



Building Trust in Your Reserve Study: Engaging Reluctant Homeowners



by Robert M. Nordlund, PE, RS
CEO/Founder
Association Reserves, Inc.

August 2025

www.reservestudy.com

A reserve study is a cornerstone of financial stability for any homeowners' association (HOA). It provides the community with a roadmap for maintaining shared assets and avoiding financial crises. Yet, many boards face resistance from homeowners who are skeptical of the reserve planning process. Whether it's confusion about how reserve studies work, concerns about increased assessments, or doubts about the board's financial management, building trust is essential to overcoming these challenges.

This article provides actionable tips to help HOA boards address objections, foster transparency, and build homeowner confidence in the reserve study process. These strategies can serve as a template for budget committees, board meetings, and newsletters, ensuring consistent messaging and effective communication.

Why Homeowners May Be Reluctant

Homeowner objections to reserve studies often stem from a lack of understanding or misinformation. Common concerns include:

- **Financial Impact:** Homeowners may worry that reserve funding increases will strain their budgets.
- **Mistrust of the Board:** Some homeowners question whether the board is using funds wisely.

- **Skepticism of the Study:** Doubts about the accuracy of reserve studies or the necessity of certain projects may lead to resistance.
- **Short-Term Focus:** Many homeowners prioritize current costs over long-term planning, leading to reluctance about increasing reserve transfers.

Understanding these concerns is the first step in addressing them effectively.

1. Explain the Purpose and Benefits of a Reserve Study

Start by emphasizing that a reserve study is not just a document—it's a roadmap to protect the community's shared assets and financial health. Use clear and simple language to explain the purpose of the study, such as:

A reserve study helps ensure our community can handle necessary and predictable repairs and replacements without sudden special assessments or financial emergencies. It's a way to protect our property values and avoid being "surprised" by expense that are not surprising.

Highlight the benefits of a well-funded reserve, including:

- **Maintained Property Values:** Timely repairs and replacements prevent deterioration that could reduce home values.
- **Financial Stability:** Avoiding emergency special assessments provides greater peace of mind for homeowners.
- **Fairness Across Time:** Proper reserve funding ensures all homeowners, current and future, contribute their fair share over the time they are a member of the association.

2. Use Visual Aids to Clarify Concepts

For many homeowners, financial projections and reserve study terminology can feel overwhelming. Visual aids like charts, graphs, and illustrations can clarify complex concepts.

For example:

- Show a graph comparing the costs of proactive maintenance with the higher expenses of deferred repairs.
- Use a pie chart to break down reserve funding, illustrating how each dollar is allocated.
- Display a timeline of major projects, highlighting how reserve funding ensures these projects can be completed on schedule.

These visuals can be included in meeting presentations, newsletters, or online resources.

3. Address Specific Objections with Facts

Homeowners may voice specific concerns, such as:

“Why can’t we just pay for repairs as they come up?”

Explain that reactive repairs are often more expensive than planned maintenance. For example:

If we wait for the roof to fail, we will likely face emergency repair costs and damage to other parts of the building. Proactively replacing it costs less and prevents these issues.

“We’ve never needed a special assessment before. So why are we increasing funding now?”

Reinforce that proactive planning keeps the chance of special assessments low. For example:

Costs have risen. By increasing our reserve funding now, we’re avoiding the financial shock of a large special assessment later. It’s about preparing for the inevitable before it becomes a crisis.

“I’m selling soon. Why should I care?”

Highlight how reserve funding means everyone pays their fair share of ongoing, daily deterioration. Keeping the reserve fund from falling behind strengthens home values for sellers. For example:

Well-funded reserves make our community more attractive to buyers. A potential buyer will appreciate knowing the HOA has planned for future expenses.

4. Emphasize Transparency and Accountability

Building trust requires open communication and a commitment to accountability. Take these steps to demonstrate transparency:

- **Share the report:** Make the reserve study available to all homeowners, with a summary of its key findings.
- **Host Q&A Sessions:** Allow homeowners to ask questions and voice concerns in a public forum.
- **Provide Regular Updates:** Keep the community informed about how reserve funds are being used and any changes to the funding plan.

For example, include updates in your HOA’s newsletter, such as:

This quarter, reserve funds were used to repair the community pool deck, our ninth year of reserve projects being done on schedule without a special assessment. This project was completed on time and within budget, thanks to careful planning and your budgeted reserve transfers.

5. Use Positive and Inclusive Language

The way you communicate about reserve studies can influence how homeowners perceive them. Use positive, inclusive language that frames the reserve study as a collective effort to protect the community.

For instance, say:

“Together, we’re ensuring the long-term success of our community.”

Instead of:

“The board is increasing your assessments to fund reserves.”

Position reserve funding as “offsetting ongoing deterioration”. The enemy is Mother Nature and Father Time, not the board.

For instance, say:

Inflation has unfortunately touched us all. You may have noticed we reduced pool cleaning to 3x per week instead of daily, in order to control that expense. But Mother Nature and Father Time are unrelenting. Because of that, we’ve had to increase our Reserve funding to keep pace with ongoing deterioration around the association. But this is projected to prepare us for upcoming roofing and painting projects without reliance on special assessments.

Instead of:

Unfortunately, your board will be raising assessments again to fund future reserve projects.

Bottom line: Position reserve funding as an investment in sustaining the community’s future, not an expense.

6. Highlight Success Stories

Share examples of how reserve funding has benefited your community in the past or highlight success stories from similar HOAs. For instance:

Last year, our reserve funds allowed us to replace the playground equipment without a special assessment. This not only allowed us to improve our amenities but also helped maintain property values.

Seeing tangible results can reassure homeowners that their contributions are making a difference.

7. Invite Professional Expertise

Bringing in a credentialed Reserve Specialist or financial consultant can lend credibility to the process and provide an impartial perspective. Professionals can clarify technical aspects of the reserve study and answer homeowner questions objectively.

You might say:

“We’ve invited our Reserve Specialist to this meeting to walk us through the report and explain why these recommendations are critical for our community’s future.”

8. Provide a Long-Term Vision

Help homeowners see beyond the immediate costs and understand the long-term benefits of a well-funded reserve. Share projections that show how proactive funding will prevent future financial crises and keep the community thriving.

For example:

By following this funding plan of offsetting the ongoing cost of deterioration (not getting behind!), we can replace the clubhouse roof in five years and repave the roads in ten years without needing a special assessment. This ensures our community remains a great place to live.

Conclusion: Building Trust, Together

Engaging homeowners in the reserve study process isn’t about convincing them overnight—it’s about fostering understanding, transparency, and a shared commitment to the community’s future. The ongoing cost of common area deterioration is as real as any other bill the association needs to pay. By budgeting for this very real cost, communicating clearly, and promoting the value of reserve planning, boards can build trust and gain homeowner support.

Reserve planning is a collective effort that benefits everyone. By working together, your community can ensure its long-term stability, maximize property values, and create a thriving, financially secure neighborhood for years to come.

