

## Coming Together One Community at a Time

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CHIEF EXECUTIVE OFFICER

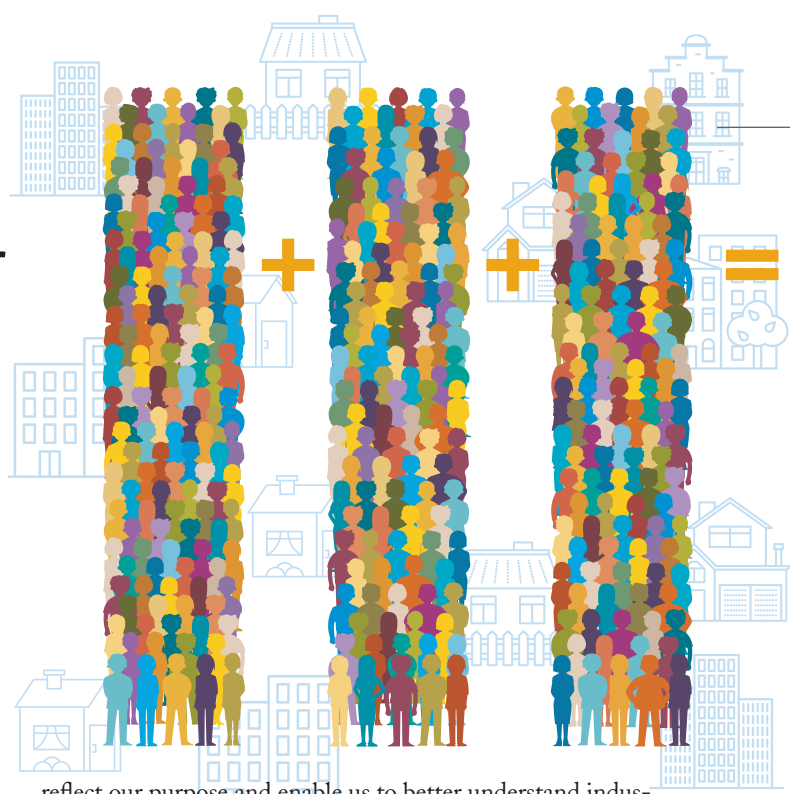


**COMMUNITY ASSOCIATIONS INSTITUTE** exists today to support and serve the millions of homeowners associations, condominiums, and housing cooperatives worldwide. At CAI, we believe that community associations increasingly are being called on to play a significant role in the way we live, learn, work, and play. Further, we recognize that communities—with their unique mix of cultural identities,

socioeconomic backgrounds, religious beliefs, and more—represent the truly physical and cultural reality of today's world.

By realizing and understanding the influence of today's community association leaders, community managers, and business partners, we are all in a position to seize new opportunities while navigating the challenges of change. Like any strong organization, we rely on the energy, dedication, and expertise of our members to innovate and adapt to meet the demands of a growing and changing industry.

Since 1973, when the concept of "CAI" first surfaced in a bulletin published by the Urban Land Institute calling for the creation of a national organization to act as a clearinghouse for information and best practices for the growing community association housing market, I am proud to say that CAI has never been more valuable to its members or the industry at large—locally and nationally. With nearly 40,000 members, CAI is the



reflect our purpose and enable us to better understand industry trends and the competitive landscape. In the 2018 Annual Report, we are proud to share the important moments and milestones that further our goals. Education, technology, and innovation are reshaping community associations. With your invaluable support, inspirations, and ideas, CAI will continue to be a force bringing people together worldwide, one community at a time.

### MEMBERSHIP MILESTONES

In the CAI community, everyone counts, and we believe you are an essential part of our strength and continued growth. By working to create a more favorable business environment and providing appropriate tools and education, we can help all of our members achieve their personal and professional goals, to strengthen their communities, and to grow and support our industry. The implementation of the new membership structure and pricing for homeowner leaders has led to significant growth in overall membership. We're proud to report, again this year, that CAI reached a monumental milestone with a total membership of more than 38,000, and a monthly retention rate of 90 percent. CAI membership ended the fiscal year at 38,367, an increase of 11 percent for the fiscal year. Overall homeowner leader growth for 2018 was 3,539, an increase of more than 28 percent. The total

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now leading international authority for community association education, governance, and management.

