Mayfair Gardens

2021 Depreciation Report Update

Mayfair Gardens
33401 Mayfair Avenue, Abbotsford, British Columbia
April 21, 2021

Prepared For:

The Owners, Strata Plan NW 2912
c/o Campbell Strata Management Ltd.
306-2777 Gladwin Road. Abbotsford, BC V2T 4V1
Contact: Kevin Green, Senior Strata Manager & Director

Prepared By:

WSP Canada Inc.
100 - 20339 96th Avenue
Langley, BC V1M 0E4
Contact: Tom Locke

Project Number: 211-01151-00

Introduction

This Depreciation Report aims to assist the Strata Corporation in planning for major repair and renewal of the common building elements, and in setting the annual contribution to the Contingency Reserve Fund.

This report consists of two main parts: a Physical Analysis and a Financial Analysis. The Physical Analysis contains an inventory of the common building components and presents a forecast of the repair and renewal work which should be expected for these components. The Financial Analysis compares the expenditures forecast from the Physical Analysis to the current funding level and presents a set of funding models. These funding models demonstrate the long-term impact of various funding strategies and should be helpful to the Strata in determining what an appropriate level of funding may be.

This report is an update to the Depreciation Report prepared by WSP (previously Levelton Consultants Ltd.) in 2012. To update the Physical Analysis, WSP visually re-evaluated the condition of building components, gathered performance and repair history from owners and contractors, and checked current construction costs, making adjustments to the repair and renewal estimates as needed. The Financial Analysis was then updated to reflect the new repair and renewal forecast, and the Strata's current financial position.

Each estimate of cost and timing for repair and renewal work contains assumptions about the likely scope of repairs, hidden conditions, the quality/durability of repairs, and how quickly components will deteriorate. In aggregate, these estimates provide a reasonable basis for predicting the long-term funding needs for the Corporation as a whole. However, these estimates are not suitably accurate for setting a funding target for a specific renewal project. Typically further investigation and design are needed to confirm budgets and timing for any significant projects.

We sincerely hope this Depreciation Report sets the stage for sound decision-making in funding and project planning for years to come.

Respectfully submitted,
WSP Canada Inc.

James Ellis, M.A.Sc.
Building Science Consultant

Thomas Locke, AScT
Project Manager

General Description

The Strata includes a 3-storey residential building with 36 residential suites, most with balconies or patios. There is a single-level underground parking garage. The building is served by one elevator. Amenities include an activity room. The building was constructed in about 1989.

STRATA VS OWNER RESPONSIBILITY
Our interpretation of the By-Laws, Strata Plan, and Strata Property Act is that the following components are the Strata's responsibility to repair and replace, and must be addressed as part of this report:
- Structural frame
- Balconies
- Exterior cladding, windows, and doors
- Roofs
- Interior finishes in common areas
- Site finishes
- Common mechanical and electrical facilities

Similarly, the following components are understood to be the responsibility of individual unit owners to repair and replace. Costs associated with these components are not included in this report.
- Interior suite finishes
- In-suite HVAC equipment (baseboard heaters, exhaust fans, etc.)
- In-suite plumbing fixtures (sinks, toilets, etc.)
- In-suite electrical equipment (breaker panels, wiring, light switches, etc.)

We understand that there are no building amenities, systems, or equipment that are shared between this Strata and another property owner and that this Strata is not divided into sections.

Key Terms

These terms may be helpful in understanding this report, particularly the Financial Analysis section.

Contingency Reserve Fund – A fund for common strata expenses that usually occur less often than once a year or that do not usually occur, as defined by the Strata Property Act. These funds are generally used to pay for major repair and replacement work. Contributions to the Contingency Reserve Fund are made by owners through monthly strata fees, and sometimes through Special Levies.

Current Annual Contribution – This is the contribution to the contingency reserve fund that was budgeted for the current fiscal year.

Expenditure Inflation Rate – The rate used to increase the estimated costs of repairs and replacements in future years. As interest earned on money has historically been greater than inflation, the spread between interest and inflation acts to decrease the contributions required. It is the spread between interest and inflation, rather than the absolute value of these rates, that most affects funding requirements.

The inflation rates used in this report are based on historical construction inflation rates: Reed Construction Data, Composite Construction Cost Index averaged over the last 30 years.

First Critical Year – The year when the reserve fund balance first drops down to the Minimum Reserve Fund Balance.

Interest Rate Earned – The estimated annual interest rate earned on the Contingency Reserve Fund balance, assuming these monies are re-invested into the fund. This should not necessarily be the current interest rate but should reflect expected average long-term trends.

Unless stated otherwise in the funding scenario description, the Interest rate used in this report is based on Bank of Canada, National Treasury Bill Rates (6-month rates) averaged over the last 30 years. While exceeding current rates, the historic average rate is expected to be representative of the average rate that will be realized over the term of the analysis period.

Our analysis assumes that interest earned on the reserve balance is available in the year earned. In some instances, with longer-term investments, the interest does not actually come available until maturity. Managing Reserve Fund investments and expenditures are required to assure positive cash flow in critical years when the balance is at its lowest.

Interest is calculated as follows.

Interest Earned = [Opening Balance + Half of Annual Contributions
+ Half of Other Contributions – Half of Expenditures] x Interest Rate

Minimum Balance Inflation Rate – The percentage rate at which the minimum Reserve Fund balance is increased. This ensures the minimum Reserve Fund balance at the critical years is not devalued as a result of inflation. This is usually the same as the inflation rate unless there is a desire to accelerate the minimum balance at a rate greater than inflation.

Minimum Reserve Fund Balance – The present value of the lowest allowable Contingency Reserve Fund balance for a particular funding plan. The minimum balance provides a buffer against repair and renewal costs which are unexpectedly high or which occur sooner than predicted.

Opening Balance – The balance in the contingency reserve fund at the beginning of the current fiscal year, usually based on the year-end financial statement for the previous fiscal year.

Operating Fund – A fund for day-to-day strata expenses such as cleaning, snow removal, maintenance, and minor repairs. Contributions to the Operating Fund are made by owners through monthly strata fees.

Second Critical Year – The year of the second occurrence where the reserve fund balance drops down to the Minimum Reserve Fund Balance.

Special Levy – A lump sum contribution by each strata owner to the Contingency Reserve Fund or to pay for a strata related expense. A Special Levy requires approval by a vote of the strata owners. Special levy amounts are shown in the “Other Contrib.” column in the funding scenarios within this report.

Strata Fees – The monthly payments made by each strata owner to cover common strata expenses. A portion of the fee (usually the majority) is used to pay for day-to-day expenses from the Operating Fund. The remainder is set aside in the Contingency Reserve Fund.

Year – The fiscal year in which an expense is expected to occur. Fiscal years are named by the year in which they end. For example, if the fiscal year end is March 31, then the year 2020 means the period starting April 1, 2019, and ending March 31, 2020.

Year-Over-Year Increase to Annual Contributions (Amount) – This column in the funding scenarios shows the amount of the increase in the Annual Base Contribution to the CRF, in dollars, for the strata as a whole. This is the increase to the CRF portion of Strata Fees only and does not include any increase to the operating portion of the Strata Fees.

Year-Over-Year Increase to Annual Contributions (Percent) – This column in the funding scenarios shows the Base Contribution Increase for a given year expressed as a percentage of the previous year’s contribution. This is the increase to the CRF portion of Strata Fees only and does not include any increase to the operating portion of the Strata Fees.

Year-Over-Year Increase to Annual Contributions (Per Unit Per Month) – This column in the funding scenarios shows the year-over-year increase to the Contingency Reserve Fund portion of the monthly Strata Fees, for an average unit. The amount of the increase will vary by unit based on unit entitlement. This is the increase to the CRF portion of Strata Fees only and does not include any increase to the operating portion of the Strata Fees.

Financial Analysis

This Financial Analysis contains an evaluation of current funding against future expenditures and presents a set of funding plans. These funding plans demonstrate the range of funding strategies available and illustrate the long-term financial impact of each.

The CRF contribution according to the financial statement provided is expected to be $25,000, compared with a contribution of $55,000 reported during the previous Depreciation Report. The analysis has found that it remains insufficient to cover the expected repair and renewal costs. If the Corporation maintains the current level of CRF contributions over the analysis period, special levies will be needed to cover the remaining costs (see Scenario 1). An increase to the regular CRF contribution amount would reduce or eliminate the special levies needed (see other scenarios presented).

These funding models should be considered by the Council during the annual budgeting process, along with the balance of owner attitudes toward what a reasonable level of funding may be. The CRF contribution amount can be set based on, or independent of, these funding models. There is no requirement to implement or commit to any of the funding models in this report.

Note that the “Increase” columns indicate the year-over-year increase in the CRF contribution, rather than the overall increase in the total strata fees. See the Key Terms section for further explanation.

Scenario 1 - Current Contributions and Special Levies

Description:

This scenario shows the special levies that would be required each year if you continue annual CRF contributions at the current level. Special levies are shown in the “Other” contributions column. Levies are calculated to cover funding shortfalls in years where expenditures exceed savings, and are only as large as necessary to maintain the specified minimum balance. This approach puts off saving for large projects and shifts the financial burden toward future owners.

