NEW STAR PROPERTIES

Welcome!

Skill Building Intensive for HOA & COA Board of Directors

Presented by New Star Properties, a Trademark of Realty Management Partners

Realty Management Partners

Condos Commercial Multifamily

2025

TODAY'S SPEAKERS

TIM WEGE

New Star Properties

BRYAN BOUCHARD

SNHU Accounting Faculty
Easter Seals Chair

MICHAEL R. FENIGER

Feniger, Uliasz & Stacey

SEMINAR TOPICS

1 INTRODUCTIONS

2 THE RESERVE STUDY MECHANICS & APPLICATIONS

3 FINANCIAL MANAGEMENT

4 ROLES & RESPONSIBILITIES

5 GOVERNANCE & BEST PRACTICES

6 CONFLICT MANAGEMENT & FINDING RESOLUTION

CENTRAL TO LONG TERM FINANCIAL SUSTAINABILITY

Prepare for the replacement of long life, big ticket, replacement expenses

Roofs, Siding, Decks, Porches, Septic Fields, Septic Lift Pumps, Clubhouse, Pools, Wells, Driveways, Streets, Street Lights, Signage

PLANNING FOR CAPITAL REPLACEMENTS

Commonly Seen "Strategies"

PLANNING FOR CAPITAL REPLACEMENTS

Common Strategy No. 1

PLANNING FOR CAPITAL REPLACEMENTS

Common Strategy No. 2

PLANNING FOR CAPITAL REPLACEMENTS

Common Strategy No. 3

PLANNING FOR CAPITAL REPLACEMENTS

Common Strategy No. 4

PLANNING FOR CAPITAL REPLACEMENTS

Common Strategy No. 5

HOW DID THAT WORK OUT FOR YOU?

TELL TALE SIGNS OF PLANNING GAPS

LOANS

Eases the “pain of the moment”; but, lingers well beyond installation

HOW DID THAT WORK OUT FOR YOU?

TELL TALE SIGNS OF PLANNING GAPS

SPECIAL ASSESSMENTS

- “Something” took us by surprise and we did not have funds to address the problem
- Can produce a financial crises
- What happens if several unit owners cannot make the payment?

