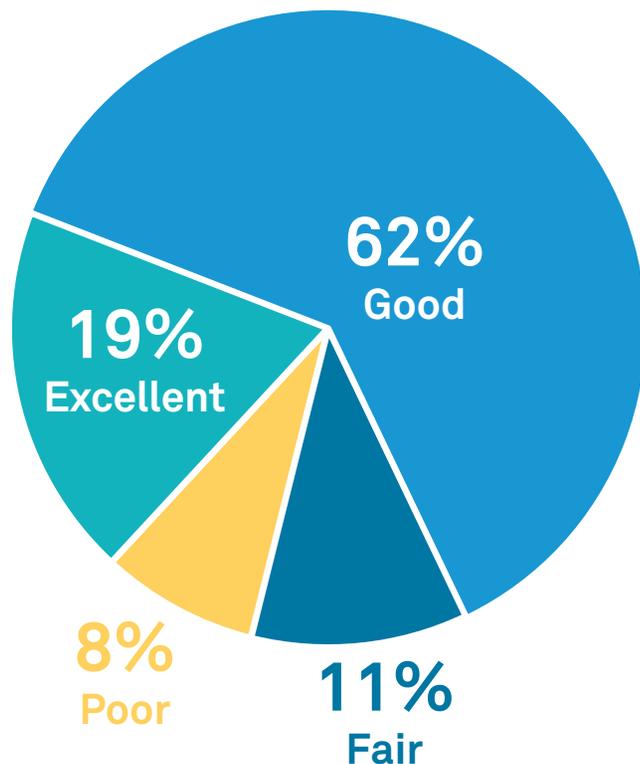
Read on to find out how board members responded and gain insights on how to approach your budget, maintenance programs, emergency plans and board decisions in the months ahead.

2020 Recap: Staying Positive

Good news! Despite facing a big curveball in 2020, **81%** of board members said they were pleased with their performance. Boards who are prepared with 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 plans 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 guidance that will help enhance your resident experience and property values.

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



Of the **81% of board members** who rated their performance in 2020 as **good** or **excellent**, **successfully managed budgets and financials** was identified as the number one reason for their success. **Enhanced cleaning and safety procedures, improved communication with residents, and retained and supported staff** tied for second place.

BIG CHALLENGES IN 2020

Of the **19% of board members** who rated their performance in 2020 as **fair or poor** the **top 3 challenges** that they faced were confusing/conflicting state, local and municipal regulations; unpredictable budget and financials; and the cost of increased sanitizing and cleaning.

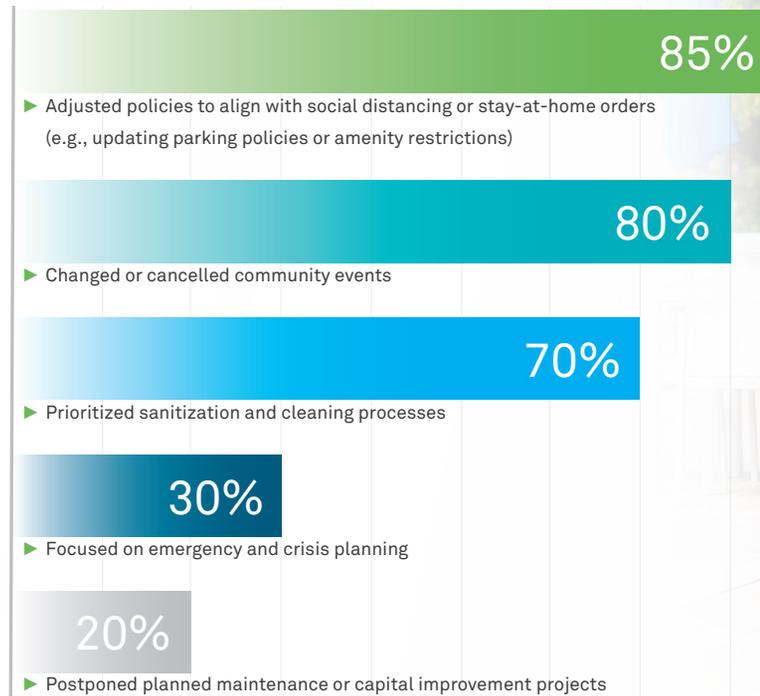
Small changes can make a big difference when it comes to many of these challenges. For example, frequent communications that explain the implications of state, local and municipal regulations can help eliminate any confusion and/or clear up conflicting information. Ask your management company to help you create an effective communication plan. They should provide solid, vetted communication templates and help you determine the right channels and frequency for delivering your message.

