

2021
Community Association
Fact Book

for
Maryland



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FCAR provides authoritative research and analysis on community association trends, issues and operations. Our mission is to inspire successful and sustainable communities. We sponsor needs-driven research that informs and enlightens all community association stakeholders—community association residents, homeowner volunteer leaders, community managers and other professional service providers, legislators, regulators and the media. Our work is made possible by your tax-deductible contributions. Your support is essential to our research.

[CAI Stands for Equality and Justice](#)

- Community Associations Institute (CAI) is unique in that we touch the lives of more than 73 million Americans living in condominiums, housing cooperatives, and homeowners associations. Our mission has always been about building better communities. We believe that the purpose of community associations everywhere is to bring people together, strengthen neighborly bonds, promote a sense of belonging, and build a place where we can connect.
- CAI stands peacefully, for equality and justice in America and throughout the world. We continue our unwavering support of the Fair Housing Act of 1968, giving the right of all individuals to be free from illegal discrimination in housing on the basis of race, color, religion, sex, familial status, national origin or disability. Racism, violence, and the destruction of property have no place in our communities or anywhere in the world.
- To members of the CAI staff, to CAI members, and to Americans everywhere who are afraid in your daily life for yourselves, your family, and your children because of the color of your skin, CAI stands with you. We will do our part to help all achieve the promise of America: life, liberty, and the pursuit of happiness. And we will do our part to ensure our communities realize their purpose of togetherness, neighborliness, and belonging.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is distributed with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional services. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

—From *A Declaration of Principles*, jointly adopted by a Committee of the American Bar Association and a Committee of Publishers

Table of Contents

Notes: The hyperlinks to CAI and FCAR material are continuously and automatically updated.

Acknowledgement

Contributors

Sources and Notes on Data

Introduction

- Community Associations Institute and the Foundation for Community Association Research
- Understanding and Appreciating Four Areas
- Contributions to the U.S. Economy
- See also Part Five, Economic Contributions and Value-Added Benefits, Fact Book

Community Association National Trends and Issues

1. Maryland Population & Housing Characteristics – 2021

- 1.1 General Characteristics
- 1.2 Population – Census Quick Facts (Excerpt)
- 1.3 Housing – With and Without a Mortgage by Age Group and Compared to U.S.
- 1.4 Real Estate Taxes

2. Maryland Community Associations and Condominium Unit Owners 55+

- 2.1 Condominiums in 1980 & 1990
- 2.2 Association Statistical Snapshot – 2021
- 2.3 Condominium Unit Owners & Non-Condominium Owners 55+ (Part Six Fact Book)
- 2.4 Large-Scale Community Associations (Part Seven, Fact Book)

3. CAI in Maryland

- 3.1 CAI Chapter
- 3.2 CAI Designations, Business Services & Manager Licensing
- 3.3 CAI Legislative Action Committee (LAC), Roster & Tracking Report
- 3.4 Approved Lists and Lookups: FHA Approved Condominium List, Fannie Mae Loan Lookup, Freddie Mac Loan Lookup, Dept. of Veterans Affairs Request a Customized Condo Report

4. Maryland Associations – Community Services as an Association Core Function

- 4.1 An Introduction to Community Association Living
- 4.2 From Good to Great Communities
- 4.3 Community Matters – Know Before You Buy
- 4.4. Community Harmony and Spirit
- 4.5 Community Security
- 4.6 Judging Community Association Success
- 4.7 [Condominium Safety – Public Report](#)

Following the tragic partial collapse of Champlain Tower South in Surfside, Fla., on June 24, 2021, CAI convened task forces to explore changes to laws and best practices for the community association housing model that may help other communities avoid this type of devastation and to provide solutions for legislators seeking to address building safety in their districts. Over a three-month period, more than 600 people participated in CAI's process through conversations, surveys, research, interviews, and identifying clear recommendations.

Table of Contents (cont.)

5. Maryland Associations – Governance Services as an Association Core Function

- 5.1 Governance [FCAR Best Practices]
- 5.2 Strategic Planning [FCAR Best Practices]
- 5.3 Transition [FCAR Best Practices]
- 5.4 Ethics [FCAR Best Practices]
- 5.5 Maryland Community Association & Related Statutes
- 5.6 Maryland Association Volunteer Immunity
- 5.7 Maryland Association Standard of Care for Directors & Officers
- 5.8 Maryland Community Association Deed Based Transfer Bans
- 5.9 Maryland Community Association Clothesline Ban
- 5.10 Maryland Community Association Ombudsman Programs
- 5.11 Maryland Community Association Solar Rights and Easements
- 5.12 College of Community Association Lawyers (CCAL) State Pages

6. Maryland Associations – Business Services as an Association Core Function

- 6.1 Maryland Condominium Insurance Requirements
- 6.2 [FEMA Flood Risk Rating 2.0 State Profiles](#)
- 6.3 Maryland Lien Priority
- 6.4 Maryland Reserve Requirements
- 6.5 Community Association Insurance
- 6.6 Community Association Risk Management
- 6.7 Preventing Fraud and Embezzlement
- 6.8 Energy Efficiency [FCAR Best Practices]
- 6.9 Financial Operations [FCAR Best Practices]
- 6.10 Green Communities [FCAR Best Practices]
- 6.11 Reserve Studies Management [FCAR Best Practices]
- 6.12 Natural Disasters [FCAR Best Practices]
- 6.13 Wired - Managing Cybersecurity Risk
- 6.14 ► [Breaking Point: Examining Aging Infrastructure in Community Associations](#)