RESERVE STUDY
CONDO MANAGEMENT 101

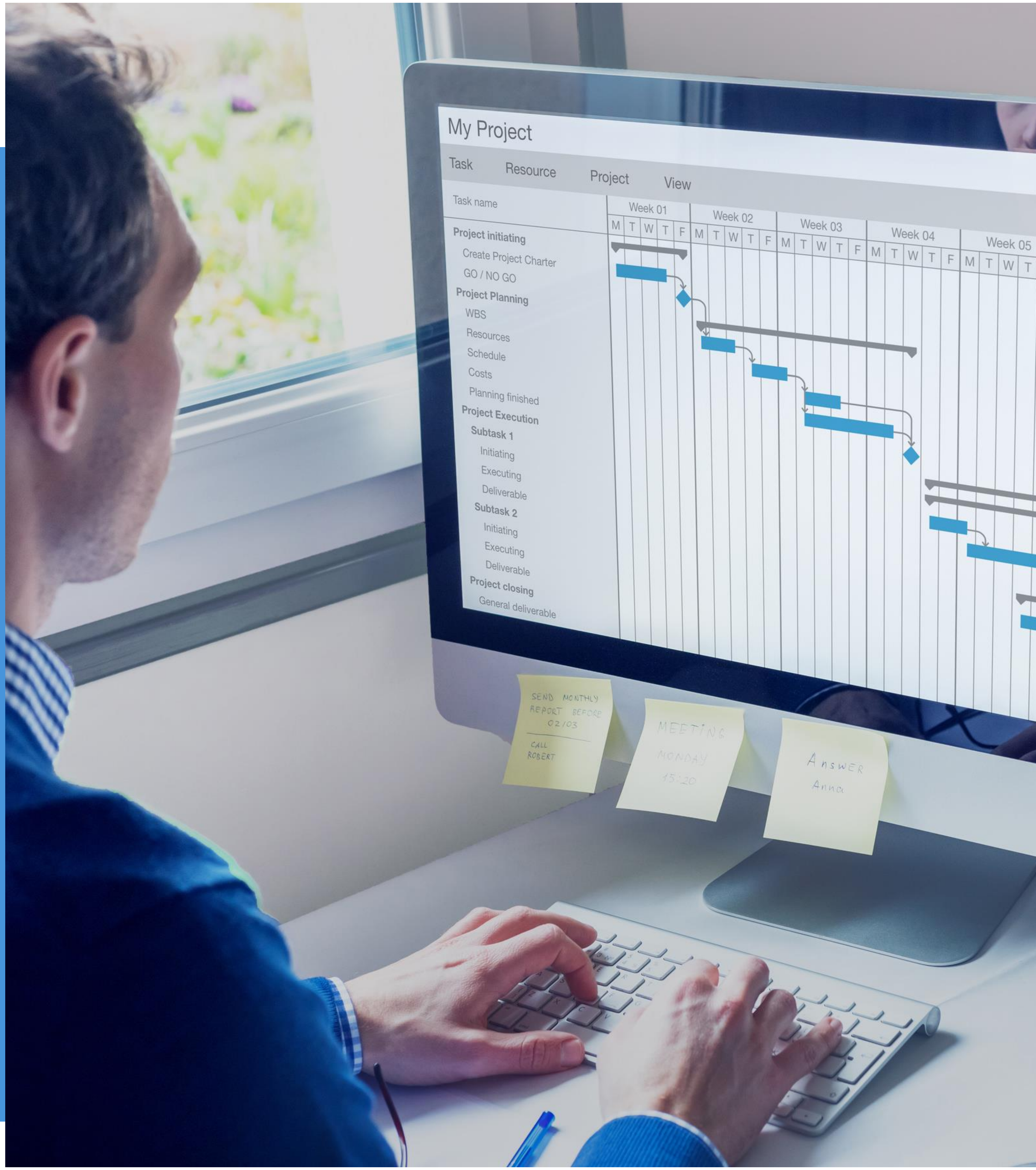
- "Data Driven" Analysis of Community Capital Assets
- Projects Replacement Values and Timing
- Recommends Funding Strategies
- Answers the Question:
  - *How Much Should the Community Put in Reserves?*

