INVESTING IN OUR FUTURE: HOW DOES HSV COMPARE WITH OTHER COMMUNITIES?

There are virtually thousands of private communities across the U.S. - some of which are large planned communities; others that are retirement focused; and others, yet, that are golfing communities. Simply put, private communities are available to meet the lifestyle needs and resources of virtually every imaginable population.

One element all of these communities have in common is member-paid fees and assessments to cover the costs of the amenities, common properties and community infrastructure. But even then, how those dollars are collected varies from community to community. Some require buy-in fees. Others impose real estate transfer fees. Most have supplemental amenity usage fees. And of course all of them have some form of property owner assessment - monthly, quarterly, bi-annual or even annual.

The question is how does the Hot Springs Village assessment stack up in the world of private communities -- particularly those that might be viewed as “comparable”? From any perspective, the answer is “at or near the absolute bottom on what it costs to live in a private community”!

A recent review of ‘private communities’ looked at 228 “large planned communities”. Only 26 of those came close to being comparable to Hot Springs Village. The most prominent of those are The Villages in Florida, the Del Webb network (often referred to as Sun City Retirement communities), and the surviving handful of Cooper Communities.

Of the seven Cooper Communities, Bella Vista and Cherokee Village are now incorporated communities in which the residents pay municipal taxes. Those taxes are used to maintain the infrastructure (such as roads, culverts, bridges, etc.), as well as providing police, fire, and emergency services. Since municipal taxes are levied by the city, Bella Vista and Cherokee Village are in no way comparable to Hot Springs Village.

It is worth noting, however, that those once-private communities still have a responsibility to provide their resident and non-resident property owners with amenities. They also need to maintain and operate all of the common properties and facilities that did not become city-owned. For those reasons, ownership at Bella Vista and Cherokee Village continues to require participation in separate Property Owner Associations - over and above the municipal taxes.

On the other end of the spectrum from Cherokee Village and Bella Vista is Sienna Lakes, founded by Cooper Communities in 2006. This 365-acre ‘micro-community’ is located on the west side of Little Rock; is platted to hold 600 homes; and as of early 2014, has 43 homes in place.

With only one 20-acre lake, a club house, tennis courts, swimming pool, and walking trails, Sienna Lake is also a far different community than Hot Springs Village; but even with those dramatic differences, Sienna Lake property owners still pay a monthly assessment fee of $50.
That brings us to two Cooper Communities that might actually be considered comparable to Hot Springs Village: Tellico Village and Savannah Lakes.

Tellico Village is located in central Tennessee, on the shores of a large TVA lake. It offers 5,000 acres and 7,200 buildable lots, plus a yacht club, three 18-hole professional golf courses, a pool, tennis courts, and a variety of other amenities.

The 2014 monthly assessment fee at Tellico Village is $106.75 - up from $101.75 in 2013, and $97.75 in 2012. Unlike HSV, the Tellico’s governing documents allow the POA to increase that community’s monthly assessment fee each January in response to increased operating costs.

South Carolina’s Savannah Lakes, with its 4,000 acres, 2,000 home sites, two golf courses and other amenities, can also be compared to Hot Springs Village. Like the rest of the Cooper Communities, Savannah Lakes operates with a Property Owners Association. The POA assessment fee at Savannah Lakes is $96.55 a month.

But what about the world of large private communities beyond the Cooper family of Communities - starting with the well-known Villages of Central Florida?

The Villages in Florida is a retirement community success story. Picture 20,000 acres, 56,000 lots, and more than 100,000 retirees - all in a ‘footprint’ equal in size to Hot Springs Village. Then add to that landscape three separate Town Centers, an extensive commercial build-out, and a full array of amenities - many of which are “free” (e.g., covered by the assessment). The net result is one of the largest private retirement communities in the U.S.

But what does it cost to live in The Villages of Florida?

Property owners at the Villages of Florida pay a monthly Contractual Amenities Fee (which is the equivalent of HSV’s Assessment Fee) of $145. Also worth mentioning is an additional Development District Assessment fee, based on individual home values, assessed for the first 10 years of that home’s existence. For a $250,000 home, that Development District Assessment represents an additional $192 per month.

That brings us to the Del Webb communities, and the Robson Ranch network - both widely recognized as retirement destinations.

Del Webb stretches coast to coast - from Arizona, to Texas, to Florida, and beyond. Ten of their senior-only communities - representing nearly 40,000 home sites - can be deemed comparable to Hot Springs Village (based on their size, and the availability of golf and other amenities). The average monthly assessment for those 10 Del Webb communities is $158.00 - ranging from $88 to $274 per month. And that excludes the transfer fees, working capital fees, and resale fees required at most of the Del Webb communities.

Robson Ranch is primarily an Arizona and Texas residential development. The average monthly assessment at Robson’s three Arizona retirement communities (representing 10,000 individual lots) is $113. Each of those Robson communities also imposes a one-time buy in fee ranging from $1,100 to $1,564.
So what can we take away from all of this discourse, data and analysis? First and foremost, comparing retirement communities is an “apples and oranges” challenge - with individual variations between communities that extend well beyond the monthly assessment cost. But even with the multitude of variables, a $36.68 monthly assessment fee at Hot Springs Village ranks at the bottom of the 228 large private communities that we reviewed. And only a few of these comparable private communities come close to matching the size, scope and amenity offerings of this gated Hot Springs Village we call home.

So would that make a $65 assessment level ‘good’ or ‘bad’? Obviously, we would all like to continue boasting the lowest assessment of all private communities across the U.S., but we also want to live in a community that offers the physical surroundings and quality of life that we have come to expect. What we pay as a monthly assessment has a direct bearing on both of those goals.

So take the plunge! Do your own research, explore the world of private communities - and see for yourself what a bargain it is to live here in Hot Springs Village.