



2007 Arizona Community Management Impact Study

STUDY PREVIEW





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ABOUT THE ARIZONA ASSOCIATION OF COMMUNITY MANAGERS

The Arizona Association of Community Managers (AACM) is a professional organization dedicated to promoting a positive understanding of community associations and the contribution of professional management services in the development, establishment and maintenance of high-quality, well-managed neighborhoods. Founded in 2003 by management groups looking to positively impact their profession, AACM now includes more than 40 of the leading community management companies in Arizona as well as more than 175 affiliate partners who provide a variety of services to Arizona communities. Representing management companies that serve more than 770,000 Arizona households, AACM is the leading information resource for legislators and community managers regarding homeowners association and management issues.

AACM was established to improve the professionalism in the management of Arizona communities and is committed to raising the level of community care in Arizona through on-going education and proactive support. The Certified Arizona Association Manager (CAAM®) education program provides the only Arizona-specific professional certification for community managers, which has educated and certified more than 300 community managers, creating a network of professionals dedicated to properly serving Arizona residents. By offering certified training to community managers, as well as enforcing ethics compliance, AACM provides homeowners living in Arizona communities with confidence that their property value will be maintained.

AACM also supports Arizona homeowners and communities through a unique grant, the Homeowners Outreach Program Enterprise (HOPE). The HOPE grant was established to provide assistance to homeowners living in AACM communities who experience financial hardship. In the past three years, AACM has issued 17 grants to homeowners and communities in need, donating tens of thousands of dollars back to the Arizona community.

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ABOUT THIS STUDY

Community management directly impacts the quality of life of millions of Arizonans. The Arizona Association of Community Managers commissioned this study to begin an annual process of documenting the financial impact of community management on the Arizona economy, as well as to better understand the attitudes of Arizona homeowners toward their community associations.

Methodology

Quantitative data was gathered from public sources including Arizona State University's Realty Studies program, the Arizona Department of Housing, U.S. Department of Housing and Urban Development, and the U.S. Census. Additional data regarding Arizona communities and payroll was provided by the member companies of the Arizona Association of Community Managers.

Attitudinal data was gathered in an Internet survey conducted by CM Solutions, an independent market research firm, in July 2007. A demographically diverse sample of 1,063 Arizona homeowners was used. The sample was provided by MarketTools, Inc., a leading provider of online consumer panels. All respondents were members of the opt-in panel and were unaware of the study sponsor or objectives. Screening questions were incorporated into the survey to validate Arizona residence and homeownership. All other demographic data was self-reported by respondents. Aggregated responses of the full sample have a margin of error of approximately ± 3 percent, while error rates may be higher in sub-groups.



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EXECUTIVE SUMMARY

Arizona's communities are among the most desirable in the world. Since 2000, Arizona has increased its population by 20.2 percent to more than 6.1 million residents and has grown from just over 2,000,000 housing units to more than 2,600,000 in 2006, the second highest growth rate in the United States. Homeowners' associations have played an integral role in this successful surge in Arizona housing growth by providing services, maintaining common areas, establishing community rules, and generally maintaining community property values.

Community Association Impact

The annual growth rate in the number of community associations has more than doubled since 1998, with more than 700 new HOAs added in 2006 alone. As of July 2007, Arizona had more than 8,900 associations which help to maintain and protect the value of more than 1,200,000 Arizona homes.

Two-thirds of these associations use the services of professional community managers. The Arizona Association of Community Managers was formed to positively impact this profession and now represents 42 of the leading community management companies in Arizona, as well as more than 175 affiliate partners who provide a variety of services to Arizona communities. Providing community management services to more than 770,000 Arizona households, AACM members and affiliates protect more than \$178 billion in property values, manage more than \$600 million in property investments, and directly contribute more than \$300 million dollars to Arizona's economy.

Arizona homeowners are satisfied with their experience living in an HOA community

More than two-thirds of Arizona homeowners living in an association-governed community feel their community association has a positive impact on property values, and those describing their overall experience as positive outnumber those with a negative experience by nearly two-to-one.

Homeowners are universally aware of the presence of an HOA prior to purchase

More than 93 percent of Arizona homeowners were aware that they were moving into an association-governed community and the majority said they were more likely to buy as the result of the presence of an HOA. Fewer than 2 percent of homeowners were unaware of the presence of an association and said it would have negatively impacted their purchase decision.