2020 Recap: Pivoting in a Crisis

Not surprisingly, **54% 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? Choose all that apply.



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; planning for future expenses and projects; and prioritizing reserve fund investments.

Remember: While maintaining assessments at the same rate is a consideration (particularly during a crisis), preparing for future expenses 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 incremental 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).

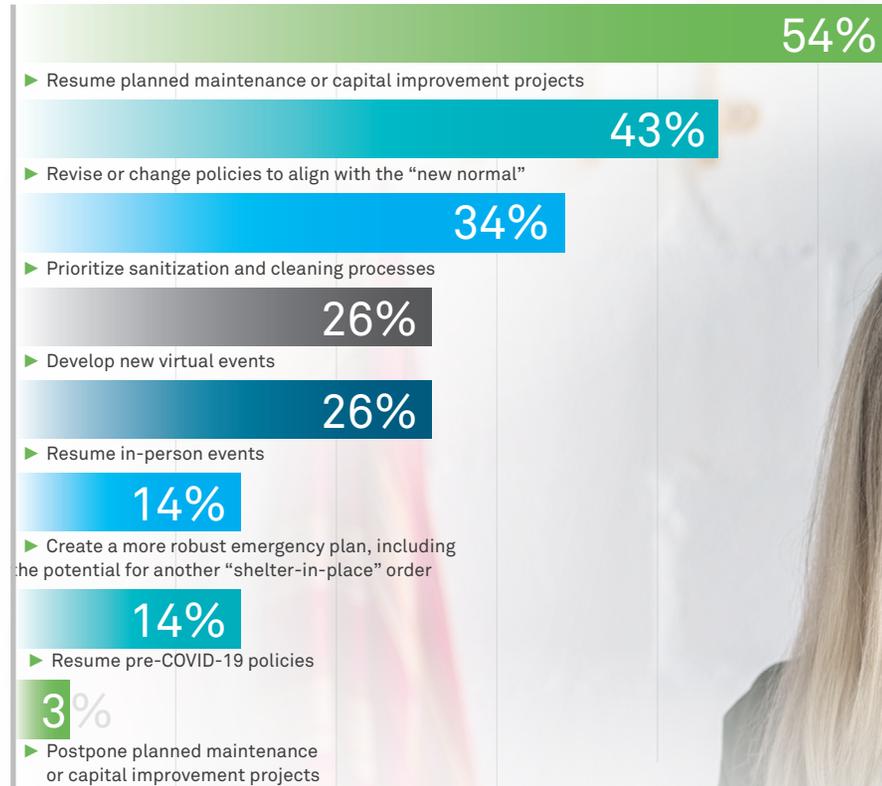
2021 Game Plan: Reevaluate, Revise, Resume

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.

95% of board members said they were considering changes or adjustments to their association policies, planned projects or resident event programming in 2021.

What areas do you plan on changing or adjusting in 2021? Choose all that apply.



