

PREPARING AND PLANNING: A Little Care Can Go A Long Way

It may not be a new concept that when you take good care of the things you own, they last longer. How this adage applies to condominiums, cooperatives, homeowner and/or community associations (“associations”), however, may be. It has been shown that regular and routine maintenance of the components and structures may make them last longer and may reduce the likelihood of needing to make emergency repairs later that may be more costly.¹ Board members should not only consider this, but should know it’s part of their responsibilities. A little care and planning goes a long way!

We have seen the significance of planning in recent community association events as we near the third anniversary of the collapse of Champlain Towers in Surfside, Florida. In 2021, when the collapse of Champlain Towers occurred, it was in the middle of conducting its 40-year structural review.² Though investigators continue to look into the cause of the collapse, reports released in March 2024 indicate that it appears the collapse started at the pool deck which was under more stress than the deck and columns were built to handle. In addition, significant corrosion of the steel beams in the garage under the pool deck occurred due to water seepage. These structural issues may have been identified sooner and repairs made before they evolved into major issues had there been more regular inspections.³

The collapse of Champlain Towers is not the only incident bringing to the forefront the value of regular inspections. It has been just over a year since a parking garage in New York City collapsed in April 2023,⁴ with deadly results. In May 2023 a century old apartment house in Davenport, Ohio collapsed.⁵ These tragedies made many wonder, could this have been prevented?

Preventive Maintenance and the Importance of Inspections

Reactive maintenance is more costly than preventive maintenance which provides routine attention to components and structures that are the responsibility of the association. In addition, because preventive maintenance requires regular inspections to identify what maintenance is necessary, it recognizes an issue before it becomes more serious or causes irreversible damage. Regular maintenance of common area components and

structures will help extend their life and will prevent the need for emergency repairs. This reduces costs long term though regular maintenance reviews and making the subsequent necessary repairs may require additional costs in the short term. Regular maintenance will also help prevent the need for associations to levy special assessments on the community later to pay for sudden and unanticipated repairs or replacement costs.⁶ This is something the board of the association should consider and plan for.

Preventive maintenance may include actions such as an annual inspection of roofs and applying sealant. Touching up paint on fences or the façade can have a big impact on the life of the fence or structure.⁷ Touching up the paint on exterior wood and metal surfaces can provide protection from water and ultraviolet light damage. Did you know that Disneyland touches up the paint on its 50-year-old wrought iron fence on Main Street regularly, almost every night? As such, the fence has yet to be replaced, saving Disneyland what would be a major expense.⁸

The impact of regular inspections and preventive maintenance has not gone unnoticed by lawmakers. States have responded to the collapse of Champlain Towers by recognizing that regular inspections identify signs that the structural integrity of a building has been compromised and enacting laws that make regular inspections a legal requirement.⁹ California, Florida, New Jersey and municipalities including Denver and Seattle, have inspection laws. New Jersey, Florida and New York City have façade inspection requirements.¹⁰

Reserve Studies Help Plan For Preventive Maintenance Costs

In order for an association to have enough money to cover routine maintenance, a good financial plan should be in place and is the responsibility of the board to establish. Reserve studies may help the board develop such a plan, considering maintenance needs of the association and for structural integrity inspections. This process allows associations to properly prepare for preventive maintenance, structural inspections, the cost of replacement of common area components and repairs.¹¹ Reserve studies provide an analysis of an

association's assets and the amount of money in the reserve fund, which is used for emergency needs as well as anticipated major repairs and replacement costs. A reserve study will include a financial analysis of the association's funds as well as a physical assessment of the common area components. In this way, it is determined if the current reserve fund is adequate and if not, how much the board may need to increase association fees to meet reserve fund goals.¹² Once maintenance needs are recognized, a preventive maintenance plan can be developed. Together, reserve studies and preventive maintenance can help to eliminate the need for special assessments later because the association planned for projected future costs and current costs associated with routine maintenance.¹³