Assumptions:

Opening Balance of the Reserve Fund:	$129,042	Interest Rate Earned:	2.0%
Current Annual Contribution:	$25,000	Expenditure Inflation Rate:	2.0%
Minimum Reserve Fund Balance:	$41,240	Minimum Balance Inflation Rate:	2.0%
First Critical Year:	N/A	Number of Units:	36
Second Critical Year:	N/A	Fiscal Year End:	Apr 19

							Year-Over-Year Increase to Annual Contributions		
Year	Opening Balance	Annual Contributions	Other Contributions (e.g. Special Assessments)	Expenditures (Inflation-Adjusted)	Interest Earned	Closing Balance	Amount	Percent (%)	Per Unit Per Month *
2021	$129,042	$25,000	$0	$8,138	$2,749	$148,653	--	--	--
2022	$148,653	$25,500	$0	$17,269	$3,055	$159,940	$500	2.00%	$1.16
2023	$159,940	$26,010	$0	$0	$3,459	$189,409	$510	2.00%	$1.18
2024	$189,409	$26,530	$0	$11,142	$3,942	$208,739	$520	2.00%	$1.20
2025	$208,739	$27,061	$0	$108,314	$3,362	$130,848	$531	2.00%	$1.23
2026	$130,848	$27,602	$0	$16,809	$2,725	$144,366	$541	2.00%	$1.25
2027	$144,366	$28,154	$0	$5,912	$3,110	$169,718	$552	2.00%	$1.28
2028	$169,718	$28,717	$1,424,613	$1,575,676	$0	$47,372	$563	2.00%	$1.30
2029	$47,372	$29,291	$0	$12,917	$1,111	$64,858	$574	2.00%	$1.33
2030	$64,858	$29,877	$0	$30,115	$1,295	$65,915	$586	2.00%	$1.36
2031	$65,915	$30,475	$95,108	$141,435	$209	$50,271	$598	2.00%	$1.38
2032	$50,271	$31,084	$99,309	$129,411	$22	$51,276	$609	2.00%	$1.41
2033	$51,276	$31,706	$0	$6,658	$1,276	$77,600	$622	2.00%	$1.44
2034	$77,600	$32,340	$0	$6,791	$1,807	$104,957	$634	2.00%	$1.47
2035	$104,957	$32,987	$0	$0	$2,429	$140,373	$647	2.00%	$1.50
2036	$140,373	$33,647	$0	$27,557	$2,868	$149,331	$660	2.00%	$1.53
2037	$149,331	$34,320	$138,672	$266,375	$666	$56,613	$673	2.00%	$1.56
2038	$56,613	$35,006	$46,316	$80,864	$674	$57,745	$686	2.00%	$1.59
2039	$57,745	$35,706	$0	$14,996	$1,362	$79,817	$700	2.00%	$1.62
2040	$79,817	$36,420	$36,539	$93,722	$1,023	$60,078	$714	2.00%	$1.65
2041	$60,078	$37,149	$0	$30,424	$1,269	$68,071	$728	2.00%	$1.69
2042	$68,071	$37,892	$477,981	$521,438	$0	$62,506	$743	2.00%	$1.72
2043	$62,506	$38,649	$358,624	$396,023	$0	$63,756	$758	2.00%	$1.75
2044	$63,756	$39,422	$33,765	$72,853	$941	$65,031	$773	2.00%	$1.79
2045	$65,031	$40,211	$0	$8,444	$1,618	$98,416	$788	2.00%	$1.83
2046	$98,416	$41,015	$0	$24,978	$2,129	$116,582	$804	2.00%	$1.86
2047	$116,582	$41,835	$0	$0	$2,750	$161,168	$820	2.00%	$1.90
2048	$161,168	$42,672	$0	$8,961	$3,560	$198,439	$837	2.00%	$1.94

							Year-Over-Year Increase to Annual Contributions		
Year	Opening Balance	Annual Contributions	Other Contributions (e.g. Special Assessments)	Expenditures (Inflation-Adjusted)	Interest Earned	Closing Balance	Amount	Percent (%)	Per Unit Per Month *
2049	$198,439	$43,526	$0	$9,140	$4,313	$237,137	$853	2.00%	$1.98
2050	$237,137	$44,396	$0	$61,533	$4,571	$224,572	$871	2.00%	$2.02

* Per unit per month increases are shown for a unit of average size. Actual increases will vary.

Scenario 2 – One-Time Increase to Fully Funded, No Special Levies

Description:

This scenario shows a large initial increase in the annual CRF contribution to a level which will fully cover future expenditures through regular CRF contributions. No special levies are needed. Following the large initial increase, small annual increases adjust for inflation so that the contribution level remains consistent in terms of today's dollars. This approach represents a long term savings plan.

Assumptions:

Opening Balance of the Reserve Fund:	$129,042	Interest Rate Earned:	2.0%
Current Annual Contribution:	$25,000	Expenditure Inflation Rate:	2.0%
Minimum Reserve Fund Balance:	$41,240	Minimum Balance Inflation Rate:	2.0%
First Critical Year:	2028	Number of Units:	36
Second Critical Year:	N/A	Fiscal Year End:	Apr 19

							Year-Over-Year Increase to Annual Contributions		
Year	Opening Balance	Annual Contributions	Other Contributions (e.g. Special Assessments)	Expenditures (Inflation-Adjusted)	Interest Earned	Closing Balance	Amount	Percent (%)	Per Unit Per Month *
2021	$129,042	$25,000	$0	$8,138	$2,749	$148,653	--	--	--
2022	$148,653	$205,944	$0	$17,269	$4,860	$342,188	$180,944	723.78%	$418.85
2023	$342,188	$210,063	$0	$0	$8,944	$561,195	$4,119	2.00%	$9.53
2024	$561,195	$214,264	$0	$11,142	$13,255	$777,572	$4,201	2.00%	$9.73
2025	$777,572	$218,549	$0	$108,314	$16,654	$904,461	$4,285	2.00%	$9.92
2026	$904,461	$222,920	$0	$16,809	$20,150	$1,130,723	$4,371	2.00%	$10.12
2027	$1,130,723	$227,379	$0	$5,912	$24,829	$1,377,019	$4,458	2.00%	$10.32
2028	$1,377,019	$231,926	$0	$1,575,676	$14,103	$47,372	$4,548	2.00%	$10.53
2029	$47,372	$115,606	$0	$12,917	$1,974	$152,035	-$116,320	-50.15%	$-269.26
2030	$152,035	$117,918	$0	$30,115	$3,919	$243,757	$2,312	2.00%	$5.35
2031	$243,757	$120,277	$0	$141,435	$4,664	$227,263	$2,358	2.00%	$5.46
2032	$227,263	$122,682	$0	$129,411	$4,478	$225,012	$2,406	2.00%	$5.57
2033	$225,012	$125,136	$0	$6,658	$5,685	$349,175	$2,454	2.00%	$5.68
2034	$349,175	$127,639	$0	$6,791	$8,192	$478,215	$2,503	2.00%	$5.79
2035	$478,215	$130,192	$0	$0	$10,866	$619,273	$2,553	2.00%	$5.91
2036	$619,273	$132,795	$0	$27,557	$13,438	$737,949	$2,604	2.00%	$6.03
2037	$737,949	$135,451	$0	$266,375	$13,450	$620,475	$2,656	2.00%	$6.15
2038	$620,475	$138,160	$0	$80,864	$12,982	$690,754	$2,709	2.00%	$6.27
2039	$690,754	$140,924	$0	$14,996	$15,074	$831,756	$2,763	2.00%	$6.40
2040	$831,756	$143,742	$0	$93,722	$17,135	$898,911	$2,818	2.00%	$6.52
2041	$898,911	$146,617	$0	$30,424	$19,140	$1,034,244	$2,875	2.00%	$6.65
2042	$1,034,244	$149,549	$0	$521,438	$16,966	$679,321	$2,932	2.00%	$6.79
2043	$679,321	$152,540	$0	$396,023	$11,152	$446,990	$2,991	2.00%	$6.92
2044	$446,990	$155,591	$0	$72,853	$9,767	$539,495	$3,051	2.00%	$7.06
2045	$539,495	$158,703	$0	$8,444	$12,292	$702,046	$3,112	2.00%	$7.20
2046	$702,046	$161,877	$0	$24,978	$15,410	$854,355	$3,174	2.00%	$7.35
2047	$854,355	$165,114	$0	$0	$18,738	$1,038,208	$3,238	2.00%	$7.49
2048	$1,038,208	$168,417	$0	$8,961	$22,359	$1,220,022	$3,302	2.00%	$7.64

							Year-Over-Year Increase to Annual Contributions		
Year	Opening Balance	Annual Contributions	Other Contributions (e.g. Special Assessments)	Expenditures (Inflation-Adjusted)	Interest Earned	Closing Balance	Amount	Percent (%)	Per Unit Per Month *
2049	$1,220,022	$171,785	$0	$9,140	$26,027	$1,408,694	$3,368	2.00%	$7.80
2050	$1,408,694	$175,221	$0	$61,533	$29,311	$1,551,692	$3,436	2.00%	$7.95

* Per unit per month increases are shown for a unit of average size. Actual increases will vary.

