



THE POWER TOOL: Community Buying

How HOA Communities Leverage Bulk Purchasing to Save Homeowners Money

Community buying power is one of the most underrated benefits of living in an HOA. When homeowners join together in an association, they gain significant negotiating leverage with service providers. The HOA can negotiate rates, secure volume discounts, and access services that individual homeowners could never afford on their own.

The simple principle: A vendor would rather serve 200 units at a discounted rate than serve one unit at full price. This collective bargaining power translates directly into savings for your clients.

The Power of Bulk Purchasing: Real-World Examples



WATER AND UTILITIES

Why the difference?

- ☐ The HOA negotiates a bulk rate with the water utility for multiple units
- ☐ The community uses a single meter (or fewer meters) instead of individuals
- ☐ The HOA can implement water-saving initiatives that benefit the community
- ☐ Administrative costs are spread across all residents



PROPERTY INSURANCE

Why the difference?

- ☐ The HOA purchases a master policy for the entire community at a bulk rate
- ☐ Homeowners only need to insure their personal contents and liability
- ☐ The HOA's master policy covers the structure, roof, and common areas
- ☐ Lower individual premiums due to the community's collective risk profile



LANDSCAPE MAINTENANCE

Why the difference?

- ☐ The HOA contracts with landscape companies for bulk services across hundreds of units
- ☐ Professional landscapers can work more efficiently at scale
- ☐ The HOA negotiates bids annually
- ☐ Homeowners need to hire individual contractors



SHARED AMENITIES (THE PRICELESS BENEFIT)

Why this matters:

- ☐ Most individual homeowners cannot afford to build and maintain a pool
- ☐ HOA residents enjoy resort-style amenities at a fraction of the cost
- ☐ Amenities increase property values and community appeal
- ☐ Families have access to recreational facilities that enhance quality of life

ADDITIONAL SERVICES

Other bulk-purchased services include:

- Trash & recycling collection
- Snow removal
- Exterior maintenance & repairs
- Security & access control
- Pest control
- Common area utilities

How Bulk Purchasing Works



1

THE PROCESS

THE HOA IDENTIFIES A NEED

The community needs landscaping, insurance, water service, etc.

2

THE HOA REQUESTS BIDS

Management sends requests for proposals (RFPs) to multiple vendors.

3

VENDORS COMPETE

Knowing they can win a large contract (200+ units), vendors offer competitive rates.

4

THE HOA NEGOTIATES

Management negotiates the best terms and pricing.

5

THE CONTRACT IS AWARDED

The HOA signs a contract with the winning vendor.

6

HOMEOWNERS BENEFIT

The negotiated rate is built into the HOA assessment, and all residents benefit from the bulk discount.

WHY VENDORS OFFER DISCOUNTS

VOLUME

Serving a community is more efficient than serving individual customers

PREDICTABILITY

Long-term contracts with HOAs provide stable revenue

REDUCED MARKETING COSTS

The HOA is a single point of contact, not multiple individual customers

EFFICIENCY

One invoice, one payment, one point of contact

What Your Clients Need to Understand

THE HOA ASSESSMENT INCLUDES THESE SAVINGS

When your clients review an HOA assessment, they should understand that the monthly fee includes access to bulk purchasing power. The monthly assessment isn't just paying for maintenance—it's paying for negotiated rates that would cost significantly more if purchased individually.

THE ASSESSMENT IS PREDICTABLE

Because the HOA negotiates contracts in advance, homeowners can predict their costs. They won't face surprise rate increases from individual service providers. The HOA manages price increases through annual budgeting.

QUALITY AND CONSISTENCY

The HOA selects vendors based on quality, not just price. All residents benefit from professional, consistent service across the entire community.

How You Can Help Your Clients Understand Community Buying Power

BREAK DOWN THE HOA ASSESSMENT

Help your clients see the value in their monthly HOA assessment fee by showing them what each component covers:

"Your HOA assessment is \$400/month.

Here's what you're getting:

- Professional landscaping – \$80
- Bulk water rates – \$60
- Community insurance – \$50
- Pool and fitness center maintenance – \$40
- And more.

If you had to hire these services individually, you would pay \$700-\$900/month.

The HOA saves you \$300-\$500 every month."



COMPARE TO NON-HOA ALTERNATIVES

Help your clients understand the true cost of homeownership outside an HOA:

"In a non-HOA home, you'd be responsible for hiring your own landscaper (\$200-\$300/month), paying full utility rates (\$85/month for water alone), purchasing individual homeowners insurance (\$1,200-\$1,500/year), and maintaining your own pool if you wanted one (\$2,000-\$3,000/year). The HOA community gives you all of this at a fraction of the cost."



