

The Ultimate Guide to Better Managed Community Associations



Proper asset management is important for managing community associations, as it ensures long-term financial stability, sustainability, and safety.

For community management firms looking to provide unmatched value to their clients, taking a holistic approach to asset management provides differentiation from the competition, new revenue streams, and the ability to provide trusted advisory services.

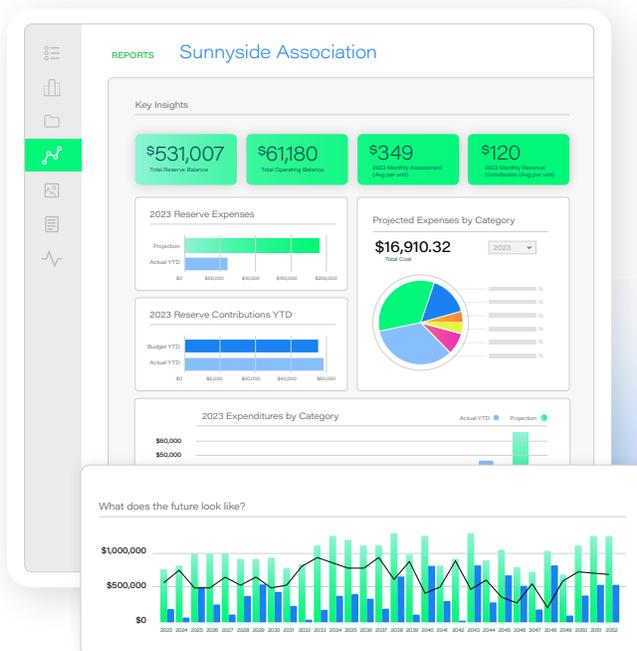
THIS GUIDE EXPLORES FOUR KEY COMPONENTS OF AN EFFECTIVE ASSET MANAGEMENT STRATEGY:

- Replacement Reserve Data
- Integrated Financial Data
- Capital Planning and Analysis
- Preventive Maintenance Schedules

Given the tragic events resulting from deferred maintenance, such as the incidents at Champlain Towers South in Florida and Davenport in East Iowa, preventive maintenance planning and sufficient reserve funding has become more important than ever. These approaches are now regarded as essential components of efficient asset management.

- SmartProperty is the exclusive asset management platform for community association management.

It equips management companies with the means to differentiate themselves through the use of insightful data and reporting, all the while delivering added value to the associations they support. All of this is delivered through an intuitive, all-in-one platform.



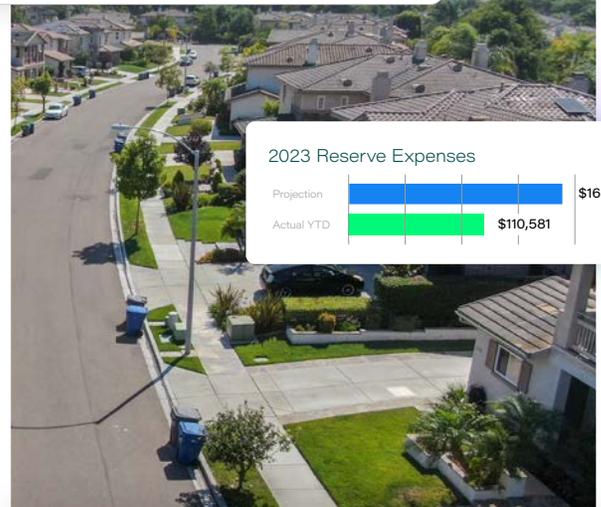
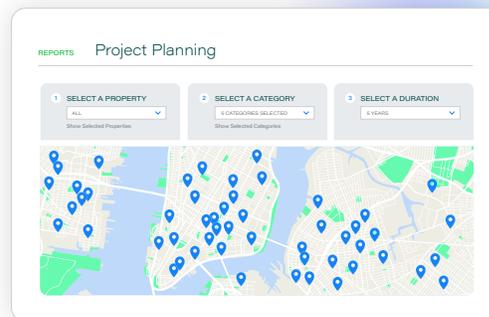
The Significance of Asset Management for Community Association Management

PREVENT UNEXPECTED FINANCIAL BURDENS, DEFERRED MAINTENANCE, AND COMPROMISED SAFETY

- Management companies looking to differentiate themselves with asset management as a client strategy can activate new streams of revenue and be trusted advisors to the associations they serve, while helping their clients prevent unexpected financial burdens, deferred maintenance, and compromised safety.

With SmartProperty, management companies also have the opportunity to expand ancillary revenue services such as project management by revealing project opportunities across their portfolio, enabling revenue growth and client satisfaction.

- Effective asset management not only helps build a solid reputation, but also helps attract new clients and foster lasting relationships.