Scenario 3 – Phased-In Contribution Increase

Description:

This scenario shows the large increase from Scenario 2 spread out over several years. This approach still arrives at a fully-funded position at the end of the phase-in period, but breaks the increase down into smaller, more manageable increases. This approach represents a middle ground between funding by special levy and becoming fully-funded next year.

Assumptions:

Opening Balance of the Reserve Fund:	$129,042	Interest Rate Earned:	2.0%
Current Annual Contribution:	$25,000	Expenditure Inflation Rate:	2.0%
Minimum Reserve Fund Balance:	$41,240	Minimum Balance Inflation Rate:	2.0%
First Critical Year:	2028	Number of Units:	36
Second Critical Year:	N/A	Fiscal Year End:	Apr 19

							Year-Over-Year Increase to Annual Contributions		
Year	Opening Balance	Annual Contributions	Other Contributions (e.g. Special Assessments)	Expenditures (Inflation-Adjusted)	Interest Earned	Closing Balance	Amount	Percent (%)	Per Unit Per Month *
2021	$129,042	$25,000	$0	$8,138	$2,749	$148,653	--	--	--
2022	$148,653	$72,406	$0	$17,269	$3,524	$207,315	$47,406	189.62%	$109.74
2023	$207,315	$120,760	$0	$0	$5,354	$333,429	$48,354	66.78%	$111.93
2024	$333,429	$170,081	$0	$11,142	$8,258	$500,626	$49,321	40.84%	$114.17
2025	$500,626	$220,389	$0	$108,314	$11,133	$623,835	$50,308	29.58%	$116.45
2026	$623,835	$271,703	$0	$16,809	$15,026	$893,754	$51,314	23.28%	$118.78
2027	$893,754	$324,043	$0	$5,912	$21,056	$1,232,942	$52,340	19.26%	$121.16
2028	$1,232,942	$377,430	$0	$1,575,676	$12,676	$47,372	$53,387	16.48%	$123.58
2029	$47,372	$115,606	$0	$12,917	$1,974	$152,036	-$261,824	-69.37%	$-606.07
2030	$152,036	$117,918	$0	$30,115	$3,919	$243,758	$2,312	2.00%	$5.35
2031	$243,758	$120,277	$0	$141,435	$4,664	$227,263	$2,358	2.00%	$5.46
2032	$227,263	$122,682	$0	$129,411	$4,478	$225,013	$2,406	2.00%	$5.57
2033	$225,013	$125,136	$0	$6,658	$5,685	$349,176	$2,454	2.00%	$5.68
2034	$349,176	$127,639	$0	$6,791	$8,192	$478,215	$2,503	2.00%	$5.79
2035	$478,215	$130,192	$0	$0	$10,866	$619,273	$2,553	2.00%	$5.91
2036	$619,273	$132,795	$0	$27,557	$13,438	$737,949	$2,604	2.00%	$6.03
2037	$737,949	$135,451	$0	$266,375	$13,450	$620,475	$2,656	2.00%	$6.15
2038	$620,475	$138,160	$0	$80,864	$12,982	$690,754	$2,709	2.00%	$6.27
2039	$690,754	$140,924	$0	$14,996	$15,074	$831,756	$2,763	2.00%	$6.40
2040	$831,756	$143,742	$0	$93,722	$17,135	$898,911	$2,818	2.00%	$6.52
2041	$898,911	$146,617	$0	$30,424	$19,140	$1,034,244	$2,875	2.00%	$6.65
2042	$1,034,244	$149,549	$0	$521,438	$16,966	$679,321	$2,932	2.00%	$6.79
2043	$679,321	$152,540	$0	$396,023	$11,152	$446,990	$2,991	2.00%	$6.92
2044	$446,990	$155,591	$0	$72,853	$9,767	$539,495	$3,051	2.00%	$7.06
2045	$539,495	$158,703	$0	$8,444	$12,292	$702,047	$3,112	2.00%	$7.20
2046	$702,047	$161,877	$0	$24,978	$15,410	$854,355	$3,174	2.00%	$7.35
2047	$854,355	$165,114	$0	$0	$18,738	$1,038,208	$3,238	2.00%	$7.49
2048	$1,038,208	$168,417	$0	$8,961	$22,359	$1,220,022	$3,302	2.00%	$7.64
2049	$1,220,022	$171,785	$0	$9,140	$26,027	$1,408,694	$3,368	2.00%	$7.80

							Year-Over-Year Increase to Annual Contributions		
Year	Opening Balance	Annual Contributions	Other Contributions (e.g. Special Assessments)	Expenditures (Inflation-Adjusted)	Interest Earned	Closing Balance	Amount	Percent (%)	Per Unit Per Month *
2050	$1,408,694	$175,221	$0	$61,533	$29,311	$1,551,693	$3,436	2.00%	$7.95

* Per unit per month increases are shown for a unit of average size. Actual increases will vary.

Physical Analysis

The following sections describe the building components included in this report, and our estimate of the costs and timing for future repair and renewal work presented as individual projects.

This report identifies costs which will be paid from the Contingency Reserve Fund. As such, operating costs are not shown, and are only discussed in relation to CRF expenditures. Costs below about $2,500 are generally considered operating costs.

BASIS OF COSTS

Present Costs shown represent our opinion of the current dollar value of the work described. They are based on assumptions regarding the likely scope of work, desired quality, and the materials or equipment that will be required. Costs are based on the cost of similar work at other buildings, using published and in-house construction cost databases, and/or through discussions with local contractors. Costs include taxes and, where appropriate, contingencies and allowances for design, inspection, and testing.

PROJECT TIMING (FIRST OCCURRENCE, CYCLE)

We estimate two factors when considering the timing of future repairs or replacements:

- First Occurrence is our estimate of when the work will be required next. This estimate is based on the apparent condition of the item and may not simply be the time remaining in the standard estimated life cycle.

- Cycle (or service life) is the frequency at which the repair or replacement is normally expected to be required. The expected service life following a repair or replacement may be different from the original service life as a result of changes in the materials or equipment employed, and/or changes in technology.

The service life expectancies applied to the projects are typically based on our observations of the performance of similar materials, systems or components at other buildings, available literature, and/or recommendations from manufacturers or suppliers.

LIMITS TO ACCURACY

Given the level of review completed and the uncertainties associated with predicting the future, we can in no way guarantee the accuracy of the estimates of project cost or timing provided. While we apply our experience and expertise to our estimates, the exercise is not intended to be exact, but to provide a sound basis for predicting long-term funding needs. These estimates are not suitably accurate for setting a funding target for a specific renewal project, as further investigation and design are usually needed.

Mayfair Gardens, 33401 Mayfair Avenue, Abbotsford, British Columbia

Printed: 2021-04-21

Annual Projected Expenditures

Item	Description	Class	Status	Pres. Cost	First Occ.	Cycle	No. Occ.	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1	**Structure**																
1.2.1	Balcony Condition Survey	3	Forecasted	$5,250	2030	10		$0	$0	$0	$0	$0	$0	$0	$0	$0	$6,274
1.2.2	Replace Balcony Membranes	3	Forecasted	$330,120	2042	25		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1.3.1	Allowance for Foundation Wall Leakage Repairs	3	Forecasted	$4,200	2026	5		$0	$0	$0	$0	$0	$4,637	$0	$0	$0	$0
2	**Building Envelope**																
2.1.1	Wall Condition Evaluation	3	Forecasted	$7,875	2025	15		$0	$0	$0	$0	$8,524	$0	$0	$0	$0	$0
2.1.2	Replace Cladding	3	Forecasted	$1,038,450	2028	40		$0	$0	$0	$0	$0	$0	$0	$1,192,853	$0	$0
2.2.1	Replace Windows	3	Forecasted	$328,020	2028	40		$0	$0	$0	$0	$0	$0	$0	$376,792	$0	$0
2.3.1	Replace Garage Overhead Door	3	Forecasted	$5,250	2030	30		$0	$0	$0	$0	$0	$0	$0	$0	$0	$6,274
2.3.2	Replace Main Entrance Door	3	Forecasted	$5,250	2028	30		$0	$0	$0	$0	$0	$0	$0	$6,031	$0	$0
2.4.1	Replace Low-sloped Roofing	3	Forecasted	$194,040	2037	25		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2.4.2	Replace Sloped Roofing	3	Forecasted	$256,163	2043	25		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	**Fire Safety**																
3.1.1	Replace Fire Alarm Panel	3	Forecasted	$8,662	2022	20		$0	$8,835	$0	$0	$0	$0	$0	$0	$0	$0
3.1.2	Replace Dry Sprinkler Valve	3	Forecasted	$5,775	2029	40		$0	$0	$0	$0	$0	$0	$0	$0	$6,766	$0
4	**Finishes, Furniture and Equipment**																
4.1.1	Renovate Entrance Lobby	3	Forecasted	$14,700	2031	30		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4.2.1	Renovate Corridors	3	Forecasted	$67,725	2032	20		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4.3.1	Renovate Activity Room	3	Forecasted	$36,355	2032	25		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5	**Site**																
5.1.1	Replace Fences	3	Forecasted	$8,894	2040	25		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5.1.2	Asphalt Repair Allowance	3	Forecasted	$5,775	2026	5		$0	$0	$0	$0	$0	$6,376	$0	$0	$0	$0
5.1.3	Landscaping Repair Allowance	3	Forecasted	$5,250	2021	10		$5,250	$0	$0	$0	$0	$0	$0	$0	$0	$0
5.2.1	Repair Allowance for Underground Services	3	Forecasted	$5,250	2029	10		$0	$0	$0	$0	$0	$0	$0	$0	$6,151	$0
6	**HVAC**																
6.1.1	Replace Heating Boiler	3	Forecasted	$68,040	2025	30		$0	$0	$0	$0	$73,649	$0	$0	$0	$0	$0

