

Co-op Coalition Survey: Automatic Fee Increases

Thanks to the members who responded to this survey. Although no-one reported having automatic increases, at least a couple responses indicate using inflation increases to keep their budgets in pace with expenses as well as for reserves. In at least one instance, one co-op had flat fees for several years and must now increase fees to “catch up.”

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In a message dated 8/15/2015 4:28:00 P.M. Eastern Daylight Time, CooperativesDC@aol.com writes:
 Dear Presidents, Managers, and Coalition Representatives,

This should be a quick and easy survey. A Coalition member is interested in knowing if any co-ops automatically increase their fees each year (assuming there might not have been an increase, otherwise). Their questions follow, below. Thanks for taking time to answer their questions. I'll share the results a few days after compiling. Please respond by Friday, August 28, 5pm.

Mike O'Dell, Director
 DC Cooperative Housing Coalition

You are receiving this e-mail blind copied to protect your privacy.

1. Are there any cooperatives that automatically increase their homeowner's fees each year?
2. If a co-op does automatically increase fees - what is the annual automatic percent increase?

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| <50 units | We do not automatically increase our fees. |
| <50 units | [Our] co-op does not. |
| <50 units | We do not automatically increase our fees. We look at the budget every year and determine an appropriate increase based on various factors. On average, we raise fees between 2-4% per year. |
| <50 units | We do not automatically increase fees each year. We however have a goal of increasing our contribution to reserves by 3 per cent. |
| <50 units | [Our co-op] increases fees to meet the operating budget and reserve plan. The fees are not raised automatically. |
| <50 units | We don't do automatic annual increases. |
| <50 units | We do not have an "automatic" annual increase in the assessment. The Board approves a budget each year and approves an increase in the monthly assessment if one is required to meet the budget. There is no automatic increase at a specific rate. |
| <50 units | We had been doing our best to not raise fees for the past 10 years, but the expense increases in almost everything else has brought us to the need to raise fees. We began with a 5% raise in fees for 2014 followed by a 3% raise in 2015 and are planning a consistent 2% raise in future years not withstanding inflation effects. |
| <50 units | We do not automatically increase fees each year. We prepare an annual budget, estimating what we think we will spend (including a contribution to reserves), and then compare that amount to what we would take in at the |

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| | current fee level. If necessary, we increase fees to cover the anticipated increase in expenses. |
| <50 units | As part of our annual budget process, we decide whether to increase fees, and if so, by how much. We had gone a number of years without increasing fees, and our reserves got too low. We therefore have been increasing fees for the last 6 or so years. This year it was only 1%, as our reserves were in good shape. |
| <50 units | 1. No. The Board votes on the increases. We have tried to keep increases to just inflation. 2. We usually raise rates at least the rate of inflation, but not automatic. |
| <50 units | NO - we do not do automatic increases. We review the budget annually and make corresponding budget changes per anticipated expense and capital improvement plans. Our fiscal year is July 1 thru June 30th; not a calendar year. |
| 50 – 99 units | [Or co-op] does not have any provisions for automatic increases in our fees. However, we would be very interested in the survey results. |
| 50 – 99 units | At [our co-op], our property management firm prepares a budget. We match revenues to expected expenditures. There is no automatic increase. |
| 50 – 99 units | We do not have automatic increases in fees. Most years, we try to tie our increases to our expected need for additional revenues. At a minimum, we usually increase fees by 2 - 3%/year, but we go through an extensive budget planning process annually to help us make that determination. |
| 100 – 199 units | [Our co-op] does not automatically take an increase but the budget usually calls for one with health insurance and payroll going up each year. |
| 100 – 199 units | We do not do an automatic increase. |
| 100 – 199 units | There are no automatic increases at [our co-op]. |
| 200+ units | 1. No, increase is determined by the Board of Directors. 2. N/A. I will say the Board will likely increase fees 2-5% annually with increased contributions to reserves as we have a large underlying mortgage coming due in 2018. |
| 200+ units | 1. We increase fees each year but based upon the budget needs. There has never been a year when there was not an increase, but nothing automatic as the increase amount changes from year to year. 2. Not applicable – nothing automatic. |
| 200+ units | No |
| 200+ units | We do not. |
| 200+ units | No |
| 200+ units | No (it's based on the budget needs) |