

Community Associations & COVID-19

Economic Forecast, Impact, & Member Pulse

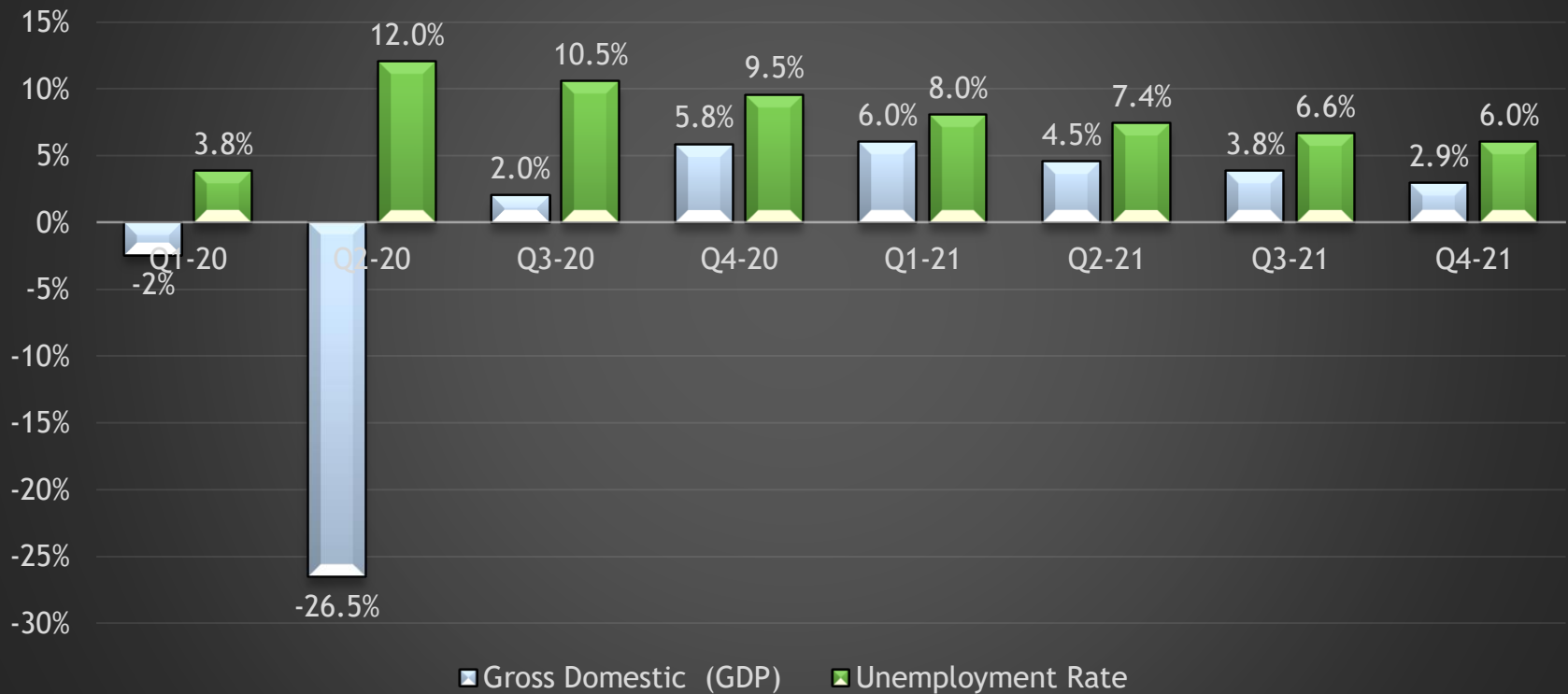
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Community Associations & COVID-19: Economic & Housing Forecast

U.S. GDP & Unemployment Forecast 2020-2021



Source: National Association of Business Economics (NABE) Flash Survey April 10, 2020.

Loan Forbearance Statistics

- According to the Mortgage Bankers Association's (MBA) Forbearance and Call Volume Survey, the total number of loans in forbearance grew from 0.25% to 2.66% from March 2 to April 1, 2020.
- Independent mortgage bank (IMB) servicers now have the largest share of loans in forbearance (3.45%), reflecting their focus on Federal Housing Administration (FHA) and Veterans Affairs (VA) home loan programs, and serving low-to moderate income borrowers.
- MBA's survey data covers 22.4 million loans serviced as of April 1, 2020, representing almost 45 percent of the first mortgage servicing market

Rent Payment Statistics

- The National Multifamily Housing Council (NMHC) found that 91.5 percent of professionally managed apartment households made a full or partial rent payment by April 26 in its survey of 11.5 million units of professionally managed apartment units across the country, up 2.8 percentage points from April 19.