Lessons Learned From the Champlain Towers Tragedy

- The tragic partial collapse of Champlain Towers South in Surfside, Florida in 2021 sent shockwaves through the property management and community association industry.

This devastating event raised crucial questions about the safety and integrity of aging infrastructure in community associations across the country. In the aftermath of the tragedy, a pressing need emerged for higher reserve study standards and comprehensive asset management practices to mitigate potential risks and ensure the safety of communities.

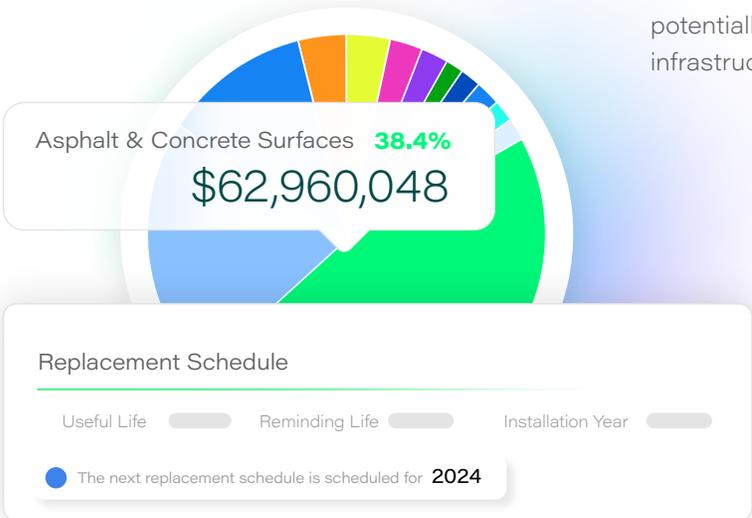
- Incorporating the lessons learned from this tragic event, management firms have recognized the necessity of integrating proactive community maintenance plans into their management strategies.

- By incorporating preventative maintenance plans as part of the community management strategy, management companies help associations to mitigate risks and maintain the integrity of their common assets.

Another best practice for management firms is to prepare their clients for significant rises in costs by allocating sufficient reserves to address capital-intensive projects.

- By proactively preparing their clients for future expenses through adequate reserve allocations, management firms can ensure that the necessary funds are available when capital-intensive projects arise.

Without adequate reserves, community associations may face financial crises, deferred maintenance, and the need for special assessments, burdening homeowners and potentially compromising the safety of infrastructure within the community.



Key Components of Effective Asset Management

The pillars of strategic asset management collectively enable association management firms to unlock revenue, enhance financial stability, and ensure a sustainable future for the communities they serve.

SmartProperty's innovative Living Reserve Study™ stands as the foundation of asset management, providing revolutionary tools and analytics that empower management firms to uncover new revenue streams and drive positive outcomes:

1. REPLACEMENT RESERVE DATA - A CONTINUALLY UPD:ATED FINANCIAL ROADMAP

Replacement reserve data serves as an ongoing financial roadmap by providing up-to-date information on funds allocated for future asset replacement and repair.

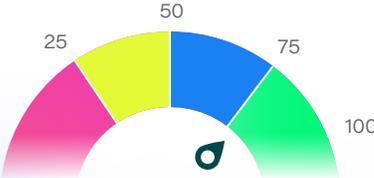
SmartProperty offers real-time replacement reserve tracking that is tied to each component in the reserve study with accurate replacement costs, in addition to lifecycle tracking. This provides a dynamic roadmap for long-term financial planning, allowing association management firms to help their communities make informed decisions and fund their reserves appropriately, mitigating financial risk.

2. INTEGRATING FINANCIAL DATA - UNDERSTANDING BUDGET VS. ACTUAL SPEND:

SmartProperty is the only asset management platform that integrates reserve data with accounting data.

This powerful financial duo provides real-time insights into budget versus actual spend, providing transparency in the planning process. Management firms can identify discrepancies, make data-driven recommendations and decisions, and communicate financial health transparently with board members.

78%



Replacement Schedule

Useful Life Remaining Life Installation Year

The next replacement schedule is scheduled for 2024

2023 Reserve Expenses

Projection	\$165,000
Actual YTD	\$110,581

\$531,007

Total Reserve Balance

\$61,180

Total Operating Balance

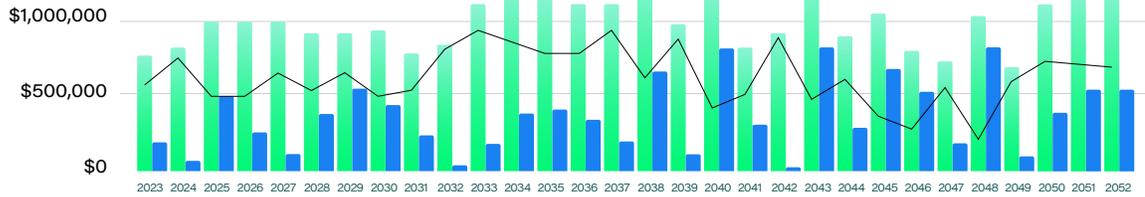
\$349

2023 Monthly Assessment
(Avg per unit)

\$120

2023 Monthly Revenue
Contribution (Avg per unit)

What does the future look like?