The ultimate test of CAI's value is the success of our members. Our accomplishments are only possible with your contributions—homeowner leaders, professional community managers, and business partners alike. To achieve our vision and leverage diverse opportunities, we've developed long-term objectives that

number of unique community association members was 3,703, an increase of almost 7 percent under the new structure. Overall membership has grown every month since the implementation of the new structure in October 2017.

Since January 2017, more than 1,818 new members became part of our community through CAI's popular Recruiter Club campaign.

## 3,539 new members [>28% increase]

CAI chapters shared in our overall growth with 30 chapters experiencing growth over 10 percent and 12 chapters growing more than 20 percent for the fiscal year.

By aligning our organizational strategy to what matters most to members, CAI can fully engage and exceed member expectations. Engagement is at the core of CAI's membership. Since the launch of the Exchange in Spring 2016, CAI's popular, members-only, online community forum has been a clearinghouse for all to share their community association experiences, industry knowledge, and resources. Today, more than 50,000 members have posted 20,000 conversations and answered questions on topics from reserve studies and handling difficult situations to legislative issues. As we witness the phenomenal growth of common-interest communities worldwide, we're expanding with them by introducing new chapters so we can better serve residents. In the past year, CAI introduced its 64th chapter in Idaho. The Gem State is home to 1.7 million residents living in nearly 3,000 incorporated community associations, according to the Foundation for Community Association Research. U.S. Census data from 2010–2017 shows that Idaho's population has increased by 62,000 due to the migration of residents from California, Oregon, and Washington state. As Idaho continues to be recognized nationally as one of the best places to live in America, the CAI Idaho Chapter will benefit homeowners, community managers, industry partners, and the local business community through CAI resources, including comprehensive education and credentialing programs.

### INTERNATIONAL EDUCATION LEADER

A critical role of CAI is the development and dissemination of training on community association management, governance, and specialized industry topics. As an education leader, we are responsible for assessing the marketplace, developing relevant training programs, and delivering professional development to community association volunteers, community managers, and business partners. CAI's Professional Management Development Program (PMDP) continues to be one of our most valuable and desired programs, representing an investment of time, effort, and resources that is increasingly recognized in the employment market. In addition to raising individual skill levels, training enables us to raise the overall competency of our industry

and to develop standards and best practices more effectively to further our profession. In 2018, in the U.S., more than 10,000 students enrolled in CAI education courses—including 6,494 PMDP online and classroom students, 2,714 webinar attendees, 1,241 Board Leadership Development Workshop learners, and 189 Business Partner Essentials enrollees. Globally, the Dubai Real Estate Institute (DREI) held 19 classes totaling 417 students. CAI's designation programs continue to perform strongly for both new and renewing designees. In 2018, CAI awarded the highest number of new designations since 2012, including awarding our 9,000th Association Management Specialist (AMS) credential. We reached a second significant benchmark by awarding the 3,000th designation for the prestigious Professional Community Association Manager (PCAM) credential. The PCAM designation, first introduced in 1982, is the highest professional recognition available worldwide to individuals specializing in community association management.

### SIGNATURE EVENTS

Memorable events and conferences are a CAI specialty and unmatched in the community association industry. Through CAI education and networking, our events inspire and connect individuals and businesses serving communities around the globe. The 2018 CAI Annual Conference and Exposition in Washington, D.C., was the second largest in CAI history, with more than 1,200 registered attendees from 10 countries and over 2,000 total participants. As part of conference week activities, CAI's government and public affairs team hosted a one-day Advocacy Summit at the U.S. Capitol—bringing more than 110 members together with elected officials and staff in more than 150 U.S. Senate and House offices. The popular Community Association Law Seminar in Palm Springs, Calif., attracted nearly 600 attendees, and the CEO-MC Retreat in Boca Raton, Fla., for management company executives had more than 300 attendees. The Large-Scale Managers Workshop, an event designed exclusively for community managers specializing in large-scale communities, was held in Denver with more than 200 attendees.