Acknowledgement

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Sources

American Community Survey (ACS)

Census – Statistical Brief 1994

Census – Partnership Branch

CAI: Common Ground magazine

CAI Government & Public Affairs (G&PA)

CAI Press

California Bureau of Real Estate

California Law Revision Commission

Colorado Department of Regulatory Agencies

Connecticut Judicial Branch Law Libraries

Department of Agriculture – Rural Development

Department of Veterans Affairs (VA)

Federal Emergency Management Agency (FEMA)

Federal Home Loan Mortgage Corporation (Freddie

Mac)

Federal Housing Administration (FHA)

Federal National Mortgage Association (Fannie
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National Association of Realtors (NAR)

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Urban Land Institute

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Notes on Community Association Fact Book Data

The national and state community association information, data and estimates are from seven sources grouped in two categories:

- Public Data: (1) ► Census data at <https://data.census.gov/cedsci/> and [American Community Survey](#) (ACS) , (2) [American Housing Survey](#) (AHS), (3) State data, (4) Related housing industries data such as that from the National Association of Realtors (NAR), National Association of Homebuilders (NAHB), and
- FCAR and CAI Data: (5) FCAR data accumulated over time, (6) CAI data, also accumulated over time, and (7) Data provided by CAI members.

Both the Public Data may have a lag time from collection to publication. Usually, both the few states with association data and the ACS data tend to lack specificity in critically identifying the three basic types of associations. Similarly, the public data may count certain association units, but not the associations themselves. From a timing viewpoint, FCAR, CAI data and CAI member data are more readily available. Because of the timing issue, the *Fact Book* data generally may be one year ahead of Census data, e.g. the [Fact Book 2021](#) uses Five Year ACS data for 2016-2020.

Introduction

It's been said that the growth of community associations (condominiums, planned communities and cooperatives) offers the greatest single extension of homeownership opportunities since the housing reforms of the New Deal and the provision of GI Bill benefits just after World War II. The Community Associations Institute estimates that in 1970 there were 10,000 community associations nationwide. In 2021, there are approximately 358,000 associations housing approximately 74.1 million Americans.

The [Community Associations Institute](#) (CAI) is an international nonprofit 501(c)(6) organization founded in 1973 to foster competent, responsive community associations through research, training and education.

The [Foundation for Community Association Research](#) (FCAR) is a nonprofit 501(c)(3) organization devoted to common interest community research, development, and scholarship. Incorporated in 1975, the Foundation supports and conducts research in the community association industry. Learn more about FCAR [research projects](#), [publications](#), and [scholarships and awards](#).

Community Association Fact Book is published by FCAR and documents the history, current status, trends and future issues of U.S. community association housing in general. The *Fact Book*, also provides, community association information on a state-by-state basis. The *Fact Book* and each *State Summaries* will facilitate, demonstrate and provide an understanding of four areas:

1. Evidence-Based Decisions: Facilitate the creation, publication and analysis of credible data such that evidence-based decisions on various community association issues and topics can be made.
2. Contributions to the Economy and Society: Demonstrate the role of community associations in maintaining housing as shelter, as a neighborhood benefit, as an investment and as a contributor to this country's Gross Domestic Product (GDP).
3. Core Services: Provide an understanding that the three core services delivered by associations (governance, community and business-like services) – are complimentary to a broad range of both local and national housing goals and to related public policy considerations.
4. Associations as a Housing Market: Demonstrate that all three types of community associations (condominiums, cooperatives and planned communities), in and of themselves, are an important housing market that needs to be understood and analyzed in a comprehensive manner.

► In the aggregate, using a manual calculation, community association housing had a market value of \$11,051 trillion dollars at Q4 2021 [Estimate based on the [Federal Reserve Z.1 Financial Accounts at Q4 2021](#)]. Owners' [equity](#) was 69.2%. Using [Zillow Home Values](#) at 12/31/2021, but manually allocated for homes in community associations produces a market value of \$11,347 trillion dollars. The Zillow Values probably are more timely in recognizing market forces at work.

▶ According to the [National Association of Home Builders](#) (NAHB), the housing industry's contribution in terms of new construction to the economy averages 14%-18% annually. This represents the combined impact of [Private Residential Fixed Investment](#) and [Housing Services](#). Residential Fixed Investment component contributes from 3.3%-3.8% while the Housing Services component contributes 12%-13%. These percentages vary with fluctuations in economic cycles. Association housing is an important and growing component of both Residential Fixed Investment and Housing Services. Using NAHB historical estimates and recent Census data with respect to new construction, community associations contribute a 3.5% to 4.0% to GDP. Associations not only are a place to live, but they are a place to work and to create jobs.