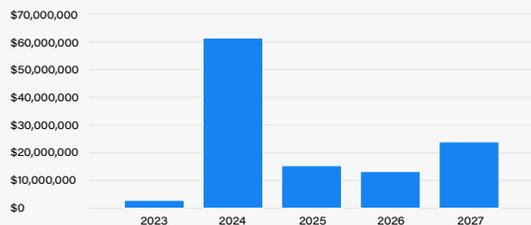


3. CAPITAL PLANNING AND ANALYSIS

While spreadsheets are often used for capital planning, they are based on static, outdated information.

With SmartProperty, management firms can create multiple reserve funding models to help associations plan budgets and build reserves sustainably over time, while developing and implementing a strategic CapEx plan. Funding plans can be updated in real-time as inventory changes, while also allowing reserve funds to be earmarked within capital improvement projects.

Anticipated Expenditures



4. PREVENTATIVE MAINTENANCE PLANS - PROACTIVE PRESERVATION

Preventative maintenance plans extend asset lifespan, reduce costly repairs, and enhance client satisfaction, leading to increased client renewals.

SmartProperty's Maintenance Shield, a preventative maintenance planning module, streamlines scheduling, tracking, and enforcement of proactive maintenance, maintaining infrastructure integrity and ensuring maximum lifespan of the component. By extending the useful life of each asset, management firms can help their clients prioritize sustainability which equates to major cost savings and positive environmental impacts.

MaintenanceShield

Integrated preventative maintenance plan

Reports for Comprehensive Asset Management



- **Within community management, the need for accurate reporting and data is important to effectively communicate the financial well-being to boards.**

Management companies also need an easy way to help board members justify fee increases to homeowners. With SmartProperty, essential data is not only easy to access but also presented clearly and simply, just a click away.

FINANCIAL REPORTING - ENSURING COMMUNITY HEALTH

- **SmartProperty's financial integration with accounting software providers - CINC Systems, Appfolio, and Vantaca - enables real-time financial reporting**

Leveraging SmartProperty, management firms get monthly financial health reports to include in community board packets, delivering monthly tangible value to their communities. These insights help management companies validate where capital is being spent, while also facilitating transparent discussions during board meetings and helping board members justify fee increases when required. In turn, this transparency fosters a sense of trust and credibility among homeowners.

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PREVENTIVE MAINTENANCE PLANNING - MINIMIZING LIFE CYCLE COSTS

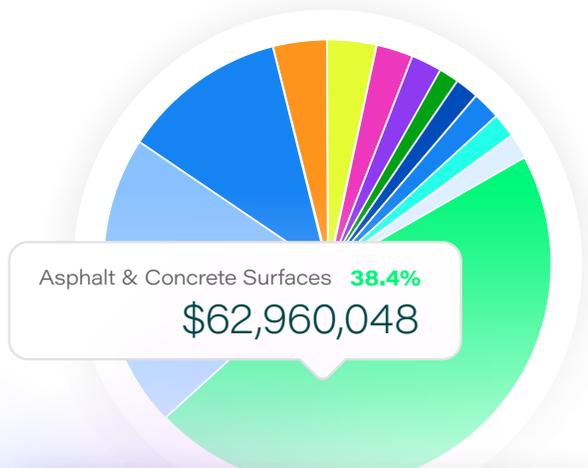
- SmartProperty's preventive maintenance planning module is a vital tool for helping associations minimize life cycle costs and proactively preserve their assets.

Project managers can now schedule and plan maintenance of assets within SmartProperty's platform instead of relying on static spreadsheets. Maintenance is tied back to the reserve study in SmartProperty for complete life cycle tracking and comprehensive project reporting. Managers can address maintenance needs before they escalate into costly repairs or replacements while also prioritizing sustainability of each component to ensure the maximum useful life.

- With a few clicks, managers can download and print maintenance schedules to share with boards, providing transparency around the maintenance and replacement of assets.

- Project managers can also set up recurring maintenance tasks, schedule inspections, and track completed work efficiently.

This streamlined approach ensures that no critical maintenance activities are overlooked and that the community's infrastructure remains in top condition.