HIGHLIGHT AMENITIES AS ADDED VALUE

Emphasize that HOA amenities are often impossible to replicate individually:

"This community has a resort-style pool, fitness center, clubhouse, and playground. If you wanted to build and maintain a pool on your own home, it would cost \$40,000-\$60,000 upfront, plus \$2,000-\$3,000 per year in maintenance. Here, you have access to this and more for just \$400/month in HOA fees."

USE REAL NUMBERS

When possible, provide specific examples from the community you're selling:

"I pulled the HOA's insurance bid documents. The master policy saves each homeowner about \$600-\$900 per year compared to individual policies. That's \$6,000-\$9,000 over 10 years."

ADDRESS THE "HIDDEN COST" MISCONCEPTION

Some buyers view HOA fees as an additional cost on top of their mortgage. Help them see it differently:

"Yes, there's an HOA fee of \$400/month. But you're not paying extra—you're paying less than you would if you hired these services individually. It's not a hidden cost; it's a hidden savings."

FACTOR HOA SAVINGS INTO AFFORDABILITY

When comparing HOA communities to non-HOA homes, include the cost of services:

"This HOA home is \$20,000 more expensive than the non-HOA home you looked at. But the HOA saves you \$300-\$400/month in services. That means you break even in 50-67 months, and then you're ahead. Plus, you get amenities the other home doesn't have."

EXPLAIN LONG-TERM VALUE

Help your clients see the cumulative benefit over time:

"Over 10 years, the bulk purchasing power of this HOA community could save you \$300,000-\$400,000 compared to owning a similar non-HOA home. That's a significant financial advantage."

ENCOURAGE CLIENTS TO ASK QUESTIONS

Recommend that your clients ask the HOA about their bulk purchasing strategy:

- ☐ *"How often does the HOA rebid services?"*
- ☐ *"What discounts has the HOA negotiated with vendors?"*
- ☐ *"How are vendors selected and evaluated?"*
- ☐ *"What services are included in the assessment?"*

Common Objections & How to Address Them

OBJECTION: "I DON'T WANT TO PAY FOR SERVICES I DON'T USE."

RESPONSE: *"You're not paying for services you don't use. You're paying for the option to use them, and you're benefiting from the bulk purchasing power even if you don't. For example, even if you don't use the pool, you're benefiting from the HOA's negotiated rates on water, insurance, and landscaping. Plus, the pool adds value to your home."*

OBJECTION: "HOA FEES KEEP GOING UP."

RESPONSE: *"HOA fees do increase over time, but usually at a rate lower than inflation. More importantly, if you were paying for these services individually, they would increase at the same rate or faster. The HOA's bulk purchasing power helps keep increases in check."*

OBJECTION: "I'D RATHER HIRE MY OWN LANDSCAPER."

RESPONSE: *"You can certainly do that, but you'd be paying full price instead of the bulk rate the HOA negotiates. Plus, the HOA's professional landscaping maintains community standards and property values, which benefits everyone—including you."*

OBJECTION: "THE HOA ASSESSMENT SEEMS HIGH."

RESPONSE: *"Let's break down what you're getting. [Show the assessment breakdown.] If you hired these services individually, you'd pay \$700-\$900/month. The HOA is actually saving you money."*

Key Takeaways

- HOA communities leverage bulk purchasing power to negotiate better rates for homeowners.
- Water, utilities, insurance, and landscaping cost significantly less in HOA communities.
- Shared amenities like pools and fitness centers would cost tens of thousands of dollars to build and maintain individually.
- The HOA assessment includes these bulk-purchased services—it's not an extra cost.
- Over 10 years, bulk purchasing can save HOA homeowners \$300,000-\$400,000 or more.
- HOA communities provide predictable, consistent service from professional vendors.
- Amenities increase property values and enhance quality of life.

Pro Tip For Your Clients

COMMUNITY BUYING POWER IS ONE OF THE MOST COMPELLING FINANCIAL ARGUMENTS FOR LIVING IN AN HOA.

By helping your clients understand the true cost of homeownership outside an HOA—and the savings they gain through bulk purchasing—you're providing crucial financial guidance that can influence their decision. A well-managed HOA isn't just about rules and maintenance; it's about leveraging collective power to provide better value, better services, and better quality of life.

Further Questions? Reach Out.



SHANE TOPONCE
EVP OF SALES

SToponce@HOALiving.com
(385) 695-6673 direct

OR

Go to hoaliving.com/uar/
& complete the form