Homeowners are aware of their assessments and satisfied with the value of services

Over 95 percent of homeowners were aware of the presence and amount of their community's monthly assessments. Twice as many rated the value received for their assessments as "Good" to "Excellent" than those saying, "Poor."

Arizona homeowners want mechanisms to ensure assessments are paid

A majority of homeowners support actions to compel residents to pay assessments authorized by their boards of directors. Only 1 percent of homeowners felt it was appropriate to increase the fees of other homeowners to make up for any shortfall in assessments. Similarly, homeowners did not support the reduction of community services.

EXECUTIVE SUMMARY

Community members are familiar with their CC&Rs and feel they contribute to property value

90 percent of Arizona homeowners said that they were familiar with the covenants, conditions, and restrictions (CC&Rs) for their community and 84 percent were aware that they had a copy of the CC&R documents. 74 percent of homeowners in HOAs felt the rules had a positive impact on property value.

Homeowners are likely to be satisfied with complaint resolution

Only 15 percent of Arizona homeowners reported having filed a complaint or having been the subject of a complaint in their community. Overall, more homeowners were satisfied than dissatisfied with the resolution of their complaint against another homeowner. Those who had complaints filed against them were even more likely to be satisfied than those that had filed complaints against others.

Homeowners are satisfied with their boards of directors

86 percent of members of homeowners' associations felt their board of directors tries to do what's best for the community. Nearly two-thirds of association members reported participation in the governance of their community and 64 percent reported having voted in the last election of a board of directors.

Communication is frequent and positive

Among respondents who were aware that their community uses a management company, almost half had had phone contact, 23 percent mail contact, 25 percent e-mail contact and 34 percent had met their community manager personally. 70 percent of homeowners said they received contact from their community management company or homeowners board a few times a year, or more frequently.

Government oversight

More than two-thirds of Arizona homeowners living in association-governed communities do not want to see more government control of their community association by the Arizona Legislature.

AACM improves the quality of life and value of living in Arizona communities

86 percent of survey participants felt it was important that their association use a management company that is a member of AACM, with more than one-third describing it as "very important."

90 percent of homeowners felt AACM's CAAM[®] program was valuable and nearly half of Arizona homeowners were willing to pay more for the benefits of having a CAAM[®] certified manager in their community.

If told a community used an AACM management company with CAAM[®] certified managers, 80 percent of homeowners impacted by that information would be more likely to purchase in that community.

The community management professionals of AACM serve nearly **3,000 of Arizona's managed communities**, and *63 percent of Arizona households that are governed by associations*. The services they coordinate on behalf of **770,000 homeowners** are estimated at **\$600 million** annually as they help to protect more than **\$178 billion in Arizona property values**.

CURRENT AACM MANAGEMENT COMPANY MEMBERS

Greater Phoenix Members

Arizona Community Management Services, LLC

Karen Kass

AAM, LLC

Amanda Shaw

Associated Property Management, Inc.

Thomas Emele

Brown Community Management, Inc.

Bob Brown

Capital Consultants Management, Corp.

Bart Park

Caretaker HOA Management

Matt White

City Property Management

Brian Lincks

Cornerstone Properties, Inc

Larry Roberson

Cuellar Realty Services, Inc.

Terry Cuellar

Elan, LLC

Renee Gordon

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Steve Talcott

Golden Valley Property Management

Michael Latz

Heywood Realty & Investment, Inc.

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Gretchen Rotella

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Kachina Management, Inc.

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Leisure Life Management

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Karen Lepin

Oasis Community Management

Mary Hernandez

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Cardinal Professional Management, Inc.

Glynda Lowe

Innovative Management Services of AZ

Kim Rubly

Pinehurst Properties, Inc.

Carol Keyser

Stratford Management

David Grant

Y-Cross Management

Andrew Way

Current AACM Management/Individual Members

Kathe Barnes

Scottsdale Ranch Community Association

Ken Flynn

Sun Lakes HOA III

Duane Krause

Tucson Estates Property Owners Association

Anna Pappas

Springfield Community Association

Kimberly Visser

Discovery Land Company



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