### 2018 Education Snapshot

6,494

PMDP students

2,714

Webinar attendees

1,241

Board Leadership Development Workshop learners

189

Business Partner Essentials enrollees





## PUBLIC POLICY AGENDA

In 2018, CAI presented both Sen. Bill Nelson (D-Fla.) and Rep. Mark Sanford (R-S.C.) with the 2018 CAI Hero of Associations (HOA) Award for their leadership and support of the millions of Americans living in community associations. Additionally, federal advocacy efforts continued in support of H.R. 3238, The Disaster Equity Act of 2017/2018, to expand Federal Emergency Management Agency support for debris removal in community associations. As a result of the Advocacy Summit, CAI was able to have follow-up meetings with dozens of congressional offices to reinforce messaging and solicit support. This past year, CAI supported Legislative Action Committees (LACs) across the country, with 46 states in legislative session. Our team monitored nearly 1,000 pieces of proposed legislation impacting community associations, including on electric vehicle charging stations, construction defects, manager licensing, service animals, and short-term rentals. Highlights include the passage of a Uniform Common Interest Ownership Act in Washington state and, after many years of advocating, the Georgia governor vetoed a bill requiring a resale disclosure fee cap bill.



CAI's legislative activity at the federal and state level has been full of many priorities. Interestingly, as the approval rating of lawmakers continues to decline, they are doing whatever they can to earn the vote of their constituents. This means grassroots advocacy is significantly effective for an organization like ours. With 70 million people living in community associations in the U.S., our voice is meaningful and impactful. As we move forward in 2019, we invite you to engage in CAI's advocacy efforts. Visit [www.caionline.org/advocacy](http://www.caionline.org/advocacy) to become an advocate today.

## CAI PRESS AND PUBLICATIONS

CAI Press, the publishing division of CAI, is dedicated to delivering the very best resources for community associations. Today, it offers the largest collection—more than 100 titles—on associ-



tap.  
scroll.  
watch.  
listen.

ation governance, management, and operations. We're excited to announce that we launched CAI's *Ungated* blog as a way to connect members and nonmembers around the world with CAI's resources and expertise. Also, this year, we launched *CAI@Home*, a monthly electronic newsletter distributed to all CAI members. The widely popular newsletter has been an instant success with an open rate averaging 30 percent, better than the national average for digital newsletters. Meanwhile, CAI's flagship magazine, *Common Ground*, debuted a new digital platform that features audible articles, embedded videos, and an easy-to-navigate interface. Once again, CAI was honored during Association Media & Publishing's EXCEL Awards, an annual event to recognize excellence and leadership in nonprofit association media, publishing, and communications. CAI's *Community Manager* newsletter was recognized for its exceptional content and production, receiving a Silver EXCEL Award for General Excellence and a Bronze Award for Design Excellence.

## BUILDING BRAND AWARENESS

Over the past 45 years, the community association industry has grown dramatically. While the growth is tremendous, it also means community associations are getting more attention in the media and are under increased scrutiny by state and federal lawmakers. While our research proves the vast majority of association residents are satisfied, the select few unhappy residents and bad actors in community governance and management occasionally give the industry a negative image. CAI must ensure that common-interest communities in general—and our individual members—are fairly and favorably perceived. In 2018, CAI's communications and marketing department created several national public awareness campaigns to elevate the widespread knowledge, understanding, and appreciation of homeowners, community managers, and the business partners supporting community associations. Campaigns include a first-time homebuyer guide and revamped board member toolkit. For the second year, CAI partnered with GaggleAMP, a social media sharing platform to engage members and stakeholders, ultimately strengthening our reach. Through GaggleAMP, CAI's social media posts now have reached 7.5 million users.