Item	Description	Class	Status	Pres. Cost	First Occ.	Cycle	No. Occ.	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
6.1.2	Overhaul Heating Boiler	3	Forecasted	$9,975	2040	30		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6.3.1	Replace Garage CO Detection System	3	Forecasted	$5,250	2030	20		$0	$0	$0	$0	$0	$0	$0	$0	$0	$6,274
6.3.2	Replace Garage Exhaust Fan	3	Forecasted	$4,200	2030	30		$0	$0	$0	$0	$0	$0	$0	$0	$0	$5,019
7	**Plumbing**																
7.2.1	Install Back-flow Preventer	3	Forecasted	$8,269	2022			$0	$8,434	$0	$0	$0	$0	$0	$0	$0	$0
7.2.2	Replace Hot Water Re-Circ. Piping and Valves	3	Forecasted	$24,150	2025	25		$0	$0	$0	$0	$26,141	$0	$0	$0	$0	$0
7.3.1	Drainage System Repair Allowance	3	Forecasted	$5,250	2026	5		$0	$0	$0	$0	$0	$5,796	$0	$0	$0	$0
8	**Electrical**																
8.1.1	Electrical Distribution System Repair Allowance	3	Forecasted	$5,250	2024	10	2	$0	$0	$0	$5,571	$0	$0	$0	$0	$0	$0
8.1.2	Replace Main Switchgear	3	Forecasted	$46,200	2044	50		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8.2.1	Replace Garage Lighting Lamps	3	Forecasted	$2,888	2021	25	1	$2,888	$0	$0	$0	$0	$0	$0	$0	$0	$0
8.2.2	Replace Garage Lighting Fixtures	3	Forecasted	$15,015	2040	25		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
9	**Conveyance**																
9.1.1	Modernize Hydraulic Elevator	3	Forecasted	$80,850	2031	30		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
9.1.2	Replace Hydraulic Elevator Cylinder	3	Forecasted	$57,750	2038	50		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10	**Miscellaneous**																
10.1.1	Replace Security System	3	Forecasted	$17,325	2040	20		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10.2.1	Depreciation Report with Site Visit	3	Forecasted	$5,250	2024	3		$0	$0	$0	$5,571	$0	$0	$5,912	$0	$0	$6,274
	Total							**$8,138**	**$17,269**	**$0**	**$11,142**	**$108,314**	**$16,809**	**$5,912**	**$1,575,676**	**$12,917**	**$30,115**
	$ / ft²							$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Item	Description	Class	Status	Pres. Cost	First Occ.	Cycle	No. Occ.	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	**Structure**																
1.2.1	Balcony Condition Survey	3	Forecasted	$5,250	2030	10		$0	$0	$0	$0	$0	$0	$0	$0	$0	$7,648
1.2.2	Replace Balcony Membranes	3	Forecasted	$330,120	2042	25		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1.3.1	Allowance for Foundation Wall Leakage Repairs	3	Forecasted	$4,200	2026	5		$5,120	$0	$0	$0	$0	$5,653	$0	$0	$0	$0
2	**Building Envelope**																
2.1.1	Wall Condition Evaluation	3	Forecasted	$7,875	2025	15		$0	$0	$0	$0	$0	$0	$0	$0	$0	$11,472
2.1.2	Replace Cladding	3	Forecasted	$1,038,450	2028	40		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2.2.1	Replace Windows	3	Forecasted	$328,020	2028	40		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2.3.1	Replace Garage Overhead Door	3	Forecasted	$5,250	2030	30		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2.3.2	Replace Main Entrance Door	3	Forecasted	$5,250	2028	30		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2.4.1	Replace Low-sloped Roofing	3	Forecasted	$194,040	2037	25		$0	$0	$0	$0	$0	$0	$266,375	$0	$0	$0
2.4.2	Replace Sloped Roofing	3	Forecasted	$256,163	2043	25		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	**Fire Safety**																
3.1.1	Replace Fire Alarm Panel	3	Forecasted	$8,662	2022	20		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3.1.2	Replace Dry Sprinkler Valve	3	Forecasted	$5,775	2029	40		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4	**Finishes, Furniture and Equipment**																
4.1.1	Renovate Entrance Lobby	3	Forecasted	$14,700	2031	30		$17,919	$0	$0	$0	$0	$0	$0	$0	$0	$0
4.2.1	Renovate Corridors	3	Forecasted	$67,725	2032	20		$0	$84,208	$0	$0	$0	$0	$0	$0	$0	$0
4.3.1	Renovate Activity Room	3	Forecasted	$36,355	2032	25		$0	$45,203	$0	$0	$0	$0	$0	$0	$0	$0
5	**Site**																
5.1.1	Replace Fences	3	Forecasted	$8,894	2040	25		$0	$0	$0	$0	$0	$0	$0	$0	$0	$12,957
5.1.2	Asphalt Repair Allowance	3	Forecasted	$5,775	2026	5		$7,040	$0	$0	$0	$0	$7,772	$0	$0	$0	$0
5.1.3	Landscaping Repair Allowance	3	Forecasted	$5,250	2021	10		$6,400	$0	$0	$0	$0	$0	$0	$0	$0	$0
5.2.1	Repair Allowance for Underground Services	3	Forecasted	$5,250	2029	10		$0	$0	$0	$0	$0	$0	$0	$0	$7,498	$0
6	**HVAC**																
6.1.1	Replace Heating Boiler	3	Forecasted	$68,040	2025	30		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6.1.2	Overhaul Heating Boiler	3	Forecasted	$9,975	2040	30		$0	$0	$0	$0	$0	$0	$0	$0	$0	$14,532
6.3.1	Replace Garage CO Detection System	3	Forecasted	$5,250	2030	20		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6.3.2	Replace Garage Exhaust Fan	3	Forecasted	$4,200	2030	30		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
7	**Plumbing**																

