



# THE BENEFIT OF UPDATING YOUR RESERVE STUDY ANNUALLY



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Reserve Studies are budget planning and disclosure documents prepared to help the board meet their responsibility to care for the assets of the association. Many of the association's common area components are so large that the association needs many years to prepare for those expenses financially. So what happens when Boards don't update their Reserve Study for years, and instead make decisions based on outdated information?

Reserve Studies involve an evaluation of the current physical assets of the association, and a projection forward of ongoing deterioration, contributions, and expenses. This information quickly becomes outdated, perhaps as soon as weeks after it is prepared.

Many states require Reserve Studies to be updated on a particular basis, with the most common being states that require updates based on a diligent visual site inspection every third year or every fifth year. So are these intervals "good enough"? What happens when we compare associations updating their Reserve Study every three or five years to associations updating this key information annually?

Associations who update their Reserve Studies every five years enjoy a 35.1% decrease in special assessments when they shift to updating their Reserve Study annually.

Associations who update their Reserve Studies every three years enjoy a 28.5% decrease in special assessments when they shift to updating their Reserve Study annually.

It doesn't matter what your local State Law says: special assessments are disruptive, divisive, and predictable years in advance everywhere. Put time on your side by updating your Reserve Study annually, significantly lowering your exposure to special assessments.

## Annual Reserve Studies reduce your Special Assessment Risk!

Update  
Every 5 yrs?

35.1%  
less



Update  
annually

Update  
Every 3 yrs?

28.5%  
less



Update  
annually



Read more here:

[Are annual Reserve Study updates required in California?](#)

[Why annual updates lower your special assessment risk](#)