

# Beach Front Condominium Impact Example

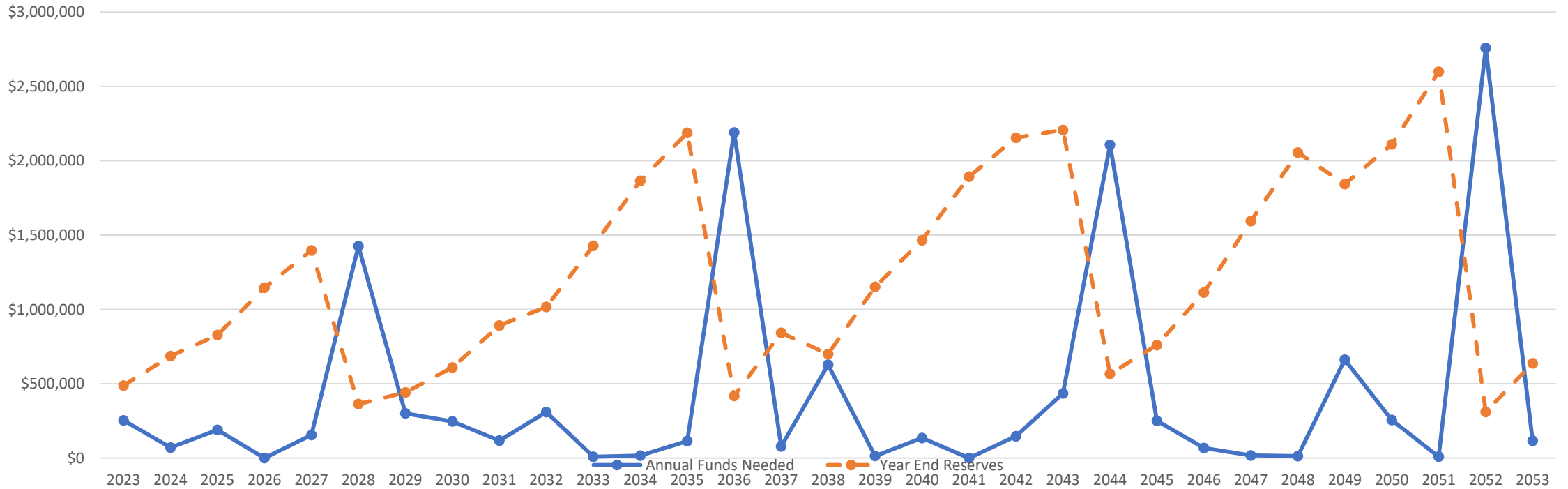
February 2023

# Beach Front Condominium Association X

- Association X completed a major concrete restoration project in 2021
- Current reserves include all key Structural Integrity Components
  - Plumbing and Electric Repairs Fall Under Operating Expenses and have negligible impact on the analysis.
- Association X uses pooled reserves and cash flow methodology to determine reserves funding

# Reserve Demand Is Highly Cyclical Driven By Concrete Restoration

2023 Operating Budget  
Year End Reserves Analysis



*Assumed 3.5% inflation rate, the mean across sources.*

# SB-4E Legislation Impact

- Calculated Reserve Requirement under SD-4E would be \$1.8 MM
- A special Assessment of approximately \$17,000 per unit would be levied to secure funds for which there is no practical demand until calendar year 2028
- Seniors on fixed income would not be able to afford to maintain their homes
- The combination of Special Assessment and Operating environment would significantly devalue the real property, potentially impacting ability to secure alternative housing.