Item	Description	Class	Status	Pres. Cost	First Occ.	Cycle	No. Occ.	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
7.2.1	Install Back-flow Preventer	3	Forecasted	$8,269	2022			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
7.2.2	Replace Hot Water Re-Circ. Piping and Valves	3	Forecasted	$24,150	2025	25		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
7.3.1	Drainage System Repair Allowance	3	Forecasted	$5,250	2026	5		$6,400	$0	$0	$0	$0	$7,066	$0	$0	$0	$0
8	**Electrical**																
8.1.1	Electrical Distribution System Repair Allowance	3	Forecasted	$5,250	2024	10	2	$0	$0	$0	$6,791	$0	$0	$0	$0	$0	$0
8.1.2	Replace Main Switchgear	3	Forecasted	$46,200	2044	50		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8.2.1	Replace Garage Lighting Lamps	3	Forecasted	$2,888	2021	25	1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8.2.2	Replace Garage Lighting Fixtures	3	Forecasted	$15,015	2040	25		$0	$0	$0	$0	$0	$0	$0	$0	$0	$21,874
9	**Conveyance**																
9.1.1	Modernize Hydraulic Elevator	3	Forecasted	$80,850	2031	30		$98,556	$0	$0	$0	$0	$0	$0	$0	$0	$0
9.1.2	Replace Hydraulic Elevator Cylinder	3	Forecasted	$57,750	2038	50		$0	$0	$0	$0	$0	$0	$0	$80,864	$0	$0
10	**Miscellaneous**																
10.1.1	Replace Security System	3	Forecasted	$17,325	2040	20		$0	$0	$0	$0	$0	$0	$0	$0	$0	$25,239
10.2.1	Depreciation Report with Site Visit	3	Forecasted	$5,250	2024	3		$0	$0	$6,658	$0	$0	$7,066	$0	$0	$7,498	$0
	Total							**$141,435**	**$129,411**	**$6,658**	**$6,791**	**$0**	**$27,557**	**$266,375**	**$80,864**	**$14,996**	**$93,722**
	$ / ft²							$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Item	Description	Class	Status	Pres. Cost	First Occ.	Cycle	No. Occ.	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
1	**Structure**																
1.2.1	Balcony Condition Survey	3	Forecasted	$5,250	2030	10		$0	$0	$0	$0	$0	$0	$0	$0	$0	$9,323
1.2.2	Replace Balcony Membranes	3	Forecasted	$330,120	2042	25		$0	$500,352	$0	$0	$0	$0	$0	$0	$0	$0
1.3.1	Allowance for Foundation Wall Leakage Repairs	3	Forecasted	$4,200	2026	5		$6,241	$0	$0	$0	$0	$6,891	$0	$0	$0	$0
2	**Building Envelope**																
2.1.1	Wall Condition Evaluation	3	Forecasted	$7,875	2025	15		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2.1.2	Replace Cladding	3	Forecasted	$1,038,450	2028	40		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2.2.1	Replace Windows	3	Forecasted	$328,020	2028	40		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2.3.1	Replace Garage Overhead Door	3	Forecasted	$5,250	2030	30		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2.3.2	Replace Main Entrance Door	3	Forecasted	$5,250	2028	30		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2.4.1	Replace Low-sloped Roofing	3	Forecasted	$194,040	2037	25		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2.4.2	Replace Sloped Roofing	3	Forecasted	$256,163	2043	25		$0	$0	$396,023	$0	$0	$0	$0	$0	$0	$0
3	**Fire Safety**																
3.1.1	Replace Fire Alarm Panel	3	Forecasted	$8,662	2022	20		$0	$13,129	$0	$0	$0	$0	$0	$0	$0	$0
3.1.2	Replace Dry Sprinkler Valve	3	Forecasted	$5,775	2029	40		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4	**Finishes, Furniture and Equipment**																
4.1.1	Renovate Entrance Lobby	3	Forecasted	$14,700	2031	30		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4.2.1	Renovate Corridors	3	Forecasted	$67,725	2032	20		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4.3.1	Renovate Activity Room	3	Forecasted	$36,355	2032	25		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5	**Site**																
5.1.1	Replace Fences	3	Forecasted	$8,894	2040	25		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5.1.2	Asphalt Repair Allowance	3	Forecasted	$5,775	2026	5		$8,581	$0	$0	$0	$0	$9,474	$0	$0	$0	$0
5.1.3	Landscaping Repair Allowance	3	Forecasted	$5,250	2021	10		$7,801	$0	$0	$0	$0	$0	$0	$0	$0	$0
5.2.1	Repair Allowance for Underground Services	3	Forecasted	$5,250	2029	10		$0	$0	$0	$0	$0	$0	$0	$0	$9,140	$0
6	**HVAC**																
6.1.1	Replace Heating Boiler	3	Forecasted	$68,040	2025	30		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6.1.2	Overhaul Heating Boiler	3	Forecasted	$9,975	2040	30		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6.3.1	Replace Garage CO Detection System	3	Forecasted	$5,250	2030	20		$0	$0	$0	$0	$0	$0	$0	$0	$0	$9,323
6.3.2	Replace Garage Exhaust Fan	3	Forecasted	$4,200	2030	30		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
7	**Plumbing**																

Item	Description	Class	Status	Pres. Cost	First Occ.	Cycle	No. Occ.	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
7.2.1	Install Back-flow Preventer	3	Forecasted	$8,269	2022			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
7.2.2	Replace Hot Water Re-Circ. Piping and Valves	3	Forecasted	$24,150	2025	25		$0	$0	$0	$0	$0	$0	$0	$0	$0	$42,887
7.3.1	Drainage System Repair Allowance	3	Forecasted	$5,250	2026	5		$7,801	$0	$0	$0	$0	$8,613	$0	$0	$0	$0
8	**Electrical**																
8.1.1	Electrical Distribution System Repair Allowance	3	Forecasted	$5,250	2024	10	2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8.1.2	Replace Main Switchgear	3	Forecasted	$46,200	2044	50		$0	$0	$0	$72,853	$0	$0	$0	$0	$0	$0
8.2.1	Replace Garage Lighting Lamps	3	Forecasted	$2,888	2021	25	1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8.2.2	Replace Garage Lighting Fixtures	3	Forecasted	$15,015	2040	25		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
9	**Conveyance**																
9.1.1	Modernize Hydraulic Elevator	3	Forecasted	$80,850	2031	30		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
9.1.2	Replace Hydraulic Elevator Cylinder	3	Forecasted	$57,750	2038	50		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10	**Miscellaneous**																
10.1.1	Replace Security System	3	Forecasted	$17,325	2040	20		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10.2.1	Depreciation Report with Site Visit	3	Forecasted	$5,250	2024	3		$0	$7,957	$0	$0	$8,444	$0	$0	$8,961	$0	$0
	Total							**$30,424**	**$521,438**	**$396,023**	**$72,853**	**$8,444**	**$24,978**	**$0**	**$8,961**	**$9,140**	**$61,533**
	$ / ft²							$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

1. Structure

1.1 Structural Frame

Description:
The building is a wood-framed structure, supported by below-grade cast-in-place concrete foundation walls. The type of foundation could not be determined, but is presumably concrete strip and spread footings. The roofs are low-sloped and likely have plywood roof sheathing.

The main building structure is generally protected from the deteriorating effects of weather. No reserve fund expenditures are expected within the timeframe of this study for the protected structural components. The structural components that have exposure to weather and/or vehicle traffic (such as the balconies and parking garage slab) are covered in other component sections.

This complex is located in an area with a relatively high risk of strong seismic activity. Current code requirements for earthquake resistance are generally more stringent than the code to which this building was designed; however, upgrading to current code is normally only required if major structural renovations are undertaken (eg. expansions, removing load-bearing walls). In the absence of any planned major structural renovations, we have not included a budget for seismic retrofits.

1.2 Balconies

Description:
There are wood-framed balconies on all elevations, constructed with wood joists and decking. The structures are generally cantilevered (extensions of the floor framing) with some sections being supported by columns. The balconies are waterproofed using a single-ply vinyl waterproofing membrane. There are aluminum soffits at the underside of the balconies.

Balcony guards are aluminum posts and rails and aluminum pickets. The guards are top-mounted with the fasteners penetrating through the balcony membranes.

History of Repairs:
2011-2020: All balcony membranes were replaced, as reported by the Strata Representative.

Condition / Recommendation:
The extent of deterioration is currently minor. As the balconies were completed over the span of several years, we noted varying construction practices were used, resulting in varying levels of deterioration. Conditions observed include the following:

- small holes or tears in the membranes;
- unsealed fasteners at the guardrail baseplates;
- missing fasteners at guardrail baseplates (observed at Unit 203);
- splitting seams; and
- insufficient overlap at seams.

We assume these minor repairs will be handled as-needed and paid for out of the operating budget. The Strata Representative reported that a number of membranes have been re-adhered at the edges in recent years, where required.

We have included an allowance for the replacement of the membranes later in the report term. As this will be the second membrane replacement project completed, we recommend the guardrails be replaced at this time. The new guardrails should be face-mounted to the balcony edges to limited the number of penetrations through the membrane. The budget also includes an allowance for wood framing repair, should balconies become damaged from undetected water leakage.

1.2.1 Balcony Condition Survey

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$5,250	$6,274	2030	10	Recurring	3	Forecasted

Project Notes:

This project budgets for a balcony condition evaluation to visually review the condition of the balconies at sample areas, evaluate the repair needs, and to use this information to develop a scope of work and budget for balcony structure repairs. The budget includes an allowance to remove sample areas of soffit/cladding to review the condition of the concealed balcony structures.

1.2.2 Replace Balcony Membranes

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$330,120	$500,352	2042	25	Recurring	3	Forecasted

Project Notes:

This project budgets for the replacement of the balcony guardrails and membranes. The project may be phased over several years, similarly to how it was completed during the last membrane replacement project; however, we recommend completing all balcony membranes simultaneously to take advantage of economies of scale, as well as ensure the aesthetics and construction practices of all balconies are the same.

1.3 Parking Garage

Description:

There is a single-level underground parking garage for residential parking. The floor is a concrete slab-on-grade. The garage is generally located directly underneath the building footprint, except at one small area on the east side.

The garage access ramp is located on the east side of the building, in the parking lot.

The parking garage has painted concrete columns and unpainted walls. There is an insulated suspended ceiling at the underside of the ground floor.

Condition / Recommendation:

During our review, we did not observe locations where water ingress is occurring at the foundation walls, where reviewed. The slab-on-grade was free from significant cracking.

The small area of the garage outside of the building footprint at the east side of the building has a waterproofing membrane that has failed. We recommend the area be reviewed and repaired. We assume this can be paid for out of the operating budget.

1.3.1 Allowance for Foundation Wall Leakage Repairs

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$4,200	$4,637	2026	5	Recurring	3	Forecasted

Project Notes:

Leakage problems may develop if ground water drainage systems become plugged or if waterproofing systems deteriorate at cracks or penetrations. These types of problems can usually be managed by injection sealing; however, local excavation outside of the foundation wall and repairing the waterproofing or drainage system may be required. This project is a general allowance to cover minor injection sealing repairs, should they be required.