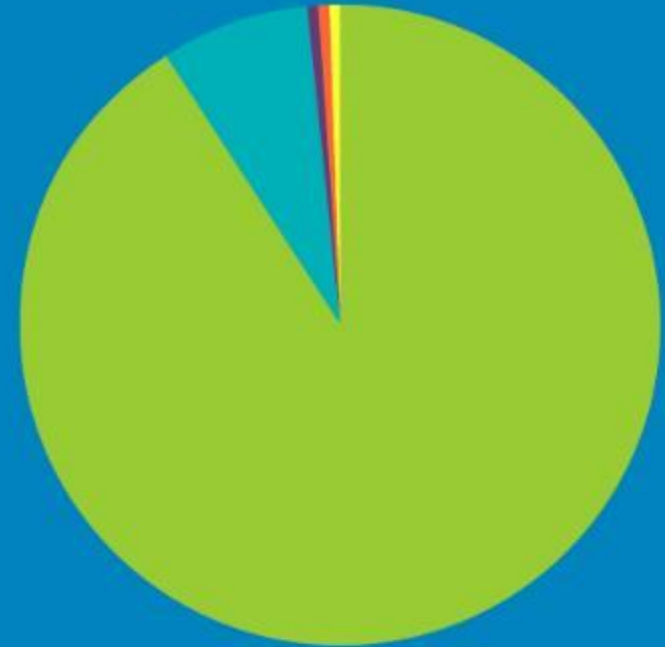
Community Associations & COVID-19: Employment Impact

Community Associations & COVID-19

IMPACT

Community
Management
Employment

Has your level
of community
management
employment been
impacted due to
COVID-19?



- 90.99% No
- .6% Yes, I've been laid off (permanently dismissed from your job)
- .3% Yes, I've voluntarily decreased my hours
- .6% Yes, my hours have been decreased by my employer
- 7.51% Other

as of May 1, 2020



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Community Associations & COVID-19: **Assessment Impact**

Assessment Impact Historical Data

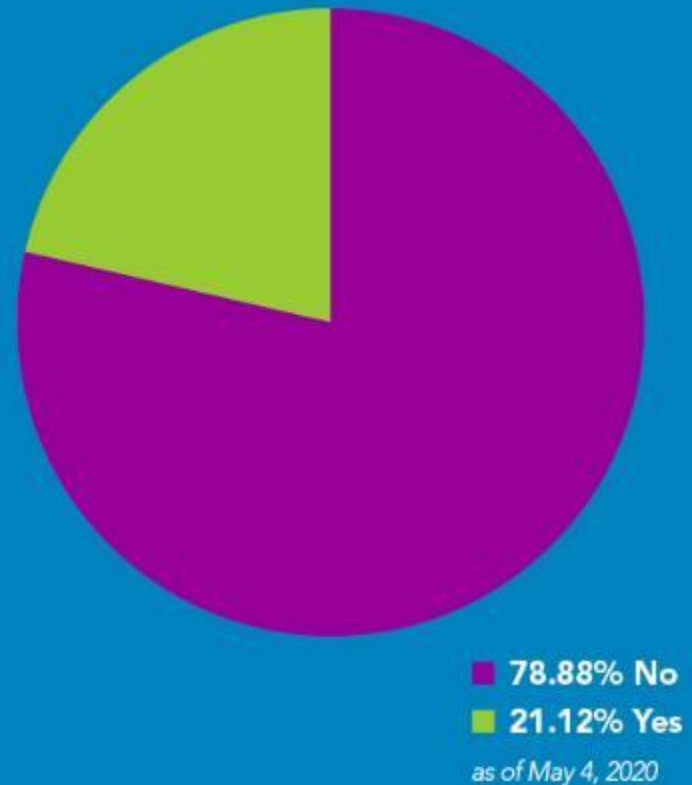
- In 2011, in the midst of the Global Financial Crisis (the Great Recession), CAI surveyed community associations to determine impact on assessment delinquencies.
 - 46% of respondents characterized the impact on associations, related to assessment delinquencies and property values to be “serious”.
 - More than 1/3 of the community associations 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 rate.