▶ [Census New Single Family Homes in Community Associations](#) – 2021

- ▶ New Single Family in an Association Built for Sale: 67%
- ▶ New Single Family in an Association Sold: 82%
- ▶ New Single Family Association Attached Houses Sold: 95%
- ▶ New Single Family Association Detached Houses Sold: 81%

- [Fact Book 2022, Part Five: 51 State Summaries – Association Economic Contributions & Value-Added Benefits](#).
- ▶ [Mapping New Homes for Sale in Associations](#)

Community Association National Trends and Issues

In [Democracy in America](#), Alexis de Tocqueville reflected in differing ways on the constant activity that characterized American society in the 1830s as it strived for continuous improvement at all levels of society and government. Little has changed since that time. He would be right at home at a community association board meeting, at a CAI Chapter program or at a national CAI Conference or Law Seminar. The best way to keep up with association trends and issues (and the need for continuous improvement) at either or both the national and local level is through the links that follow.

At the National Level

[CAI Issues and Advocacy](#)

- From federal affairs, to state issues, to amicus briefs and more – information is constantly updated. Topics include regulatory issues with FHA and FEMA, new mortgage rules and CAI's Public Policies

[CAI Common Ground Magazine Key Issues](#)

- Themes from the Magazine articles range from aging in place, to fostering participation, to manager licensing and more. A subscription to [Common Ground](#) is part of CAI Membership, but separate subscriptions are available.

[Associations in Perspective: Historical Housing Data, Company Towns, Chronology of Federal Involvement & Historical Housing Papers](#) (Fact Book Part Three)

- From the early 1900s through today, you can track over 100 major federal and similar initiatives that have impacted community associations.

[Community Next: 2020 and Beyond](#)

- The result of this lengthy initiative are four Community Next panel reports that represent the best thinking of several dozen CAI leaders and nonmember community association stakeholders about future issues, trends and similar matters.

1. [Association Governance Model](#)
2. [Community Management](#)
3. [External Influences](#)
4. [Public Policy Paradigms](#)

At the Local Level

[CAI Local Chapters](#)

- See all of the [U.S. and worldwide CAI Chapters](#).

[CAI Grass Roots Advocacy Center](#)

- CAI's Government & Public Affairs Department provides political information and intelligence for the association industry.

At all Levels for All Interests

CAI Press: CAI Press, the publishing division of CAI, is dedicated to publishing the very best resources for community associations. It offers the largest collection of more than 100 books on association governance, management and operations. Browse by category, view the most popular products and discover what's new. Check back frequently to see Featured Products and to take advantage of money-saving promotions.

[CAI Education:](#)

- [Webinars](#) offer specialized, professional training to managers, board members and homeowners without leaving your home or office. Conducted via internet and audio teleconference, the programs are hosted by industry experts to keep you up to date on the latest legislative activity, management trends, industry best practices and subjects of special interest to community managers and homeowners. More than 500 on-demand webinars are now available, and new live webinars are added every month.
- [CAI Board Leader Certificate](#) provides a comprehensive look at the roles and responsibilities of community association leaders and conveys information to help create and maintain the kind of community people want to call home. The workshop is available in two formats: live, classroom instruction through chapters and online.
- [Professional Management Development Program](#) ("PMDP") provides community association managers the most comprehensive, expert education courses to increase their skills, knowledge and job opportunities. Both the webinars and the PMDP program provide education credit toward new and renewing professional designations and credentials.
- [Business Partner Essentials](#) is a classroom and online course to help CAI-member product and service providers better understand CAI, community associations and the industry at large. Individuals who pass the course and maintain CAI membership earn the [CAI Educated Business Partner](#) distinction, gaining special recognition among thousands of companies and professionals who support common-interest communities—accountants, attorneys, bankers, insurance professionals, landscapers, painters, reserve specialists, software providers and many others.

If you are just interested in finding out more about community associations, the *Fact Book* and a *State Summary* are the places to start. If you live in an association or work in the association industry, this *Fact Book* will help keep you and your association current on the latest facts, trends and issues.

Community associations are big business in small increments. For more summary information on associations see [Statistical Reviews](#) from 2012-2021.

1. Maryland Population and Housing Characteristics

1.1 General Housing Characteristics

DP04: SELECTED HOUSING CHARACTERISTICS	2016-2020 American Community (ACS)	Survey 5-Year Estimates		
		Maryland		U.S.
		Estimate	Percent	Data
Subject				
HOUSING OCCUPANCY				
Total housing units		2,459,650	2,459,650	138,432,751
Occupied housing units		2,230,527	90.7%	88.4%
Vacant housing units		229,123	9.3%	11.60%
Homeowner vacancy rate		1.4	(X)	(X)
Rental vacancy rate		5.7	(X)	(X)
UNITS IN STRUCTURE				
Total housing units		2,459,650	2,459,650	138,432,751
1-unit, detached		1,268,513	51.6%	61.7%
1-unit, attached		524,809	21.3%	5.9%
2 units		35,766	1.5%	3.5%
3 or 4 units		54,927	2.2%	4.3%
5 to 9 units		123,089	5.0%	4.6%
10 to 19 units		189,408	7.7%	4.3%
20 or more units		229,353	9.3%	9.4%
Mobile home		32,954	1.3%	6.0%
Boat, RV, van, etc.		831	0.0%	0.1%
YEAR STRUCTURE BUILT				
Total housing units		2,459,650	2,459,650	138,432,751
Built 2014 or later		77,673	3.2%	3.5%
Built 2010 to 2013		64,425	2.6%	2.7%
Built 2000 to 2009		275,833	11.2%	13.6%
Built 1990 to 1999		349,600	14.2%	13.9%
Built 1980 to 1989		372,356	15.1%	13.4%
Built 1970 to 1979		345,983	14.1%	15.0%
Built 1960 to 1969		282,534	11.5%	10.5%
Built 1950 to 1959		277,302	11.3%	10.2%
Built 1940 to 1949		127,820	5.2%	4.8%
Built 1939 or earlier		286,124	11.6%	12.4%
HOUSING TENURE				
Occupied housing units		2,230,527	2,230,527	122,354,219
Owner-occupied		1,495,828	67.1%	64.4%
Renter-occupied		734,699	32.9%	35.6%
Average household size of owner-occupied unit		2.74	(X)	(X)
Average household size of renter-occupied unit		2.44	(X)	(X)

