



FRONTSTEPS

GROWING PAINS

Insights +
Actions
from the
**Community
Pulse Survey**

Dear reader,

I'm excited to share this analysis with you and confident that its insights will inform your plans.

The Community Pulse survey was created to help property management owners and professionals take stock of the challenges facing their industry and the strategies their peers are employing to navigate these new challenges. The results were telling.

Let's start with the good news: the industry is growing. More than 8 in 10 respondents (83%) reported that their firms added more community associations last year.

The tougher news? That growth is accompanied by new and heightened challenges. Three clear obstacles emerged.

First, management companies are bracing for heightened demands from homeowners. Higher volumes of questions and lower patience for response and resolution times put new pressure on community managers and the teams supporting them.

Second, management companies are facing staffing shortages of a historic nature. And multiple external factors, from rising inflation to fluid decisions about hybrid and remote work, are complicating their efforts to find and retain qualified talent.

Third, management companies are stocking up on software to automate repetitive tasks and boost efficiency. Technology has generally been a boon for management company growth, but we are starting to see cracks in the foundation. The number of large management companies operating 5 or more separate software applications to run their business may surprise you.

The association management industry is undergoing rapid change, with new obstacles coming from multiple directions.

I hope this report helps you calibrate your strategy in the years ahead.

Sincerely,

Matt DeWolf
Chief Product Officer
FRONTSTEPS



TREND

ONE Heightened Demands

The top challenge reported by community managers was heightened expectations from homeowners in their communities.

Put simply, residents want more, and they want it faster than ever before. They want to see action being taken regarding their requests and visibility into that progress. Homeowners want to feel heard. They want requests, tasks, and payments to feel easy and be accomplished without friction. Finally, they want to remain informed and want communication to happen on a channel that is convenient for them.

As portfolios grow and homeowner expectations rise, it gets easier to fall short of a community association's needs.

Top 3 Shifts in Homeowner Expectations

85%

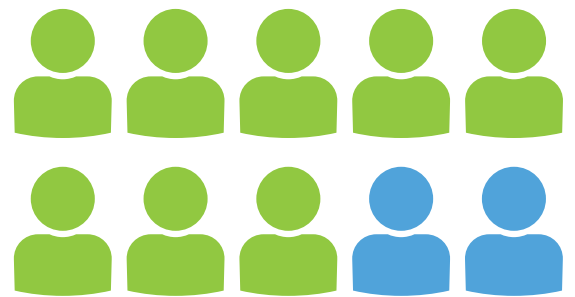
Expecting faster response times

57%

Expecting more convenient ways to pay

56%

Expecting more transparency into requests



8 in 10

report higher demands from residents

“Homeowners are coming from a technology-driven world where almost everything is instantaneous. They’re asking for technology to allow instant gate access for their family and friends. They want a community app to reserve rooms, pay their assessments, generate work orders, notify the manager, and receive community news.”

Frank Pelot, CFCAM, Leland Property Management





45%

invested in new technology for CAMs and office staff last year

“The right tech stack creates the foundation for management companies to scale their business and grow. The most successful companies use technology in a way that not only provides competitive advantage, but that also supports their team and offers homeowners a great experience.”

Cat Carmichael
CEO & Founder, Strategy 123
Former CAI National President



53%

invested in new technology for homeowners and boards last year

“Modern solutions empower homeowners to self-serve through a web portal and mobile app, whether that homeowner needs to submit a request or check the status of an open item. When you utilize technology, you can prevent that influx that tends to bog down a community manager’s inbox and workday.”

Lachlan Johnson
Solutions Consultant
FRONTSTEPS



Takeaways

Community managers overwhelmingly ranked “homeowner communications” as their most time-consuming task, and the onus is on their leadership to alleviate that burden. That message is getting heard, and a growing number of management companies are prioritizing the homeowner-facing components of their technology stack, upgrading their homeowner portals and mobile apps. The more connected the better: homeowners expect to manage their guest list, assessments, work orders, and architectural requests in one place.

TREND

TWO Staffing Shortages

Employee retention involves strategic actions to keep your staff motivated and focused. A comprehensive retention program plays a vital role in attracting and retaining key employees, as well as reducing turnover and its related costs. All of this contributes to a management company's productivity and overall performance.

The stakes are even higher against the backdrop of a nationwide talent shortage. Serving more communities with fewer staff is a tall order, no matter how efficiently you run.

When asked about challenges that teams are facing, respondents noted that filling open roles was at the top of their list, followed closely by preserving employee morale.

Top 3 Challenges For Management Companies

65% Filling open roles

61% Managing high call and email volumes

51% Responding to cost increases

“The hiring challenge is real, and it must extend beyond your HR staff. Every employee in your company should be able to name at least one other person who would be a great fit for the team. Also, think about hiring in terms of culture and values: not just who can get tasks done, but who truly fits into the vision and objectives of your management company.”

Cat Carmichael

Takeaways

Recruiting was already difficult and current economic conditions worsen the challenge. Management companies must focus on operational efficiency to continue successful growth. It would be straining to manage larger portfolios and higher homeowner demands even with an ample supply of community managers and accounting staff. This environment requires defined processes and effective technologies to keep information flowing and people connected.

TREND

THREE Software Consolidation

The vast majority of management companies in the survey use multiple software providers to manage the communities they serve. There are software products for virtually each function within association management. At a task level, these independent products can save teams' time. However, at an organizational level, the software sprawl can have the opposite effect.



1 in 3

companies use 5 or more software products to manage their communities

“For the most part, people are not giving any resistance to technology. As a matter of fact, it’s the other way around. They’re asking for more technology. Even some older residents are getting used to technology, and it is a matter of convenience.”

Frank Pelot

“The industry is seeing the importance of partnering with a single provider that connects all parties – community association managers, board members, homeowners, and vendors. The last thing that you need is a poor user experience for your community association managers. It’s never easy working with double-entry on resident data or unintegrated systems that don’t cooperate.”

Matt DeWolf

Takeaways

The reasons to select intuitive and integrated software to manage your communities are clear. Community managers can move faster with a tech stack that is tightly connected under one platform. Software consolidation frees up time to focus on building relationships with residents in your communities.

Survey Methodology

The Community Pulse survey was conducted in February 2022 and sent to members of the Community Association Institute. Qualifying survey respondents confirmed that they are employed by a management company that serves the HOA market. Of the 357 respondents, 63% worked for a management company serving 50 or more associations.

Ready to learn what fully-integrated software can do for your organization?

Schedule your demo today!





FRONTSTEPS

FRONTSTEPS provides the most complete, connected, and homeowner-friendly technology solution for association management. The FRONTSTEPS suite improves efficiency for property management teams, increases security for homeowner's associations, and delivers superior service for homeowners. The platform is trusted by more than 1,400 property management companies and 34,000 communities, representing 5,700,000 homeowners. Visit frontsteps.com for more information.

GROW WITH FRONTSTEPS.