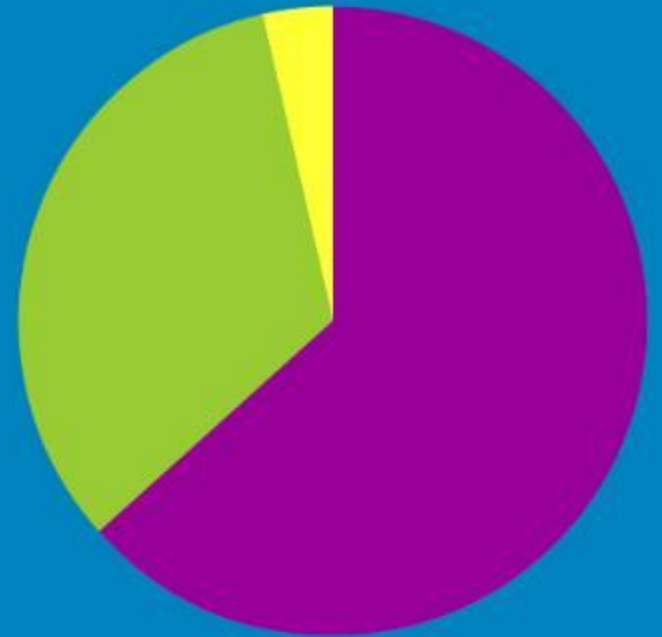
Community Associations & COVID-19 IMPACT Assessments

Has your association experienced an increase in homeowner requests for assessment payment plans or forbearance as a result of the COVID-19 global pandemic?



Community Associations & COVID-19 IMPACT Assessments

Has your association taken any actions to reduce expenses out of concern for future revenue due to the COVID-19 global pandemic?



63.5% No
33.12% Yes
3.38% Other

as of May 4, 2020

Community Associations & COVID-19 IMPACT Assessments

What was the
association's
assessment
delinquency rate
in February 2020?



- 92% current (non-delinquent)
- 5% 31-60 days delinquent
- 2% 61-90 days delinquent
- 4% more than 90 days delinquent

Due to rounding, percentages may not always appear to total 100% as of May 4, 2020

Community Associations & COVID-19 IMPACT Assessments

What is the
association's
current assessment
delinquency rate?



- 91% current (non-delinquent)
- 5% 31-60 days delinquent
- 3% 61-90 days delinquent
- 5% more than 90 days delinquent

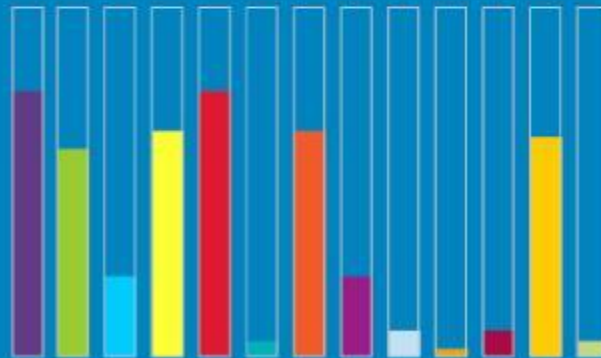
*Due to rounding, percentages may not always appear to total 100%
as of May 4, 2020*



Community Associations & COVID-19: Member Pulse

Community Associations & COVID-19 IMPACT

What steps has your community taken as a result of COVID-19?



- 79% closed common areas and amenities
- 63% extensive cleaning/disinfecting of frequently touched surfaces
- 27% installed more hand sanitizers and wipes in common areas and amenities
- 68% holding board meetings through video or teleconference
- 79% postponed nonessential meetings and events
- 13% prohibited guests from entering the community
- 68% encouraged social distancing in shared spaces (i.e. elevators, laundry facilities)
- 27% paused residents' nonessential construction/renovation projects
- 18% paused rules enforcement
- 6% waived fines for rules noncompliance
- 18% waived late fees for assessment payments
- 65% informed and educated residents with updates from the community and local/state/federal officials
- 13% other

as of March 28, 2020

United States Community Associations

facts & figures

» Approximately **73.5 million** residents living in **26.9 million** homes in over **347,000** community associations.

» These residents pay **\$95.6 billion** a year to maintain their communities. These costs would otherwise fall to the local government.



» **2.5 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.



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