COMMUNICATE, COMMUNICATE, COMMUNICATE

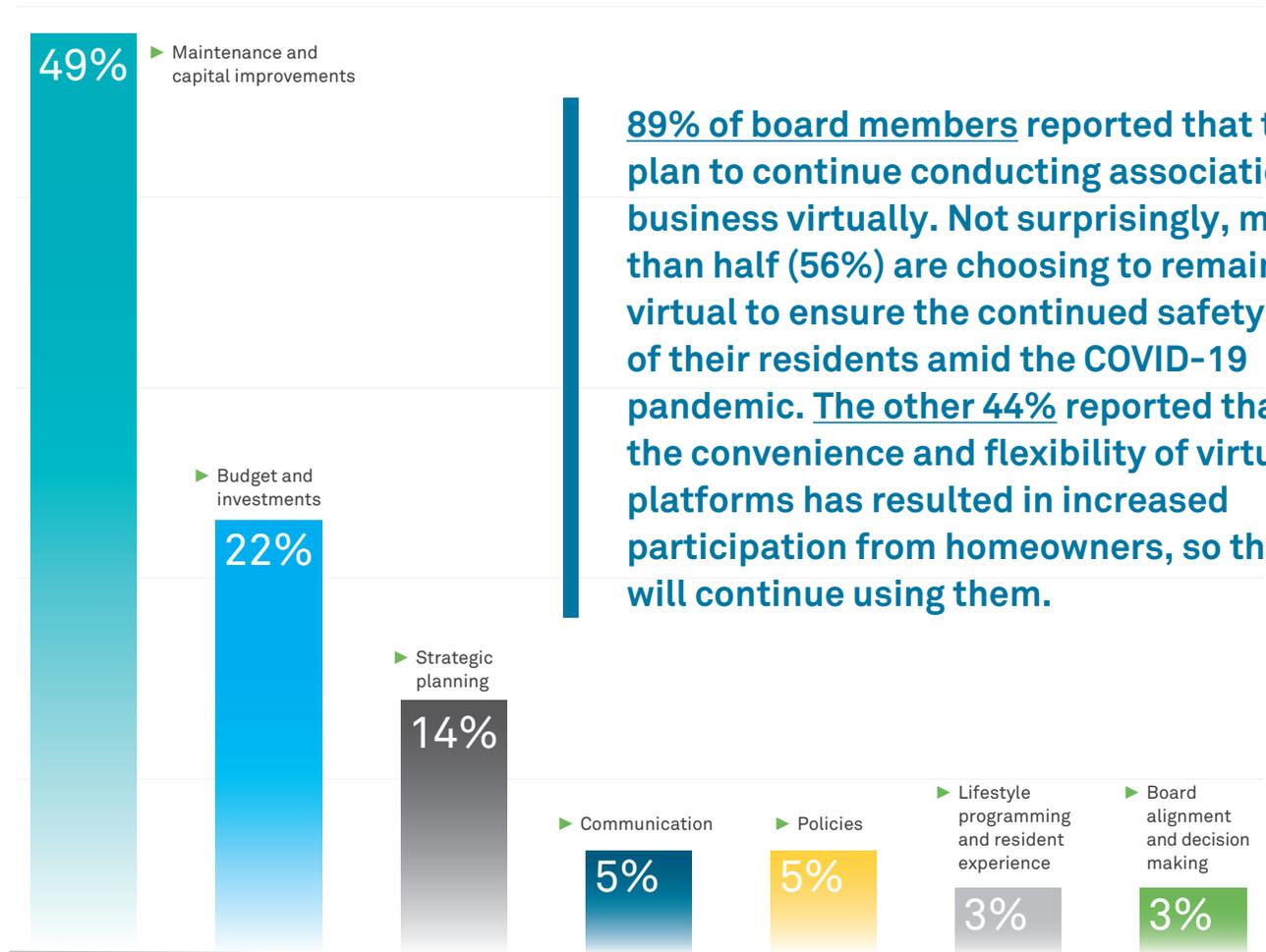
Clear and proactive communication is the key to maintaining your reputation among residents and heading off any concerns they may have in the process. This is particularly true as you resume capital improvements (even with amenities being limited) or revise policies that may affect the resident experience. 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.

GOOD NEWS: Board members remain vigilant in staying up to date on important issues and learning what it takes to successfully run a community association. (In fact, **70% 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 beyond.

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



89% of board members reported that they plan to continue conducting association business virtually. Not surprisingly, more than half (56%) are choosing to remain virtual to ensure the continued safety of their residents amid the COVID-19 pandemic. The other 44% reported that the convenience and flexibility of virtual platforms has resulted in increased participation from homeowners, so they will continue using them.

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, delaying essential maintenance can lead to more expensive problems later on.

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.

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