2. Building Envelope

2.1 Walls

Description:

The exterior walls are a combination of stucco cladding, wood cladding at bay windows, and brick veneer at the main entryway. There is vinyl cladding at the inside perimeter of the low-sloped roof.

The stucco walls are designed as a face-sealed system, meaning that the walls do not include drainage cavities or other means of expelling water that penetrates the outer surface. With this type of system, the outer surface is intended to be watertight. These walls rely on the elimination of the holes through the cladding to limit water ingress.

The walls clad in wood siding were designed and constructed using a concealed-barrier approach to guard against the elements. The wood siding was installed directly against the building paper. In this approach, it is assumed that very little moisture will penetrate behind the cladding, and moisture that does enter will be able to dry out before it can cause damage to the wood components of the wall.

The brick veneer wall assemblies are classified as rainscreen type walls. Walls of this type have good resistance to rain penetration if properly designed, detailed and constructed.

There are painted wood trims at the window perimeters, fascias, and at some cladding transitions. Building joints and transitions are generally protected with sealant.

History of Repairs:

2018 (estimated): Replaced perimeter of low-sloped roof cladding, presumably alongside the shingle replacement.
2014 (estimated): Repainted the wood trims, as reported by the Strata Representative.

Condition / Recommendation:
No issues with water leakage were reported to us during our review. From grade, we could not see evidence of any obvious, widespread problems. In British Columbia, face-sealed and concealed-barrier systems are considered by some to be completely unacceptable; rain-screen walls are the industry standard. Given the wet weather conditions in British Columbia, even when these exterior walls look to be in reasonable condition, we do recommend wall openings to evaluate the condition of a sample of the concealed components of the wall system. This can be completed now, to reduce the risk of a major concealed problem, or can be completed later as part of ongoing maintenance to help firm up budgets as-needed.

The stucco cladding was generally in acceptable condition. We observed minor settlement and cracking consistent with stucco cladding of this age.

Wood siding performance is dependant upon being maintained in a dry condition and relies upon the protective finish and the design of the original installation. We noted the paint finish was deteriorated in some locations, notably those exposed to significant UV exposure. Splitting and warping of the wood siding was also observed.

No issues with the brick veneer were noted as it features good water management and is well protected by overhangs.

The vinyl cladding at the low-sloped roof perimeter is generally in fair condition. We observed locations where the cladding and J-trims have become loose and require minor maintenance. The J-trims also do not appear to have drainage holes and may hold water.

The exterior joint sealants generally appeared to be performing as intended; however, several locations where we would expect to see sealants were missing it. We assume local sealant replacement and installation will be handled as-needed as a maintenance expense until a whole-building cladding replacement project is completed.

2.1.1 Wall Condition Evaluation

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$7,875	$8,524	2025	15	Recurring	3	Forecasted

Project Notes:
This project budgets for wall condition evaluations to confirm an appropriate scope of work and budget for planned wall repairs. The budget includes for an engineering report, complete with destructive exploratory openings. The openings may be repaired by a contractor.

2.1.2 Replace Cladding

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$1,038,450	$1,192,853	2028	40	Recurring	3	Forecasted

Project Notes:
This project budgets for the replacement of the wood and stucco cladding. This project is timed to occur alongside the next window replacement project to save on mobilization costs and improve transitions and detailing at the windows.

2.2 Windows

Description:
There are punched windows and sliding balcony doors at all elevations. Punched windows have fixed, double-glazed insulating glass units (IGUs) in aluminum frames. Operable windows are generally slider-type. Balcony doors consist of aluminum-framed sliding glass doors (two or three-panel, double glazed IGUs).

Condition / Recommendation:
No issues relating to water or excessive air leakage through the windows were reported to us.

We noted the mitre joint sealants within the frames of the windows are starting to become brittle. Should water or condensation accumulate in the track of the window, these sealants are relied upon to keep the water our of the wall assembly. Should the drainage holes become clogged (which is common in windows of this age), the water may potentially drain past these failed sealants. We also observed some glazing tapes are exuding out of the joints between the IGUs and the window frames, also typical of windows of this age.

The windows are original, and thus are approximately 33 years old. This type of window system has a service life of about 35-40 years. We have included a budget for general window replacement to occur alongside the cladding replacement project to improve detailing at the window perimeters and to maximize economies of scale and minimize access and mobilization costs. We assume ongoing repairs (i.e., replacing IGUs, replacing weather stripping and rollers, adjusting frames, etc.) will be completed as-needed as maintenance expenses.

2.2.1 Replace Windows

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$328,020	$376,792	2028	40	Recurring	3	Forecasted

Project Notes:
The windows and balcony/patio doors are eventually expected to become obsolete, but the service life for these double-glazed modern systems is difficult to predict and, occasionally, the decision to generally replace the windows and doors is made based on other factors than operational performance criteria (i.e, to renew appearance, maintain marketability, or to take advantage of other opportunities such as energy savings rebate programs).

This project budgets for the replacement of the window and balcony/patio door systems (including frames, infill panels, etc.). Costs related to mobilization and design and tendering are included in the "Replace Cladding" project., in order to maximize economies of scale and to minimize access and mobilization costs. If the projects are completed separately, additional costs will apply.

2.3 Exterior Doors

Description:
The main entrance doors are aluminum framed with full height glazing. The garage has one motor-operated metal sectional overhead doors.

Service rooms and exits have metal doors in metal frames. We assume these doors will be replaced individually as required as an operating expense, so no projects are included.

History of Repairs:
2018: The front entry doors were replaced, as reported by the Strata Representative.

2.3.1 Replace Garage Overhead Door

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$5,250	$6,274	2030	30	Recurring	3	Forecasted

Project Notes:
This project budgets to replace the garage overhead door and motor.

2.3.2 Replace Main Entrance Door

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$5,250	$6,031	2028	30	Recurring	3	Forecasted

Project Notes:
This project budgets for replacement of the main entrance door. This project is timed to occur alongside the cladding replacement project.

2.4 Roofing

Description:
The main low-sloped roof is protected by a 2-ply modified bitumen membrane and is accessed by a ladder and hatch. There are dryer vents, make-up air equipment, and skylights installed at the roof.

The perimeter of the main roof has a sloped roof protected by asphalt shingles. Valleys are protected with sheet metal. The type of eaves protection, if any, could not be confirmed. The attic spaces are ventilated through eaves openings with perforated aluminum soffits and vents mounted on the inner face of the wall at the flat roof. The roofs have pre-finished aluminum eavestroughs and downspouts for drainage. The downspouts discharge into the below-grade drainage system.

History of Repairs:
2020: Replaced the eavestroughs and downspouts, as reported by the Strata Representative.
2018: Sloped roofing was replaced, as reported by the Strata Representative.
2007 (estimated): Flat roofing membrane was replaced, according to satellite imagery.

Condition / Recommendation:
The low-sloped roof is about 14 years old and is generally free of major, widespread problems. We noted only minor deficiencies, including degranulation due to foot traffic, construction debris left on the roof, and ponding between drains. Based on a typical service life of between 20 and 30 years, we have budgeted for replacement during the report term.

The asphalt shingles at the sloped roof were installed in recent years. As such, they are in good condition and appear to be functioning as intended. Asphalt shingles are typically expected to last between 20 and 25 years before requiring replacement.

2.4.1 Replace Low-sloped Roofing

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$194,040	$266,375	2037	25	Recurring	3	Forecasted

Project Notes:
This project budgets for replacement of the low-sloped roofing and includes the replacement of the roofing accessories and skylights.

2.4.2 Replace Sloped Roofing

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$256,163	$396,023	2043	25	Recurring	3	Forecasted

Project Notes:
This project budgets for the replacement of the sloped roofing and includes an allowance for sheathing repairs that may be required.

3. Fire Safety

3.1 Fire Safety Systems

Description:

The building has a fire alarm system. The control panel was manufactured by Edwards (Model 6616) and is in the main lobby. The fire alarm system monitors the fire detectors, supervised flow switches and valves in the suppression systems, and manual pull stations. Signaling devices are installed throughout the building.

Suppression systems include a dry sprinkler system serving the parking garage. The incoming fire line is 4" in diameter and enters the water entry room. There is an air compressor for the dry pipe sprinkler system.

Condition / Recommendation:

No issues were reported to us during our review and the inspections of the fire safety systems are up to date. We could not confirm the age of the fire alarm panel but assume it is original.

3.1.1 Replace Fire Alarm Panel

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$8,662	$8,835	2022	20	Recurring	3	Forecasted

Project Notes:

This project budgets for the replacement of the fire alarm panel. Annual testing, monitoring, and minor repairs, including individual device replacement required by the testing, are expected to be part of normal maintenance. This project assumes that the new panel will be compatible with the existing devices and wiring; if this is not the case, the budget will need to be adjusted accordingly.

3.1.2 Replace Dry Sprinkler Valve

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$5,775	$6,766	2029	40	Recurring	3	Forecasted

Project Notes:

This project budgets for the eventual replacement of the dry pipe sprinkler valve. We assume replacement of the piping will be handled as-needed.