RESERVE STUDY
CONDO MANAGEMENT 101

“Data Driven” Analysis of Community Capital Assets

RESERVE STUDY
CONDO MANAGEMENT 101

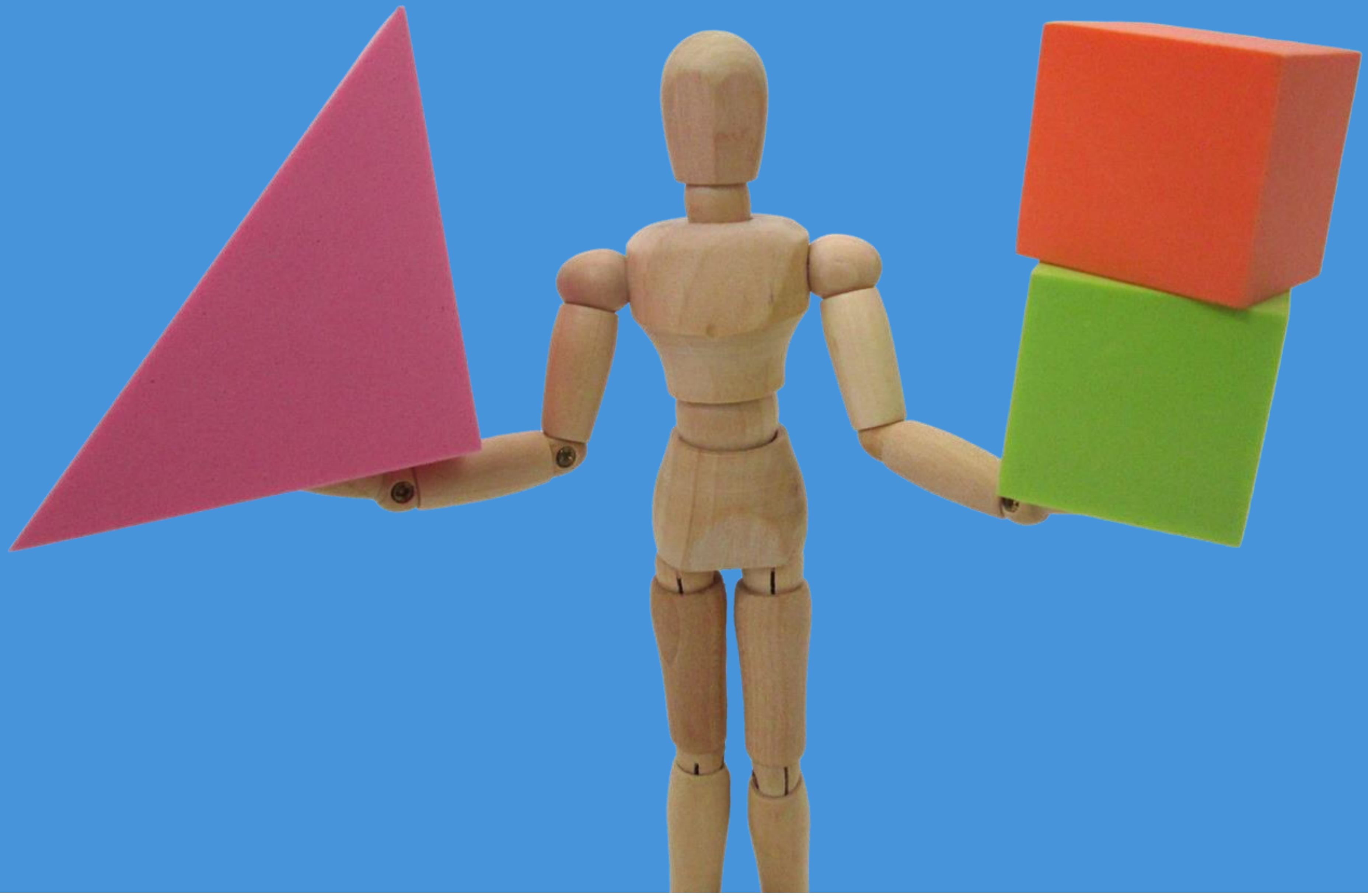
Projects Replacement Values and Timing



RESERVE STUDY

CONDO MANAGEMENT 101

Recommends Funding Strategies



RESERVE STUDY
CONDO MANAGEMENT 101

Answers the Question:
How Much Should the Community Put in Reserves?

CATALOGUE ASSETS
ESTABLISH CURRENT FUNDING LEVELS

Capital Asset	Useful Life	Remaining Life	Current Cost	Fully Funded
Asphalt Driveways	25	19	$ 100,210	$ 24,050
Decks	35	19	$ 113,050	$ 51,680
Gutters	30	14	$ 16,500	$ 8,800
Leach Fields	35	1	$ 53,000	$ 51,486
			$ 282,760	$ 136,016
	Projected Reserve YE Reserve Balance			$ 42,450
	Projected% of Full Funding			31.2%

PROJECT FUTURE CAPITAL

OUTFLOWS AND FUNDING PERCENTAGES

- **See Projection Handout (3 pages)**
- **Understand Implications of Funding Percentages**

0-25% Critical, High Crisis Probability

26%-65% FAIR, Crises Potential Lessens

65% + GOOD, Low Probability, Long Term Health

CASE STUDY

Dealing With Data Showing Increases Are Necessary

- 10 Year Old Community; 56 units
- 1st Reserve Study Completed in 2024
- Historic Reserve Contribution Numbers Set Arbitrarily (and too low!)
- Reserve Study Recommends a Minimal Increase of $70,000/year (~$104/unit/month)
- What Are Your Options? Pros & Cons?

TAKE AWAY POINTS

- You Are Protecting Total Community Asset Values of (# of Units * Avg Selling Price) = 10's of Millions
- Data Driven Analysis Equips You to Manage Reality
- Funding Options (particularly "catch up") are Not Easy, but Essential to Community Health
- Compare Year End Reserve Fund to Study Recommendations – Are You Tracking?
- Update at Least Every 5 Years