## MEMBER RECOGNITION

Community association board members perform roughly 80 million hours of volunteer service annually. These volunteers are the

men and women who work tirelessly to support their communities. This year, we recognized 10 volunteers—Michael Kulich, Katherine Edwards, Clayton Hadick, James Lichtenwalner, Chuck Lovelace, Lawrence Reiter, Renata Rennie, Don Richter, T. Benjamin Romney, and David Talbert—as part of CAI's Outstanding Homeowner Leader program. We also honored the hardworking volunteers who have demonstrated exceptional leadership and dedication to support and advance community association living. Robert M. Diamond, ESQ., received the Distinguished Service Award, CAI's most prestigious recognition, during CAI's annual awards gala in May. A CAI past president and past president of CAI's Washington Metropolitan Chapter, Diamond has been a member of the Board of Governors of the College of Community Association Lawyers (CCAL) and has served in numerous other CAI volunteer roles. Also, at this year's ceremony, Mike Packard, PCAM, was presented with CAI's esteemed President's Award, which is given at the sole discretion of the immediate past president to a member or members who have been influential in helping the president achieve CAI's highest goals. In presenting this honor, Gregory Smith, CMCA, AMS, PCAM, CAI's 2017 president, said Packard, "has been a model of education, relationship building, and leadership to CAI members for decades, and has been instrumental in helping me reach where I am today." Matt D. Ober, ESQ., also received the Outstanding Volunteer Service Award, which recognizes a member who demonstrates outstanding leadership and dedication to CAI.

Each year, I am amazed and proud by the commitment of the millions of homeowner volunteers, community association management professionals, and business partners who display a genuine passion for the work they do each day for the community association housing model. Together, our work makes a difference in the lives of millions of homeowners worldwide. Together, our work directly shapes and enhances a growing and prosperous professional industry. And together, we believe that community associations are preferred place to call home today and for many years to come. On behalf of the entire CAI family, thank you for your inspiration and trust in us as we continue to bring people together worldwide, one community at a time. **CG**

## Fiscal Year 2018: ANOTHER SOLID FINANCIAL PERFORMANCE

CAI ended the fiscal year with a net operating loss of \$130,596 and total net loss of \$18,347. Despite these losses, CAI has never been in a more secure and successful financial position. This continued trend of financial success in 2018 has resulted in net asset reserves of \$3.7 million. Total revenue of \$14,057,383 is the highest since CAI's founding in 1973 with expenses of \$11,069,865. The fiscal year 2018 audited financial statements received an unmodified ("clean") opinion by CAI's independent auditors.

» To view the full financial and audit report, visit [www.caionline.org/financials](http://www.caionline.org/financials).



## Our Growing Community

OVER THE PAST 12 MONTHS, I've been counting on CAI's Homeowner

Leaders Council, Community Association Managers Council, and Business Partners Council to explore how to understand members' expectations, manage them, and close any gaps. I'm proud to report we've done just that.

Through CAI's education, resources, and support, we've been able to accomplish a lot, including:

- Adding 5,000 new members this year, a 14 percent increase, to reach nearly 40,000
- Rewriting CAI's Policy Governance Manual
- Adding new chapters in the Middle East and Idaho, further solidifying CAI's position as the go-to organization around the world for community associations
- Working toward the translation of the M-100 course and related materials into Spanish
- Investing in a new chapter support and development manager in the Midwest
- Awarding the 3,000th Professional Community Association Manager (PCAM) designation

In addition, CAI's financial position is stronger than it's ever been. We also have more people taking advantage of our incredible education than ever before.

All of this proves that, together, we were able to grow as a community, work alongside each other to accomplish one common goal, and close the expectation gap between our members.

Thank you for the opportunity to be your president. Thank you to all my esteemed colleagues on the Board of Trustees. It is so satisfying and comforting to know that CAI is in the very capable hands of a group that is engaged, energized, and has the intellect to lead CAI into the future. We are so fortunate to have an incredible staff, led by CEO Tom Skiba, that enables the Board to focus on the big picture.

As my year as president comes to an end, I couldn't be more excited to welcome Cat Carmichael, CMCA, PCAM, to the role in 2019.

JOHN HAMMERSMITH, CMCA, AMS, PCAM  
2018 PRESIDENT