[Review the General Housing Characteristics for All U.S. States](#)

1.2 Population – Census Quick Facts (Excerpt)

All Topics	Maryland	United States
Population Estimates, July 1 2021, (V2021)	6,165,129	331,893,745
PEOPLE		
Population		
Population Estimates, July 1 2021, (V2021)	6,165,129	331,893,745
Population estimates base, April 1, 2020, (V2021)	6,177,224	331,449,281
Population, percent change - April 1, 2020 (estimates base) to July 1, 2021, (V2021)	-0.2%	0.1%
Population, Census, April 1, 2020	6,177,224	331,449,281
Population, Census, April 1, 2010	5,773,552	308,745,538
Age and Sex		
Persons under 5 years, percent	5.8%	5.7%
Persons under 18 years, percent	22.1%	22.2%
Persons 65 years and over, percent	16.3%	16.8%
Female persons, percent	51.3%	50.5%
Race and Hispanic Origin		
White alone, percent	57.8%	75.8%
Black or African American alone, percent (a)	31.4%	13.6%
American Indian and Alaska Native alone, percent (a)	0.7%	1.3%
Asian alone, percent (a)	6.9%	6.1%
Native Hawaiian and Other Pacific Islander alone, percent (a)	0.1%	0.3%
Two or More Races, percent	3.1%	2.9%

This is an excerpt. Click here for the full [Quick Facts](#) for Maryland.

1.3 Housing – With and Without a Mortgage by Age Group & Compared to U.S.

B25027: MORTGAGE STATUS BY AGE OF HOUSEHOLDER - Universe: Owner-occupied housing units	2020 American Community Survey 5-Year Estimates		
	Maryland		U.S.
	Estimate	Percent	Percent
Total:	1,495,828		78,801,376
Housing units with a mortgage:	1,084,283	72.5%	62.1%
Householder 15 to 34 years	126,502	11.7%	13.4%
Householder 35 to 44 years	214,256	19.8%	20.9%
Householder 45 to 54 years	273,814	25.3%	24.0%
Householder 55 to 59 years	142,991	13.2%	12.1%
Householder 60 to 64 years	121,309	11.2%	10.4%
Householder 65 to 74 years	148,711	13.7%	13.7%
Householder 75 years and over	56,700	5.2%	5.4%
Housing units without a mortgage:	411,545	27.5%	37.9%
Householder 15 to 34 years	15,718	3.8%	4.7%
Householder 35 to 44 years	24,173	5.9%	6.9%
Householder 45 to 54 years	46,408	11.3%	12.3%
Householder 55 to 59 years	39,927	9.7%	10.3%
Householder 60 to 64 years	52,584	12.8%	12.8%
Householder 65 to 74 years	112,666	27.4%	26.7%
Householder 75 years and over	120,069	29.2%	26.2%

[Review All Housing With and Without a Mortgage for All U.S. States](#)

1.4 Real Estate Taxes (RET) in 2022

State	Effective Real Estate Tax Rate	Annual Taxes on a \$217.5k Home	State Median Home Value	Annual Taxes on Home Priced at State Median Value	Rank
Maryland	1.09%	\$2,370	\$314,800	\$3,430	31

See most recent available data:

[WalletHub Data for 2022](#)

2. Maryland Community Associations and Condominium Unit Owners 55+

2.1 Condominiums in 1980 & 1990

Condominium Units – Year	Number of Condo Units	Rank in Terms of All Condo Units	As a Percent All Housing Units	Rank in Terms of All Housing Units
1980	54,238	10	3.50%	9
1990	116,243	11	6.10%	12

[U.S. Census Condominiums – Statistical Brief, 1994](#)

2.2 Maryland Community Associations – 2021 Selected Economic Metrics

State	Association Rank	Association Count	Associations in State as Percent of All Associations	Association Homes as Percent of All Owner Occupied Homes	Association Homes as Percent of All Occupied Homes
Maryland	19	6,910	1.9%	25.4%	17.0%

Association Population as Percent of Total Population	Population Living in Associations	Association Board & Committee Volunteers	Value of Board & Committee Time	Value of Homes in Associations	Association Housing Services: Operations, Physical Asset Management, Major Repairs and Replacements, Capital Improvements, Conservation & Sustainability, Contingencies
17.2%	1,0416,000	36,100	\$46,600,000	\$152,674,000,000	\$1,898,000,000

For more summary information, see the [Statistical Reviews](#) from 2012-2021. Community associations are one component of other primary entities in the U.S.