4. Finishes, Furniture and Equipment

4.1 Entrance Lobby

Description:

Finishes include couches, tables, an electric fireplace, and artwork. The walls and ceilings are painted drywall. Flooring has a mix of carpet and tile.

The budgets shown are preliminary estimates only, as costs can vary widely depending on the materials and products chosen. The budgets and timing will need to be revised once a design is established and actual cost estimates are developed.

History of Repairs:

2011 (estimated): Painted the walls and ceilings.

Condition / Recommendation:

The entrance lobby is in good condition.

4.1.1 Renovate Entrance Lobby

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$14,700	$17,919	2031	30	Recurring	3	Forecasted

Project Notes:

This project budgets for renovation of the main entrance lobby, including the hard finishes and furnishings.

4.2 Corridors

Description:

Corridor finishes include painted drywall walls and ceilings, and carpeted floors.

The budgets shown are preliminary estimates only, as costs can vary widely depending on the materials and products chosen. The budgets and timing will need to be revised once a design is established and actual cost estimates are developed.

History of Repairs:

2011 (estimated): Painted the walls and ceilings.

4.2.1 Renovate Corridors

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$67,725	$84,208	2032	20	Recurring	3	Forecasted

Project Notes:

This project budgets for replacement of the corridor finishes, including the floor and wall coverings, ceiling and door finishes (including trim), and light fixtures. This is a preliminary estimate only, as costs can vary widely depending on the materials and products chosen. The budget will need to be revised once a design is established and actual cost estimates are developed.

4.3 Recreation Facilities

Description:

There is an activity room located at the garage level. Typical finishes include painted drywall ceilings and walls and carpeted floors.

Furnishings include couches, tables, chairs, bookcases, lamps, artwork, and a number of games, including a large pool table. There is a small kitchenette with a microwave, fridge, sink, and oven/stove. A bathroom is located adjacent to the room.

The budgets shown are preliminary estimates only, as costs can vary widely depending on the materials and products chosen. The budgets and timing will need to be revised once a design is established and actual cost estimates are developed.

4.3.1 Renovate Activity Room

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$36,355	$45,203	2032	25	Recurring	3	Forecasted

Project Notes:

This project budgets for the renovation of the party room, kitchenette, and washroom, including the furnishings.

5. Site

5.1 Site Features

Description:

Hard paving includes asphalt paving at the parking lot to the east of the building. There are small lengths of concrete walkways.

Soft landscaping includes bushes and trees around the building, as well as grass areas. There is a small bridge and gazebo in the small common courtyard.

There is a small brick and concrete block fence at the front of the building, and chain-link fencing at the east side and rear.

History of Repairs:

2015 (estimated): Replaced the fence at the north side of the property.

Condition / Recommendation:

The paving and landscaping are generally in acceptable condition. We noted cracks forming along the joints in the concrete block fencing at the front of the building due to nearby tree roots.

We have included budgets for ongoing repairs to the asphalt paving and an allowance for various landscaping and site work that may be required over the years (larger repairs to the gazebo, bridge, fencing, etc.).

5.1.1 Replace Fences

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$8,894	$12,957	2040	25	Recurring	3	Forecasted

Project Notes:

This project budgets for the general replacement of the chain-link fencing at the north and east sides of the property.

5.1.2 Asphalt Repair Allowance

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$5,775	$6,376	2026	5	Recurring	3	Forecasted

Project Notes:

This project budgets for asphalt paving repairs, as-needed.

5.1.3 Landscaping Repair Allowance

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$5,250	$5,250	2021	10	Recurring	3	Forecasted

Project Notes:

This budget is an allowance to repair various elements of the landscaping, including the gazebo and bridge.

5.2 Site Services

Description:

Site services include underground water supply and drainage, electricity, telecommunication, and natural gas from the property line to the

building.

5.2.1 Repair Allowance for Underground Services

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$5,250	$6,151	2029	10	Recurring	3	Forecasted

Project Notes:

This project is an allowance for repairs to the underground services, should repairs be required.

6. HVAC

6.1 Central Heating Plant

Description:

The central heating plant consists of a boiler with a maximum input capacity of 1,440,000 BTUH. The heater supplies hot water to the hydronic baseboard heaters located in every suite and at some of the common areas of the building. The heater also supplies the hot water in the domestic water system (discussed in the "Plumbing" section). The system also has a heat exchanger.

The hot water is distributed to the suites via a 1/6 hp distribution pump.

Condition / Recommendation:

No operational issues were reported to us relating to the boiler. While boilers of this type typically have a lifespan of 25-30 years, we expect it will remain serviceable beyond this unless problems arise. We have included a replacement budget, with a smaller overhaul budget midway through the new boiler's lifespan. We understand the maintenance contractor servicing the boiler expects it will last another 5 years.

We assume the smaller components (such as pumps) will be replaced as-needed and paid for out of the operating budget. We also assume the repair of the baseboard heaters is the responsibility of the individual owners.

6.1.1 Replace Heating Boiler

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$68,040	$73,649	2025	30	Recurring	3	Forecasted

Project Notes:

This project budgets for boiler and heat exchanger replacement, and includes an allowance for the replacement of some of the secondary components (pumps, associated piping, etc.).

6.1.2 Overhaul Heating Boiler

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$9,975	$14,532	2040	30	Recurring	3	Forecasted

Project Notes:

This project budgets for major repairs to the boiler prior to each full replacement.

6.2 Make-up Air Units

Description:

Fresh air is supplied to the corridors by two make-up air units (MAUs). The units are located at the roof. The MUAs contain no heating or air conditioning.

Condition / Recommendation:

No issues were reported to us during our review. We assume replacement of the fan motors will be completed as-needed as part of ongoing maintenance.

6.3 Ventilation/Exhaust System

Description:

The parking garage is ventilated by an exhaust fan controlled by a carbon monoxide (CO) monitoring system.

The interiors of the suites are ventilated by fans and exhausted at the roof.

Condition / Recommendation:
No issues with the ventilation/exhaust system were reported to us during our review. We noted the CO monitoring system appears to be calibrated annually.

We assume replacement of the individual exhaust fans in the suites are the responsibility of the owners.

6.3.1 Replace Garage CO Detection System

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$5,250	$6,274	2030	20	Recurring	3	Forecasted

Project Notes:
This project budgets the replacement of the CO monitoring system.

6.3.2 Replace Garage Exhaust Fan

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$4,200	$5,019	2030	30	Recurring	3	Forecasted

Project Notes:
This project budgets for the replacement of the garage exhaust fan, including the motor.

7. Plumbing

7.1 Domestic Water Boilers

Description:

The domestic hot water boiler is discussed in the "HVAC" section.

7.2 Domestic Water Piping, Valves, and Pumps

Description:

The main water service to the building is located in the water entry room. There is a 6" incoming line that splits into the domestic water service and the fire safety system (discussed in the "Fire Safety Systems" section). No backflow preventer is installed on the incoming line.

Domestic hot water is supplied by the boiler and is circulated via circulation pumps operating continuously (one pump with another on standby). The two pumps are each 1/3 hp.

The domestic hot water re-circulation headers and cold supply headers are located on the main floor and distributed through a series of risers. The distribution piping is copper, where exposed for review.

Condition / Recommendation:

Based on the age of the piping, and leakage occurring at the piping, we have included a budget for the replacement of the hot water recirculation piping in the short term. We assume isolated pinhole leaks will be addressed as part of ongoing maintenance.

At this time in the absence of major issues, no budget for the replacement of the hot and cold water supply piping is included; however, should problems in these lines begin to arise, replacement of these pipes may be required.

7.2.1 Install Back-flow Preventer

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$8,269	$8,434	2022	N/A	One time	3	Forecasted

Project Notes:

Many municipalities within the Greater Vancouver Area require the installation of a backflow preventer in larger complexes to prevent contamination of potable drinking water. Although the local officials may not be strictly enforcing the bylaw at the moment, we suggest budgeting for the installation of a backflow preventer on the incoming service line in the near future as municipalities are beginning to actively enforce the bylaw.

This item allows to install a backflow preventer on the incoming domestic water service.

7.2.2 Replace Hot Water Re-Circ. Piping and Valves

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$24,150	$26,141	2025	25	Recurring	3	Forecasted

Project Notes:

Recirculation lines are typically the first to fail, so these lines are budgeted for first. We have estimated the quantity of hot water re-circulation piping based on the lengths of the corridors. We recommend you ask your plumbing service contractor to confirm the length of piping and the project cost as the project approaches.

7.3 Drainage Systems

Description:

The storm drainage system includes rainwater stacks from roof area drains, eavestroughs, and sumps. The system drains to an 8" storm service at the northeast corner of the property.

The sanitary drainage system drains to a 6" sanitary service.

The visible storm and sanitary drainage piping is cast iron.

7.3.1 Drainage System Repair Allowance

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$5,250	$5,796	2026	5	Recurring	3	Forecasted

Project Notes:

Full replacement of storm and sanitary drain piping is unlikely to be needed over the report term. This project is a contingency for local repairs to piping and/or buried drains.

