

How much should we set aside in reserves?

“There is no “one-size-fits-all” amount that should go into reserves. Each association is unique with different property components. Some associations have very limited common elements, such as entry signage and sidewalks only, while others maintain swimming pools, a clubhouse, docks, tennis courts, and other amenities. The latter will certainly have much higher reserve assessments to pay for the wear and tear on all of those common elements. Even with two identical properties built by the same developer, the homeowner boards might have very different philosophies about how to maintain them. One board might have an aggressive maintenance policy for regular sealcoating, gutter cleaning, roof inspections, etc., while the identical property has no maintenance programs whatsoever. While the latter property might save money in the short term, they’ll end up spending a lot more money over the long term because many of their common elements will require replacement much sooner than if they had maintenance programs in place all along. The reserve funding is dependent upon the size and complexity of the common elements of the association and how well they are maintained by the board or management.”



The requirements of the community at the left does in no way approach the needs of the master community shown below. The master community has miles of pavement, professionally maintained tennis courts, pools, parks and various building maintenance as well as a couple of miles of perimeter landscaping and walls. The level

of maintenance and reserve funds required are vastly different.