Entity	Number	Percent of Total Entities
Tax Exempts & Other Nonprofits	1,571,056	3.89%
Governmental Units	90,126	0.22%
Businesses	38,396,966	95.00%
Community Associations	358,000	0.89%
Total Entities	40,416,148	100.00%

For more details, see Appendix Two in the Fact Book.

2.3 [Comparison of Condominium Unit Owners and Non-Condominium Owners 55 and Over](#)

Like the rest of the U.S. population, owners in Alabama community associations are getting older. Some association owners are aging-in-place while others live in age-restricted communities. The following data is specific to condominium unit owners and non-condominium owners that are 55 and over in the U.S., but the link below will take you similar data for all states including Alabama and the U.S. itself.

See [Community Association Fact Book, Part Six](#) for additional information and data:

*Part Six was created by Lynn Boergerhoff, MPH, Community Association Atlas.

2.4 Large-Scale Community Associations – [Part Seven, Fact Book](#)

The [Large-Scale Community Association Survey](#) provides a broad over-view of associations that (1) provide municipal type services, (2) contain at least 1,000 lots, units, or acres and (3) have an operating budget of \$2,000,000+.

3. CAI in Maryland

3.1 [CAI Maryland Chapter](#)

3.2 Maryland – CAI Professional Designations, Business Services & Manager Licensing

[Community Associations Institute](#) (CAI) and [Community Association Managers International Certification Board](#) (CAMICB) are pleased to provide this [directory of credentialed professionals](#). This database allows you to locate community managers and professionals who have earned the following credentials:

Management Credentials	Other
Certified Manager of Community Associations (CMCA)	Reserve Specialist (RS)
Association Management Specialist (AMS)	Community Insurance and Risk Management Specialist (CIRMS)
Professional Community Association Manager (PCAM)	College of Community Association Lawyers (CCAL)
Large-Scale Manager (LSM)	Educated Business Partner – Distinction
Accredited Association Management Company (AAMC)	CAI Board Leader Certificate

- [Learn more](#) about what these CAI professional designations mean to you and your community.
- [Maryland Manager Licensing](#) [Only states with licensing are listed]

3.3 Maryland – Legislative Action Committee (LAC), Roster & Tracking Report

- [Maryland Legislative Action Committees \(LACs\)](#)

LACs exist to represent the interests of and provide regular communications to, CAI members and chapters located within their boundaries with respect to state legislative, regulatory and amicus curiae activities of relevance to the creation and operation of community associations. LAC delegates are nominated by CAI chapters and each LAC, itself. Delegates volunteer their time and energy to benefit all CAI members.

Each state has a legislative tracking report.

3.4 Maryland – Approved Lists and Lookups

- [FHA Approved Condominium List](#) – All States [Search by state and zip code]
- [Fannie Mae Loan Lookup](#) – All States for your mortgage
- [Freddie Mac Loan Lookup](#) – All States for your mortgage
- [Department of Veterans Affairs Request a Customized Condo Report](#) – All States

4. Maryland Associations – Community Services as an Association Core Function

4.1 [Community Association Living: An Essential Guide for Homeowner Leaders](#)

Introduction: The purpose of *Community Association Living: An Essential Guide for Homeowner Leaders* is to introduce community volunteer leaders and members to community associations, provide a greater understanding of exactly how a community association works from both an organizational and people standpoint, and to offer members the information necessary for fully enjoying and benefiting from community association living.

4.2 [From Good to Great Communities](#)

Every community has its own history, personality, attributes and challenges, but all associations share common characteristics and core principles. Good associations preserve the character of their communities, protect property values and meet the established expectations of homeowners. Great associations also cultivate a true sense of community, promote active homeowner involvement and create a culture of informed consensus. The ideas and guidance conveyed in this brochure speak to these core values and can, with commitment, inspire effective, enlightened leadership and responsible, engaged citizenship

4.3 [Community Matters – What You Should Know Before You Buy](#)

Whether you are considering buying a home in a community that is newly developed (either new construction or a conversion), a resale in an existing community, or you are renting with the possibility of buying—you need to consider certain key points.

4.4 [Community Harmony & Spirit \[FCAR Best Practices\]](#)

How do managers and boards increase resident involvement within community associations? By treating all residents as stakeholders, developing and conducting community harmony and spirit-enhancing programs, and including residents in the initial stages of program development. Building

community spirit is more than informing residents about board action and improvements. It's asking their opinions and developing programming that they will enjoy that will spur further community involvement.

4.5 [Community Security \[FCAR Best Practices\]](#)

The goal of this Best Practices Report is to give you an assessment and review of many community safekeeping systems and features—including useful tips and tools—to help meet residents' crime prevention needs.

