



# Neighborhood Insider

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## Answers from Amanda: Collections Policy



**Q: Our Community has a fine policy, but not a collection policy. At what point do delinquencies go to an attorney or a collection agency?**

**A:** First, if your community does not have a collection policy, we suggest that the Board implement one as soon as possible. The Board-approved collection policy dictates when to release a delinquent homeowner account to an attorney or to a collection agency for further collection efforts.

Collection policies typically start by reiterating the collection procedures outlined in the community's CC&Rs. First to be mentioned in the policy is a late fee date, which may be 15 days or 30 days after the assessment becomes due, but note that Arizona statute states that the assessment payment is late 15 days after it is due, unless the community's governing documents give a longer grace period (thus late fees cannot be imposed after 5 days or 10 days from the payment due date). A late fee of no more than \$15 or 10 percent of the unpaid assessment, whichever is greater, is the statutory limit for late fees and should be referenced in the collection policy.

An assessment collection schedule also is important to include in a collection policy. This schedule indicates when written reminder notices will be sent to homeowners (e.g. on the 16th or 31st day after the assessment is due), when demand letters (if any) will be sent to homeowners (e.g. on the 30th, 45th or 60th day after the assessment is due) and when a lien will be filed against the property. We usually see a 90-day past due date as the date to record the lien.

In most cases, past due or delinquent accounts are then turned over to an attorney or collection agency within a very short period of time after the lien has been recorded. The collection policy can actually include this time frame and instructions for turning the account over to the appropriate party. It is also a very good idea to include an option for payment plans within the collection policy to give homeowners ample opportunity to bring past-due accounts current.

If you should have questions about your current collection policy or if your community needs a new policy, please contact your Community Manager or **AAM's VP of Community Management, Susan Platner at [splatner@AAMAZ.com](mailto:splatner@AAMAZ.com)**

**Amanda Shaw, President of AAM**

## DID YOU KNOW: Board Training

Mark your calendars now and plan to attend our July Board Training Session. You won't want to miss this informative Legislative Update, outlining the latest changes coming from the State Capitol pertaining to our industry.

**DATE:** July 29, 2008  
**TIME:** 6-8 p.m., snacks will be served  
**PLACE:** AAM Corporate, 7740 N. 16th St., Ste. 300, Phoenix

Please RSVP to **Tanya Salerno at [tsalerno@AAMAZ.com](mailto:tsalerno@AAMAZ.com)** or 602-288-2694

## NEWS YOU CAN USE: Community Marketing

It's no secret that sales of existing homes and condominiums across the country are declining. Statistics from the National Association of Realtors indicate that sales of existing homes fell 13 percent in 2007. Projections indicate this trend will continue. The reports also show that listings are staying on the market longer and are selling for lower prices. When faced with these depressed market conditions, it becomes ever more essential to market your Community Association. Whether you are a Manager, a Board Member or a Homeowner, marketing your community can help improve sales and increase sales prices.

**GETTING STARTED.** The first step to market your community association is to perform a survey of the local market. Where does your community stand with respect to amenities, fees, and desirability of the neighborhood? In the home sales arena, consider that your competition may be more than just the condominium community down the street. It could include mixed-use developments and various other types of common-interest communities. The competition may also extend to nearby cities and towns. Armed with the information about the competition, you are now able to evaluate your strengths and weaknesses. In marketing, you always want to highlight your best features while at the same time, work toward improving your areas of weakness.

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# SERVICE SPOTLIGHT: Community Managers

Community Managers often are called upon to be the Renaissance Men and Women of the HOA world. They're part management professional, bookkeeper, educator, cheerleader and watchdog. In short, they wear many hats.

Take Community Manager David Signor, for example. In addition to his duties keeping track of the community assets, residents and finances for Cantada Ranch in Avondale, Signor has been instrumental in making sure the city's Neighborhood Watch program has a high-profile presence in his, as well as other, local managed communities.

Signor's efforts include getting Neighborhood Watch information into residents' hands via AAM's resident Welcome CDs, and encouraging his fellow Community Managers at other Avondale communities to spread the word about the program via newsletters, websites and inserts. He also works closely with the Avondale Police Department and the city of Avondale, serving as a liaison between the managers and the city on Neighborhood Watch matters.

