



Homeowner Education Series

COVID-19's Impact on HOA Communities

2020 was a year for the books! Virtually everyone has been impacted in some way by the global COVID-19 pandemic. HOAs, like so many other businesses, have faced unprecedented change and a drastic shift in normal, everyday operations.

Here are just a few of the predominant effects of the pandemic on HOA living and operations:

Increased Usage

As COVID-19 exposure increased across the country, shelter-in-place orders forced countless employees out of the workplace and into their homes. Association residential usage rates doubled from 40% to 80%, creating unexpected strain on amenities and services, including:

- Energy – Even with offices and commercial businesses using less power, those reductions were far outweighed by the increase in home energy use. Association utility bills skyrocketed, with the trends showing signs of continued increases into 2021.
- Sanitation – Remember the great TP shortage of 2020? Well, it turns out that residential waste volume, including trash and sewage, did indeed increase between an estimated 5% and 35%.
- Plumbing – The stay-at-home orders also affected water quality, increased water bills, and put a strain on water operational conditions.

Board/Member Relationships

Just because people are home more doesn't necessarily mean they are seeing their neighbors and participating in the community. Due to COVID-19, community events have been postponed or canceled, and virtual board meetings have become the new norm. Unfortunately, for many HOAs, this has resulted in reduced attendance and disconnect between the board and residents. Boards have had to find new ways to communicate important information to members and continue to foster a sense of community in these unprecedented times.

Budgeting

Though it may be too soon to predict the long-term effects of COVID-19 on HOA communities, it is likely that the greatly-increased occupancy will shorten the lifespan of some community components, such as electrical and heating systems. Additionally, property-related and supply expenses increased in 2020 and will likely rise further in 2021. Many HOAs' current budgeting forecasts likely will not cover these unforeseen expenses, so reallocation or reassessment of reserves may be crucial in the coming months.

Management Services

As the coronavirus spread, some states deemed association managers as essential services, and for good reason! Complying with state mandates and adjusting to the new normal may seem like a daunting task for even the most seasoned HOA boards. The good news is you don't have to do it alone. A good HOA manager can help more easily navigate the increased workload associated with the short and long-term impacts of COVID-19.

Operating an HOA takes a lot of work and, with proper planning, the board can navigate the changes ahead. With 2021 already in full swing, we must anticipate the lingering effects of the COVID-19 pandemic in the coming year.

To learn more, or to access other documents, please visit: www.yourhoahelp.com/homeowners