4.6 [Community Associations Remain Preferred Places to Call Home](#)

For the ninth time in 17 years, Americans living in homeowner associations and condominiums have told pollsters they are overwhelmingly satisfied in their communities. The April 2022 Survey [affirms the findings](#) of almost identical national surveys conducted in 2005, 2007, 2009, 2012, 2014, 2016, 2018, and 2020. The 2022 survey was conducted by Zogby Analytics for the Foundation for Community Association Research. The findings from the seven surveys are strikingly consistent and rarely vary by a standard margin error for national, demographically representative surveys. By large majorities, owners:

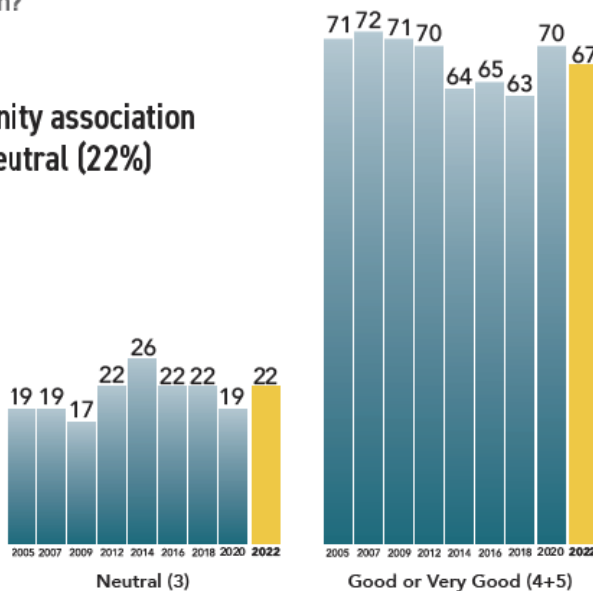
- Rate their overall community experience as positive or, at worst, neutral.
- Say their association board members serve the best interests of their communities.
- Indicate their community managers provide valuable support to residents and their associations.
- Support community association rules because they protect and enhance property values.

The findings objectively refute the unfounded and unsubstantiated myth that the community association model of governance is failing to serve the best interests of Americans in those communities.

The Association Experience & Effective Board Leadership

On a scale of one to five, with one being very bad and five being very good, how would you rate your overall experience living in a community association?

89% of residents rate their overall community association experience as good or very good (67%) or neutral (22%)



5. Maryland Associations – Governance Services as an Association Core Function

5.1 [Governance \[FCAR Best Practices\]](#)

It is CAI's purpose to foster vibrant, responsive, competent community associations that promote harmony, a sense of community and responsible leadership. Common characteristics of such community associations include good communication, trust in the management and board of directors, continuing education of board members and homeowners, and uniform, flexible and reasonable enforcement of governing documents. Inclusiveness—the involvement of as many residents of the community as possible—is a critical element in fostering a sense of community.

5.2 [Strategic Planning \[FCAR Best Practices\]](#)

Strategic planning is more than ensuring your association will remain financially sound and be able to maintain its reserves—it's projecting where your association expects to be in five, ten, or fifteen years—and how your association will get there. It is a systematic planning process involving a number of steps that identify the current status of the association, including its mission, vision for the future, operating values, needs (strengths, weaknesses, opportunities, and threats), goals, prioritized actions and strategies, action plans, and monitoring plans. Strategic planning is the cornerstone of every common-interest community. Without strategic planning, the community will never know where it is going—much less know if it ever got there.

5.3 [Transition \[FCAR Best Practices\]](#)

This report provides builders and associations with guidelines they can use to develop and turn over control of a community association project in such a way that transition becomes much easier and less confrontational. The ultimate goal of transition is for the unit owners to take over and move forward with a good reputation and word-of-mouth sales, with no litigation.

5.4 [Ethics \[FCAR Best Practices\]](#)

The concept has come to mean various things to various people, but, generally, it's coming to know what is right or wrong in the workplace and doing what's right—usually in regard to products and services and to relationships with stakeholders. In times of fundamental change, values that were once followed inherently are now strongly questioned or no longer followed. Consequently, there is no clear moral compass to guide leaders through complex workplace dilemmas. Attention to ethics in the workplace sensitizes leaders and staff to how they should act. Perhaps most important, in times of crises and confusion, attention to business ethics helps ensure that when leaders and managers are struggling, they can retain a strong moral compass.

5.5 Maryland Community Association & Related Statutes

[Maryland Condominium Act at 11-101](#)

[Maryland Homeowners Association Act at 11B-101](#)

[Maryland Cooperative Housing Corporation Act at 5-6B-01](#)

[Maryland Corporations & Associations at Title 5](#)

Note: While state statutes and the association's governing documents are critically important to governing the association, there are many other local, state and federal laws and regulations that impact all types of community associations.

[Community Association Ombudsman Programs by State](#) [Not all states have an Ombudsman]

See [Census 2012 of All State Governments](#) and [2017 Census of Governments](#)

Also, see [Part Three: Associations in Perspective: Historical Housing Data, Company Towns, Chronology of Federal Involvement & Historical Housing Papers.](#)

5.6 Maryland Community Association Volunteer Immunity

MD. CODE ANN., CTS. & JUD. PROC. § 5-407

For more detailed information on volunteer immunity for association leaders and volunteers, see this comprehensive publication entitled [Voluntary Immunity in Community Associations](#). Volunteer directors and officers who serve on their boards face the potential for personal liability in serving the association. Although all states provide some form of immunity from liability for volunteers, the number of suits being filed each year against both community associations and their boards is increasing. The protections offered by states vary widely, and prudent board members need to consider them when formulating policy and participating in a community association. Volunteer Immunity offers a summary of volunteer immunity according to the federal Volunteer Protection Act and each state's volunteer immunity statutes and explanations of how the statutes apply to community associations and their volunteer officers and directors. This section includes a chart of volunteer immunity by state.

