

Why a Fee Increase?

It isn't news most homeowners want to hear: that assessments might be increased. But sometimes a fee increase is the best way to keep the association in good financial health -- and, sometimes, increases are unavoidable. Here are some of the reactions homeowners typically have when they hear that their fees are about to increase, followed by the related rationales for an increase.

- *"I can't afford the increase."* When you live in an association, you need to be willing to share the costs, as described in the governing documents to which you agreed in escrow. Keep in mind that if the association does not maintain its property, real-estate values can decline.
- *"I probably won't be living here in 15 years when the streets need repaving. Why should I have to pay now?"* Senior citizens, as well as young people often pose this question. The problem with this "short-timer" logic is that these people are themselves benefiting from the use of the streets, pool, and other common assets paid for by members who lived there before. Members should pay for the incremental use of these items each year they live there.
- *"Why don't we just have a special assessment for a specific project?"* It can be difficult to collect money when you suddenly have a large expense. It's better to collect it gradually, so the funds are there when you need them. Also, a special assessment unfairly penalizes homeowners who happen to live in the association at the time.