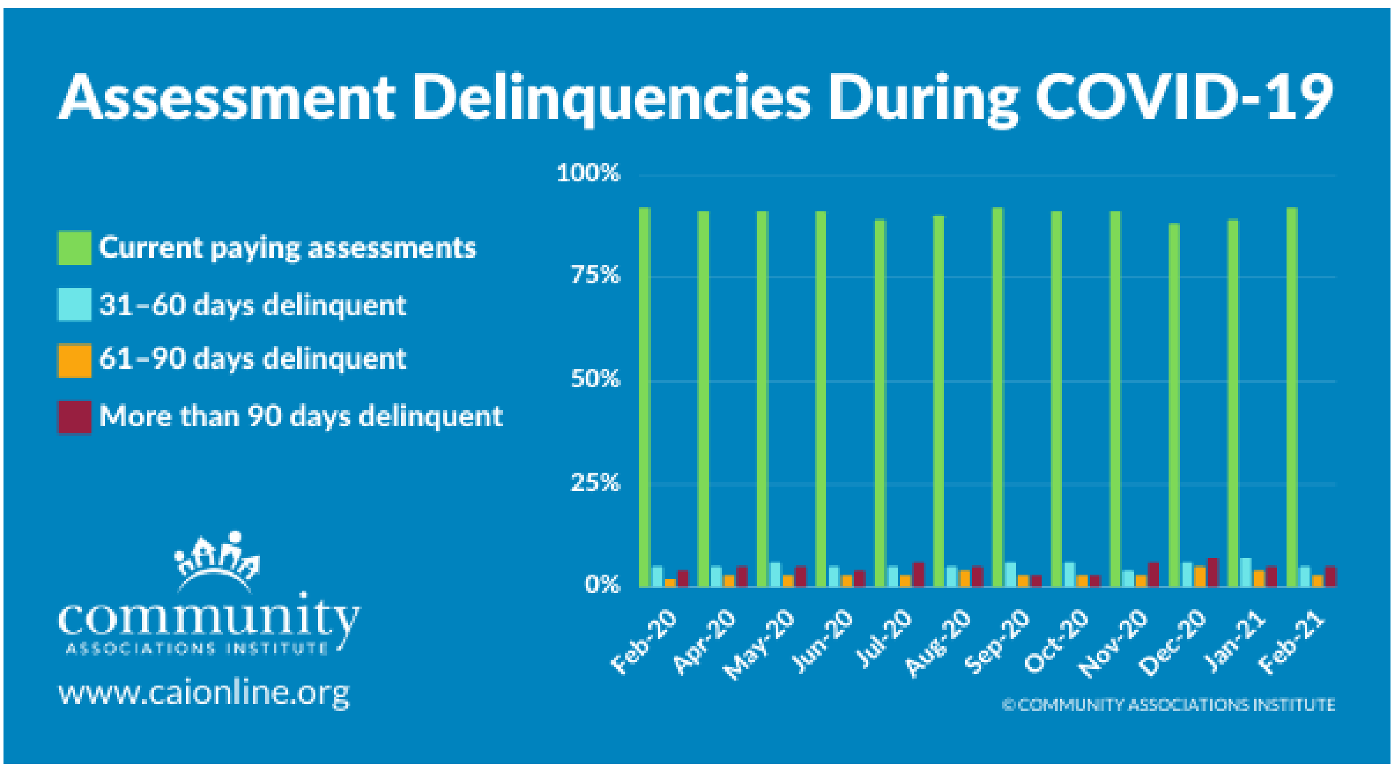
COVID-19: Financial Impact
Community Association Assessment Data: Released March 2021

Community Associations Institute (CAI) began surveying members last April about data regarding payment of community associations assessments as one component to help monitor and quantify the financial impact of COVID-19. Thousands of CAI members, including management company executives and community association board members representing tens of thousands of community associations throughout the U.S., responded to the surveys. Nearly half (49%) of respondents represent homeowners associations (49%); representatives from condominium communities (41%), housing cooperatives (1%), townhome communities (2%), and associations with a mix of housing (7%) also responded.

Data collection includes a benchmark against statistics from February 2020 (just prior to the pandemic being declared a national emergency). Respondents indicated the percentage of homeowner who are current (up to date) paying their assessment obligations, 31–60 days late, 61–90 days late, or more than 90 days late. The data will inform community associations' short and long-term planning and forecasting.



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Data Table

Month	Current paying assessments	31-60 days delinquent	61-90 days delinquent	More than 90 days delinquent
Feb-20	92%	5%	2%	4%
Apr-20	91%	5%	3%	5%
May-20	91%	6%	3%	5%
Jun-20	91%	5%	3%	4%
Jul-20	89%	5%	3%	6%
Aug-20	90%	5%	4%	5%
Sep-20	92%	6%	3%	3%
Oct-20	91%	6%	3%	3%
Nov-20	91%	4%	3%	6%
Dec-20	88%	6%	5%	7%
Jan-21	89%	7%	4%	5%
Feb-21	92%	5%	3%	5%

COVID-19 Compared to the Great Recession: How History Informs What's Next

Since March 2020, there has been a moratorium on foreclosures for mortgages held by the federal government. The moratorium continues, and mortgage companies are prohibited from filing foreclosure actions for delinquent mortgage payments and are required to provide forbearance and payment plans for homeowners. CAI expects the impact of the pandemic financial crisis to surface in community associations AFTER mortgage companies are authorized to handle delinquent payments.

In 2011, CAI surveyed community associations to determine impact on assessment delinquencies during the Great Recession, which began December 2007 and ended June 2009.

- 46% of respondents characterized the impact on associations related to assessment delinquencies and property values to be "serious."
- More than one-third of the community associations that responded had a delinquency rate of greater than 11%.*
- In 2014, only 7% of respondents indicated they had a delinquency rate of greater than 11%.

**Note: Fannie Mae, Freddie Mac, and FHA will not secure/insure mortgages in communities with greater than 10% delinquency.*

Snapshot: Community Associations in the U.S.

- Approximately 73.9 million residents living in 27.2 million homes in over 351,000 community associations.
- These residents pay $96 billion a year to maintain their communities. These costs would otherwise fall to the local government.
- 2.4 million residents serve as volunteers in their community associations each year, providing $2.3 billion in service.
- Homes in community associations are generally valued at least 4% more than other homes.
- By 2040, the community association housing model is expected to become the most common form of housing.

For more information, contact:

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