5.7 Maryland Standard of Care for Community Association Directors & Officers

MD. CODE ANN., CORPS. & ASS'NS. § 2-405.1

MD. CODE ANN., CORPS. & ASS'NS. § 2-414

MD. CODE ANN., CTS.& JUD. PRO. § 5-417

Community association directors and officers need to understand the duties they owe to their association and fellow owners, the nature of those duties, and the liability performing those duties may incur. How much a volunteer leader knows about his or her state's standard of care can be the difference between liability and immunity. *Standards of Care* provides a survey of each state's standard of care for community association directors and officers, a brief description of the standards by which they must perform their duties and recommendations for complying with their state's standard of care. *Standards of Care* also includes a discussion of notable trends in state legislation, how the standard of care may evolve and a chart of the standard of care by state. For more detailed information on standards of care for association directors and officers, see this comprehensive publication entitled [Standards of Care in Community Associations](#)

5.8 [Community Association Deed Based Transfer](#)

5.9 [Maryland – Community Association Clothesline Ban](#)

5.10 [Maryland – Community Association Ombudsman Programs](#)

5.11 [Maryland – Community Association Solar Rights and Easements](#)

5.12 [College of Community Association Lawyers \(CCAL\)](#)

6. Maryland Associations – Business Services as an Association Core Function

6.1 Condominium Insurance Requirements: Maryland (2016)

CODE SECTION	PROPERTY INSURANCE (Minimum Coverage Required)	PROPERTY COVERED	PERILS
MD Code Title 11 Real Property 11-114	As specified in Declaration or By-Laws	Common elements and units, excluding betterments and improvements installed by Unit Owners* (pending legislation may change)	No minimum standards stated – commonly insured against

DEDUCTIBLE	LIABILITY (Minimum Coverage Required)	FIDELITY / CRIME INSURANCE	DIRECTORS & OFFICERS (D&O) INSURANCE
If cause originates from common elements – common expense; if cause originates from a Unit, Owner of Unit responsibility not to exceed \$5,000; Board must annually inform in writing the Owner's responsibility and the amount; above \$5,000 is common expense	As specified in Declaration or By-Laws	§11-114.1 Must be more than 4 Units and 3 months assessments more than \$2,500; must be purchased by Association; must cover officers, directors, employees and any management company who controls or disburses funds; must be the lesser of 3 months assessments plus reserves or \$3,000; total liability of all insured persons may not exceed the sum of fidelity insurance...	N/A [Fidelity insurance cont'd. "...\$3,000; total liability of all insured persons may not exceed the sum of fidelity insurance"]

See the list of *Fact Book* Contributors for more source information.

Note:

1. ACV means Actual Cash Value which typically is defined as insurable replacement cost less accumulated depreciation. In nearly all cases, a condominium will obtain RCV or Replacement Cost Value property insurance.
2. Fannie Mae, Freddie Mac and FHA have their own insurance requirements for condominiums, cooperatives and planned communities. Since many residential mortgage lenders underwrite to their guidelines, the requirements of any given state may not meet those requirements.
3. While all states have Workers Compensation legislation, some states have Workers Compensation requirements that directly apply to community associations whether the association has employees or not.

6.2 [FEMA Flood Risk Rating 2.0 State Profiles](#)

[Risk Rating 2.0 Interactive Map](#)

Try the new interactive map developed by the [Association of State Floodplain Managers \(ASFPM\)](#) and [The Pew Charitable Trusts](#) that breaks down projected premium changes by state and territory.

Take a deeper dive by reviewing ZIP code-level data for existing [single-family homes \(SFH\)](#) and all existing [National Flood Insurance Program \(NFIP\) policies](#).

6.3 [Maryland Lien Priority](#)

Real Property §11–110. (a) All common profits shall be disbursed to the unit owners, be credited to their assessments for common expenses in proportion to their percentage interests in common profits and common expenses, or be used for any other purpose as the council of unit owners decides.

[CAI Information on Lien Priority for Community Association Assessments](#)

6.4 [Reserve Requirements By State](#)

CAI advocates for developers to transition communities with a current reserve study, budget that includes both operations and reserves and initial funding of reserves for future maintenance, repair/replacement of facilities/equipment. CAI also advocates for laws that allow governing boards to determine the appropriate reserve level and method for funding long-term maintenance, repair/replacement of facilities/equipment and disclose the reserve study used to their community. Click on the map to find your state.

- See Appendix 2 in [Community Association Fact Book 2021](#) Part 2 for Community Association Financial Management Compared to Other Entities.
-
- [FCAR Research: Aging Infrastructure](#)
The aging infrastructure research identifies building and property components that are typically not the subject of reserve studies. These components also can be subject to disasters and premature failing. Without careful analysis and financial planning, the association and its residents could be faced with unexpected financial strains and the stress created by aging infrastructure problems. This research outlines the different approaches that communities have taken when faced with such problems. The research gives communities a road map to examine their own property and identify areas of concern before they reach a critical level.

6.5 [Community Association Insurance](#)

Commercial insurance is one of the most important components of a community association's risk management program. To help managers and boards fully understand insurance issues, this guide will explore three key areas:

1. Insurance terminology, in terms of coverages, policies, and practices
2. Association exposures to loss and insurance coverages
3. Risk management and the association insurance industry

6.6 [Community Association Risk Management](#)

Risk management is the process of making and carrying out decisions that minimize the adverse effects of accidental losses. It involves five steps:

1. Identifying exposures to loss
2. Examining alternative techniques
3. Selecting the best techniques
4. Implementing the chosen techniques
5. Monitoring and improving the risk management program

This guide will examine each phase of the risk management process. It also will help board members and managers identify risks and implement a plan that will safeguard association assets.

