

LETTER FROM THE PRESIDENT

May 2021

Summer House Owners:

Warm weather has brought a revival of both indoor and outdoor activities to our beaches and local businesses. At Summer House, we've been busy, too. Here's an update on some of the issues and events in our community.

Market Update

The sales and rental market for Summer House condos is blistering. Purchase and rental prices are increasing even as the average time from property listing to contract/lease acceptance is dwindling. Inventory is lower than most real estate professionals have ever seen. Combined with extraordinary demand, the result is that we are welcoming new residents into our community at a quickening pace. New owners are going to be very happy they chose Summer House. Please welcome them with open arms.

The Next Challenge

At the end of last year, I wrote these words in my Year In Review comments:

By mid-year 2021, the board that will soon be elected will define and plan Phase Three of the [HardieBoard] project, choosing the criteria for building selection and order, negotiating the contracts for the professional licensees and sub-contractors involved, monitoring the cost and completion of buildings, and attending to the delicate balance between construction timing and the availability of funding. The next board will also have to face fresh issues that are already starting to emerge from construction material supply chain disruptions and labor shortages.

That time is now, and we have a new board consisting of four experienced hands and a new member with great ideas, questions and high levels of enthusiasm and community energy. Welcome to the team, Tazha Layman! The board is already sorting through the issues presented by Phase Three and will be mapping the details at the next meeting. Meanwhile, construction will soon begin on the final building in Phase Two.

Audit Update

The board is happy to report to you that Summer House auditors have once again concluded that our financial affairs are as uneventful and *accurate* as they should be. We have come to expect excellent staff work in this largely overlooked but incredibly important function.

Insurance Update

Because we spend well in excess of \$200,000 per year on various required insurance coverages, the recent turbulence in the Florida insurance markets, causing 20%+ rate increases for many individuals, businesses and organizations like ours, was a major

point of concern during our last budgeting process. It now appears that our institutional insurance representatives have bargained well on our behalf even as the Florida insurance markets continue to deteriorate. Our approximate 9% rise in overall insurance costs means that we will not be forced to exceed our budget projections.

Taking Steps Toward Normalcy

February 2020 seems like a decade ago when considering the operational changes undertaken at Summer House since then. All owners should be assured that the board and managers of Summer House continue to diligently examine the changes in legal and health guidelines and adjust our rules and procedures for business operations and amenity access and use. That diligence, and the gradual arc toward normalcy, will continue.

The Importance of Architectural Review

As we experience the influx of new owners and residents in our community and the surge in sales prices and demand for condos, it is natural that we are also experiencing an increasing interest in remodeling and interior improvements. When owners make capital improvements to their interiors, especially as the association invests additional capital in building envelope improvements, everyone benefits. For everyone's benefit, however, there are rules that must be followed in order to ensure the community's visual continuity, maintenance of construction standards and that one owner's 'improvement' doesn't result in diminishing the utility or value of their neighbor's property. Filing an Architectural Review request prior to remodeling protects and enhances everyone's ownership. The level of interest in remodeling is just another indicator that Summer House will continue to flourish.

The Long Term Value of Institutional Knowledge and a Stable Staff

Our community's steady march toward building more value for owners and a better lifestyle option for residents would not be possible if we experienced inefficiency or limited competency at the office or the maintenance staff levels. Organizations and businesses of all types strain in today's employment environment to maintain quality labor input in their operations. At Summer House, we don't strain. Our staff is seasoned, professional, focused, well-organized and stable. They pull together exceptionally well as a team and represent a breadth and depth of institutional knowledge for us that is quite unusual in organizations like ours. Our staff is another reason we have seen and will continue to see a long-term value build at Summer House.

The work to secure an incredibly bright future for Summer House is well underway.

Thanks for your trust and support.

Joe Gill

President