Replacement Schedule

Useful Life Remaining Life Installat

The next replacement schedule is scheduled for **2024**



Current Replacement Cost **\$1,939,909**

Units:
Start Date:

Component	UL	UL	Unit price	Quantity	Current Replacement Cost	Anticipated Expenditures	Source
ASPHALT & CONCRETE							
Concrete Sidewalk Sections/Large Areas/Replace							
Common Area, Exterior							

Condition: Fair Action: Replace 100%

Revenue Enablement Opportunities

20%

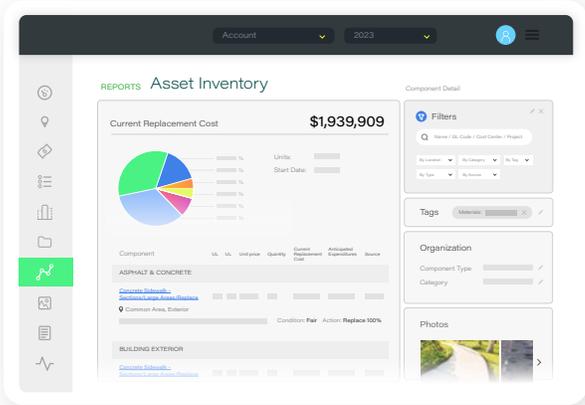
- SmartProperty's asset management platform benefits community association management firms in two key ways: driving revenue enablement and fostering business growth.

Within SmartProperty's Portfolio Analytics module, association management companies can reveal similar project opportunities and uncover project services leads within their existing portfolio, presenting lucrative opportunities for property services and vendor services in project management.

SmartProperty client, Silvercreek Association Management, is leveraging the platform's capital planning tools and has increased project revenue 20%, a significant multiplier for the company's financial goals.



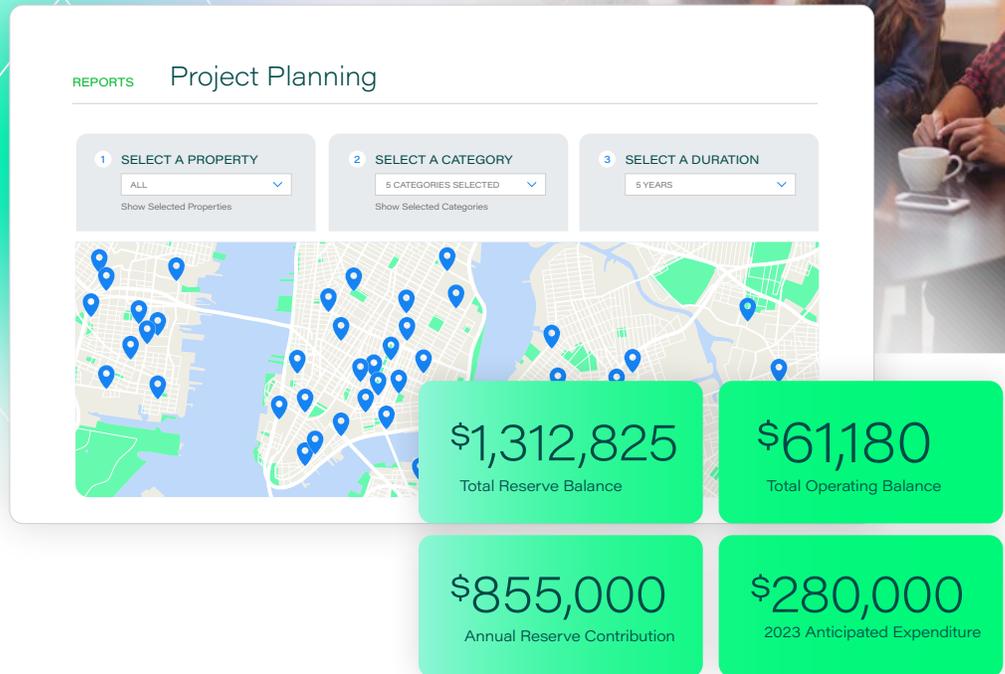
CLIENT
Silvercreek Association Management



- By leveraging SmartProperty's comprehensive asset management capabilities available in the SmartProperty platform, association management firms can offer their clients a forward-thinking approach to financial planning, ensuring well-informed decisions and timely funding for maintenance and replacements.

The ability to incorporate preventative maintenance plans into the asset management process extends the lifespan of assets, reducing unexpected repairs and enhancing overall cost-efficiency.

Additionally, the platform's financial integration with Appfolio, CINC, and Vantaca provides real-time insights into budget performance, empowering management firms to make data-driven recommendations and communicate transparently with board members.



Conclusion

With SmartProperty as a partner, community management firms can unlock revenue growth, drive business growth, and build stronger relationships with existing clients while attracting new ones.

- SmartProperty enables community management companies to be trusted advisors while empowering communities to thrive.

Curious how SmartProperty can scale your business? Contact us today at hello@smartproperty.com