6.7 [Preventing Fraud and Embezzlement](#)

Community association boards should consider implementing ten practices and procedures to safeguard association funds.

6.8 [Energy Efficiency \[FCAR Best Practices\]](#)

CAI and the Department of Energy (DOE) are dedicated to educating the community association industry—and the significant portion of the U.S. population it represents—on the many ways to increase the energy efficiency of their homes and thereby reduce both energy consumption and costs.

6.9 [Financial Operations \[FCAR Best Practices\]](#)

The board of directors, particularly the treasurer, is ultimately responsible for association's funds and may not abdicate their fiduciary responsibility. Given the reality that community association boards are made up of diverse individuals with varied degrees of financial knowledge, included are basic guidelines that should be followed to ensure sound financial operations.

6.10 [Green Communities \[FCAR Best Practices\]](#)

This report explores “greenness” in communities, in their varied forms. It considers the concept of sustainability through better designs, new technologies and social innovations. Sustainable communities are developed to meet the “needs of the present without compromising the ability of future generations to meet their own needs.” They are regenerative, meaning they have “processes that restore, renew or revitalize their own sources of energy and materials, creating sustainable systems that integrate the needs of society with the integrity of nature.”

6.11 [Reserve Studies Management \[FCAR Best Practices\]](#)

There are two components of a reserve study—a physical analysis and a financial analysis. During the physical analysis, a reserve provider evaluates the physical status and repair/replacement cost of the association's major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates. A financial analysis assesses only the association's reserve balance or fund status (measured in cash or as percent funded) to determine a recommendation for an appropriate reserve contribution rate (funding plan).

6.12 [Natural Disasters \[FCAR Best Practices\]](#)

No matter what type of disaster occurs—environmental, socio-political, or technological—community leaders must oversee and lead the recovery process. A comprehensive and current disaster plan is crucial for community resiliency and sustainability. Common characteristics of communities that rebound successfully from a major disaster include a strong desire to recover and rebuild, active networking with local agencies and resources, and a cadre of trained community leaders.

6.13 [Wired - Managing Cybersecurity Risks](#)

The survey is one part of a three-phase research project to establish a baseline of what common technological practices associations are using and to assess which local and state regulations affecting technology apply to community associations. The results of this research are presented here to help community associations and managers become more knowledgeable about technology software, cybersecurity, social media, third-party information, and payment portals.

6.14 [► Breaking Point: Examining Aging Infrastructure in Community Associations](#)



About Community Associations Institute (CAI)

Since 1973, Community Associations Institute (CAI) has been the leading provider of resources and information for homeowners, volunteer board leaders, professional managers, and business professionals in more than 358,000 community associations, condominiums, and co-ops in the United States and millions of communities worldwide. With more than 43,000 members, CAI works in partnership with 64 affiliated chapters within the U.S., Canada, United Arab Emirates, and South Africa, as well as with housing leaders in several other countries including Australia, Spain, Saudi Arabia, and the United Kingdom.

A global nonprofit 501(c)(6) organization, CAI is the foremost authority in community association management, governance, education, and advocacy. Our mission is to inspire professionalism, effective leadership, and responsible citizenship—ideals reflected in community associations that are preferred places to call home. Visit us at www.caionline.org and follow us on Twitter and Facebook @CAISocial.

About the Foundation for Community Association Research

The Foundation provides authoritative research and analysis on community association trends, issues and operations. Our mission is to inspire successful and sustainable communities. We sponsor needs-driven research that informs and enlightens all community association stakeholders—community association residents, homeowner volunteer leaders, community managers and other professionals and service providers, legislators, regulators and the media. Our work is made possible by your tax-deductible contributions.

Your support is essential to our research. Visit foundation.caionline.org or email foundation@caionline.org.

For suggestions, additions, or updates to this Community Association Fact Book State Page, please email foundation@caionline.org.



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ABOUT THE FOUNDATION FOR COMMUNITY ASSOCIATION RESEARCH

Our mission—with your support—is to provide research-based information for homeowners, association board members, community managers, developers, and other stakeholders. Since the Foundation's inception in 1975, we've built a solid reputation for producing accurate, insightful, and timely information, and we continue to build on that legacy. Visit foundation.caionline.org.



ABOUT CAI

Since 1973, Community Associations Institute (CAI) has been the leading provider of resources and information for homeowners, volunteer board leaders, professional managers, and business professionals in the more than 350,000 community associations, condominiums, and co-ops in the United States and millions of communities worldwide. With more than 43,000 members, CAI works in partnership with 64 affiliated chapters within the U.S, Canada, United Arab Emirates, and South Africa, as well as with housing leaders in several other countries including Australia, Spain, Saudi Arabia, and the United Kingdom.

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The statistical information in this report was developed by Clifford J. Treese, CIRMS, president of Association Data, Inc., in Mountain House, Calif. A member of CAI almost since its inception, Treese is a past president of CAI and the Foundation for Community Association Research. We are grateful for his continuing support of both organizations.

Additional statistical information published by the Foundation for Community Association Research is available at foundation.caionline.org.



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