Not only are reserve studies important to determine the financial health of an association and reserves used to fund preventive maintenance, but reserve studies and reserve funding may be legally required. Reserve studies or a reserve schedule are required for condominium associations in California, Colorado, Delaware, Florida, Hawaii, Maryland, New Jersey, Nevada, Oregon, Tennessee, Utah, Virginia, and Washington. Reserve funding for condominium associations is required in Connecticut, Delaware, Florida,

Hawaii, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, Ohio, and Oregon.¹⁴ Because each state's laws outline the requirements of a reserve study and what the reserve funding guidelines are, and as these laws are constantly changing, it is of utmost importance that a review of your state's laws be conducted. An attorney will likely be able to provide the appropriate guidance as to what the laws are and how to abide by them.¹⁵

Conclusion

Together, inspections, preventive maintenance, and reserve studies help an association board identify maintenance needs and how to financially plan for the associated costs to keep the community safe. Regular inspections allow for proactive preventive maintenance which will extend the life of the components and structures of the community. Regular inspections will identify issues before they become issues of greater concern. Reserve studies will help plan financially for the costs associated with carrying out inspections and preventive maintenance. In the end, by preparing and planning for the regular and consistent care of the community, the community will be safer and well maintained.

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¹ John Peragine; Mitch Smith; and Amanda Holpuch, "Demolition of Collapsed Building Is Put on Hold As People Remain Missing", The New York Times, May 30, 2023.

² Curt Anderson, "Lawsuit: Florida Condo Collapse Triggered By Building Work", AP, (November 17, 2021), <https://apnews.com/article/lawsuits-florida-surfside-building-collapse-2d589b9d3c6dcb168ba5063eb2ebddf1>

³ Greg Allen, "Investigators Narrow Search Into Cause of Deadly Florida Condo Collapse in Surfside", NPR, (March 8 2024), <https://www.npr.org/2024/03/08/1236628075/surfside-florida-champlain-towers-south-condo-collapse-cause>

⁴ Doha Madani, "Deadly Garage collapse In New York City Due to Building's Nearly 100-Year-Old Age, Too Many Vehicles On Roof, Officials Say", (April 19, 2023), <https://www.nbcnews.com/news/us-news/deadly-garagecollapse-new-york-city-likely-due-buildings-nearly-100-y-rcna80454>

⁵ John Peragine; Mitch Smith; and Amanda Holpuch, *supra* note 1

⁶ "How Preventative Maintenance Saves Condo Assoc Time And Money", Reserve Advisors <https://www.reserveadvisors.com/resources/blog/how-preventative-maintenance-saves-condominium-associations-time-andmoney/>

⁷ "Preventive, Corrective & Deferred Maintenance", Adams Stirling Professional Law Corporation, <https://www.davisstirling.com/HOME/H/HOA-Regular-Deferred-Emergency-Maintenance>

⁸ Best Practices CAI Maintenance, https://foundation.caionline.org/wpcontent/uploads/2023/06/BestPracticesCAMaintenance.final2_.pdf

⁹ "New Statutory Requirements for Condominium Inspections Following the Collapse of Champlain Towers South in Florida", Woods Rogers, <https://www.woodsrogers.com/insights/publications/new-statutory-requirements-for-condominium-inspectionsfollowing-the-collapse-of-champlain-towers-south-in-florida>

¹⁰ Homefront, Community Associations Institute, <https://sccpagepro.mydigitalpublication.com/publication/?m=20613&i=814547&p=14&ver=html5>

¹¹ Daniel Brannigan, "Reserve Study Standards: New Guidance Incorporates Preventive Maintenance, Structural Inspections", CAI, Community Associations, (July 13, 2023), <https://blog.caionline.org/new-reserve-study-standards/>

¹² Sonia Orlando, "Reserve Studies for HOAs: The What, The Why & How to Succeed!", March 17, 2023, WildApricot, <https://www.wildapricot.com/blog/reserve-studies-for-hoa>

¹³ Reserve Advisors, *supra* note 5

¹⁴ As of October 2023.

¹⁵ "Reserve Requirements and Funding, Community Associations Institute", <https://www.caionline.org/Advocacy/Priorities/ReserveStudy/Pages/default.aspx>

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