

SIDING UPDATE

Why Re-siding? | Potential Cost | Next Steps



Why is re-siding needed now?

We are now at about 30 years of life for the current siding and they are showing their age:

- Our shingles are past their end of life. Re-siding was last done between 1996 and 1998, replacing the original shingles after about 20 years
- Many areas are blackened or have become warped and are crumbling in many places
- Most insurance companies will not insure wood shingles; class A non-combustible siding material is required
- Construction costs continue to increase faster than the general rate of inflation
- Siding is a key driver of property value, especially in a coastal community



Siding at Sea Point

Many of you may be aware that about a year ago the maintenance committee started to review and consider the state of our shingle siding. Initially this was driven by the challenges in obtaining cost effective insurance for the community, and while great progress has been made with this, further improvements in affordability will require a change of siding material to something non-combustible. With our siding now 30 years old, the time is right to make changes and protect our property values.

This is the first in a series of updates intended to ensure that all Sea Point homeowners are aware of the project and its progress.



The Re-siding Project

A project to reside Sea Point has officially been kicked off by the board of directors. We are well into the planning phase of this major renovation to the community, replacing 300,000 square feet of shingles.

How will this be paid for?

While we do not yet have final bids for the work, the project will likely end up costing between \$8 and \$12 million or \$40,000 to \$50,000 per unit. While some money is available from reserves, the bulk of this will be funded through a special assessment. The board is also considering financing options.

When will it take place?

Construction is expected to take about a year and be passed across buildings in a similar manner to the reroofing work. Work is expected to start late in 2026.

The overall intent is to update our community using resilient, long-lasting modern materials while not losing the essence of what makes Sea Point such a special place.

Financing a large project

Several significant maintenance projects have been undertaken in the past few years to update our community and siding is one of the last major ones to address. While reroofing has been covered by the normal use of reserves, this project has taken time and costs have increased more than 50% since the work started. With a project as large as residing, a different approach is needed.

Traditionally, a special assessment is the vehicle that the HOA can use to address these kinds of projects. However, a potential \$50,000 assessment is a large sum of money, so the board is taking a different approach:

1. Giving homeowners much earlier information about the project. While the board is limited by our CC&Rs to notify homeowners of the precise amount of any assessment no more than 60 days before it is due, some earlier awareness of what is possible should be helpful
2. It is likely that some form of financing will be made available to homeowners. If the full amount was financed over perhaps 15 years, then each homeowner could pay each month on top of regular dues for this period*. An opt out would be available for those that wish to pay the assessment as a lump sum.

Next Steps

Work for the next few months is prioritized on:

- Considering design alternatives and understanding what permits we will require for the work
- Holding outreach events for homeowners to see more details of the project, share potential designs and ask any questions.

In the meantime, if you have any specific questions or inputs, please send an email to jordan.bendorf@hoamgt.com

** A monthly payment calculation, based on \$50k and 6% interest over 15 years = \$422 per month*