The Avondale Police Department recently recognized Signor's passion for crime prevention and education with a Certificate of Appreciation signed by Police Chief Kevin Kotsur.



**David Signor**  
Community Manager

## News You Can Use continued

**FINDING YOUR IDENTITY.** In evaluating the strengths of your community association, it is important to find the identity of your community. What are the distinctive characteristics that help define your community? It could be unique architectural design, sound financial practices with a healthy reserve fund, beautiful landscaping, location or myriad other qualities. Once identified, you can now use marketing techniques to promote your distinctive characteristics. Does your community have a logo? While this may seem transparent, a logo helps identify with the community. If you are looking for a logo, find something that helps illustrate the positive aspects of the community.

**THE MARKETING PLAN.** Your marketing plan should consist of at least four objectives. These will include: Internal Marketing; Advertising and Promotion; External Marketing; and Evaluation.

**INTERNAL MARKETING.** This is by far the easiest and least costly method to improve your community. The concept of "building community" is at the heart of internal marketing. Internal marketing means promoting the community to the current residents with the objective of increasing the desirability to live in the community. There are many aspects to the notion of internal marketing. Here is a sampling:

- Effective communication to the co-owners and residents. This should include open meetings, a community web site, and regular newsletters.
- Fairness in making and enforcing rules. The goal is not to punish but to help people live together in harmony.
- Consistent architectural control with flexibility. Allow the proper balance of reliability with room for individual preferences.
- Flexibility in policies governing For Sale or Open House signs.
- Community activities. The list here is endless.
- Educating co-owners about the real estate market and how to enhance their property.
- Curb appeal. Sprucing up the community, the buildings and the common areas can go a long way to improve the marketability of the community.

The goal here is obvious – to make the community a neighborhood that becomes a more desirable place to live, which in turn increases property values.

**ADVERTISING AND PROMOTION.** After the developing phase, there are very few community associations that consider advertising and promotion as well-spent funds. However, in depressed real estate markets, this can be a key to improving property values and sales. There are several methods that can be used:

- Community Website. This is by far the best place to advertise your community. Your website should be professionally monitored and updated to keep it fresh. While some of the content should have restricted access

to the co-owners, there should be a public area of the web site that allows potential buyers to see this as a great community. Some websites even offer a place to post homes for sale.

- Sales Brochure. This can be simple or elaborate with the objective to create a positive image for the community. Pictures of the community amenities and activities are always a plus.
- Print advertising. There are many inexpensive publications that can help highlight your community. Many local newspapers have a special real estate section or a city directory.
- Sponsorship of a local event. Schools, local festivals, allowing the 5K run to go through the community streets, boy/girl scouts, etc.
- Press releases. Local newspapers are always looking for stories of local interest. Sending press releases about the community activities or accomplishments is a great way to get some positive press for free.
- Partnerships with charities. The local United Way, Humane Society, etc. provide excellent opportunities for community-based philanthropy.

**EXTERNAL SALES.** The next step in the Marketing Plan is to become acquainted with the local realtors. A simple mailing to the realtors who focus on your area can improve the knowledge about the association and assist with sales. Most real estate agents will use whatever information they can find in order to promote their listings. By providing them with positive information about your community association, you will help raise awareness, confidence and ultimately, property values. If you are able to identify certain real estate agents that tend to sell more homes in your community, invite them to a Board or annual meeting. Consider having a community open house event for all the homes that are currently on the market. Offer seminars to Homeowners that teach them ways to improve the saleability of their home – remodeling bathrooms, fresh paint, crisp, clean interiors, etc. Working with the realtors can lead to shorter days on the market, higher sales prices and a new resident base that is more informed.

**EVALUATION.** The final step in the process is to evaluate the successes and areas that could be improved. Creation of a Marketing Committee is helpful in this regard. There needs to be an annual budget allocation devoted to marketing efforts. While there are some front-end costs associated with some of the ideas, the long-term results of improving property values and sales can far exceed that expense. Marketing is an evolving concept and the community needs to evaluate the plan frequently. By creating a marketing philosophy in your community, every resident can prosper.

For more information, please contact **Gina Jerome at [gjerome@AAMAZ.com](mailto:gjerome@AAMAZ.com) or Caroline Goyke at [cgoyke@AAMAZ.com](mailto:cgoyke@AAMAZ.com).**