8. Electrical

8.1 Electrical Supply and Distribution

Description:

Electricity is supplied underground from a pad-mounted transformer at the southwest corner of the site.

The main switchgear in the electrical room is rated for 600A, 120/208V, 3-phase. Electricity is then distributed to two disconnects, each 300A and serving half of the suites (north wing and south wing). There is also a 200A house disconnect. The suites are individually metered, as is the house service.

Condition / Recommendation:

No issues were reported to us during our review.

Major electrical equipment has an average service life of about 40 to 50 years. The building is approaching an age where some capital expenditures are likely to be needed, but the scope and timing of such work is difficult to predict. Based on age, we have included a budget to replace the main switchgear.

We recommend that all panels and equipment be thermally scanned every few years to identify hot spots that require repair. The scans and related repairs found to be needed (assuming minor tightening, etc.) are assumed to be a maintenance expense.

8.1.1 Electrical Distribution System Repair Allowance

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$5,250	$5,571	2024	10	2	3	Forecasted

Project Notes:

This project budgets for minor repairs and replacements of smaller electrical components not individually itemized, including distribution panels, small disconnect switches, and splitter boxes, and will be periodic until a general replacement is completed.

8.1.2 Replace Main Switchgear

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$46,200	$72,853	2044	50	Recurring	3	Forecasted

Project Notes:

This project budgets for the replacement of the main electrical equipment. The timing and lifecycle of the electrical equipment can be hard to predict. With regular maintenance and if no issues arise, this project may be deferred beyond its expected lifespan.

8.2 Lighting

Description:

Garage lighting generally consists of ceiling-mounted T8 fixtures with LED lamps. The corridors generally contain wall-mounted sconces. Exterior lighting consists of wall-mounted fixtures at the balconies, pot lights at the main entryway, and various small lighting fixtures throughout the remaining walls and site.

Condition / Recommendation:
No concerns with the lighting were reported to us during our review. We expect replacement of the corridor lighting will be handled as-needed as a maintenance item. The lamps may be upgraded as they fail. Replacement of the exterior lighting on the building should be replaced alongside the next cladding replacement project so no budget is included here. Replacement of the site lighting is expected to be completed as-needed.

We understand replacement of the garage lighting with LED lamps is planned for 2021. We assume the fixtures will not require replacement. We have included a budget for this work based on discussions with the Strata Representative.

8.2.1 Replace Garage Lighting Lamps

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$2,888	$2,888	2021	25	One time	3	Forecasted

Project Notes:
This project budgets for the replacement of the lamps in the parking garage with new LED lamps. We assume the fixtures will not require replacmenet.

8.2.2 Replace Garage Lighting Fixtures

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$15,015	$21,874	2040	25	Recurring	3	Forecasted

Project Notes:
This project budgets for the replacement of the light fixtures and lamps in the parking garage.

9. Conveyance

9.1 Elevators

Description:

The building has one hydraulic passenger elevator. The elevator serves all floors.

Condition / Recommendation:

No issues or concerns were reported to us. We assume the elevator is regularly serviced by a maintenance contractor.

Buried hydraulic cylinders are at risk of rupture resulting from corrosion. Based on age, the elevator likely incorporates internal safety bulkheads (designed to limit uncontrolled car motion in the event of a leak in the hydraulic pressure system), but the system was installed before modern corrosion protection measures (i.e., PVC cylinder liners) were mandatory. We recommend having the funds available to replace the cylinder within the report term. The budget shown does not include allowances to address potential soil contamination resulting from previous oil leakage.

9.1.1 Modernize Hydraulic Elevator

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$80,850	$98,556	2031	30	Recurring	3	Forecasted

Project Notes:

This project budgets for elevator modernization, including replacement of the controls and upgrades to the cab finishes.

9.1.2 Replace Hydraulic Elevator Cylinder

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$57,750	$80,864	2038	50	Recurring	3	Forecasted

Project Notes:

This project is a placeholder allowance to replace the elevator cylinder. The budget does not include an allowance to address soil contamination resulting from oil leakage, assuming that this will not be required.

All buried hydraulic cylinders are at risk of rupture resulting from corrosion and have, in the past, failed catastrophically in some buildings, seriously injuring the passengers. It is important to note, however, that in all instances the failure was preceded by a history of unaccounted oil loss. It is therefore critically important that maintenance personnel clearly scribe appropriate oil levels on the equipment and diligently monitor for unaccounted oil loss. Upon encountering unexplained oil loss, the elevator should be immediately taken out of service and the provincial safety authorities advised.

10. Miscellaneous

10.1 Security Systems

Description:

There is an enterphone panel located at the entryway and security surveillance throughout the building and site.

History of Repairs:

2020 (estimated): The building security system was replaced, as reported by the Strata Representative.

Condition / Recommendation:

No issues or concerns were noted during our review.

10.1.1 Replace Security System

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$17,325	$25,239	2040	20	Recurring	3	Forecasted

Project Notes:

This project budgets for the replacement of the security system.

10.2 Consulting Services

Description:

From time to time, Corporations engage consultants such as engineers, lawyers, or other professionals. In some instances, these services can be paid from the Reserve Fund.

10.2.1 Depreciation Report with Site Visit

Present Cost	Inflated Cost	First Occur.	Cycle	# Occurrences	Class	Status
$5,250	$5,571	2024	3	Recurring	3	Forecasted

Project Notes:

This project budgets for Depreciation Report updates with a site visit.

Scope Of Work

Authorization

This Depreciation Report was commissioned by Strata Plan No. NW 2912 in accordance with our proposal, dated March 12, 2019 and authorization to proceed received December 16, 2020.

Mandate

As per the Strata Property Act Regulations, we confirm our qualifications as follows:

- We are a firm of engineers and consultants who have prepared Depreciation type reports across the Country since the early ’90s. Our Team is familiar with all building systems, their failure mechanisms and required maintenance, repair, and replacement needs. We have completed over 500 such reports in BC for Stratas since 2004.

- We carry $2,000,000 in errors and omissions insurance.

- At the time of writing this report, no member of the project team carries any ownership in this Strata, thereby solely providing independent 3rd party consulting services to the Strata.

In preparing this Depreciation Report for the Strata, we:

- Reviewed and visually evaluated the condition of the major common element components (without completing any destructive testing);

- Prepared an inventory of common elements we expect to deteriorate and require repairs or replacement based on our best interpretation of Corporation documentation;

- Estimated the scope of repairs or replacement, which is likely to be required;

- Predicted the times when repairs or replacements will be necessary and the life expectancies following the repairs;

- Provided our opinion of the costs required to carry out the repairs or replacements; and

- Calculated various funding scenarios to determine options for contributions into the Contingency Reserve Fund to plan for future expenditures.

We include items, which typically require replacement because their service life is shorter than the service life of the building (such as caulking, roofing, equipment, etc.). We also include items, which would not have been anticipated to be required when the building was new, but which have become necessary due to building specific deterioration (concrete repair related to poor durability, window modifications due to loss of internal seals, etc.). There may be expenses, which arise, which we have not anticipated, related to concealed conditions or unexpected deterioration. As long as these relate to the repair or replacement of the common elements, they can often be paid out of the Contingency Reserve Fund provided the report is updated to account for the impact of these expenditures.

If you are in doubt about whether or not an expenditure can be paid for out of the Contingency Reserve Fund, we recommend you check with your legal counsel or chartered accountant.

.

Survey Method

We reviewed the building on January 15, 2021.

The survey consisted of a visual review of portions of the building, including:

- suites: 108, 110, 203, 206;
- the exterior walls, windows, and doors from grade, and from interior areas we accessed;
- balconies, terraces, and patios from grade, and from interior areas we accessed;
- the roofs;
- the parking garage;
- service rooms: mechanical, electrical, etc.;
- common rooms and areas; and
- the perimeter site.

There was no access to the elevator pit or hoistway.

Information Provided

We reviewed the provided financial statement for November 2020.

A representative from the Strata answered questions about the history of performance of the various systems, described existing capital plans, etc., and accompanied us for a portion of our review.

Limitations

WSP Canada Inc. is the “Consultant” referenced throughout this document.

Our scope of work and responsibilities related to this report are defined by the documents that form the agreement and authorization for this work.

Any user accepts that decisions made or actions taken based upon interpretation of our work are the responsibility of only the parties directly involved in the decisions or actions.

No party other than the Client shall rely on the Consultant’s work without the express written consent of the Consultant, and then only to the extent of the specific terms in that consent. Any use which a third party makes of this work, or any reliance on or decisions made based on it, are the responsibility of such third parties. Any third party user of this report specifically denies any right to any claims, whether in contract, tort and/or any other cause of action in law, against the Consultant (including Sub-Consultants, their officers, agents, and employees). The work reflects the Consultant’s best judgment in light of the information reviewed by them at the time of preparation. It is not a certification of compliance with past or present regulations. Unless otherwise agreed in writing by the Consultant, it shall not be used to express or imply warranty as to the fitness of the property for a particular purpose. No portion of this report may be used as a separate entity; it is written to be read in its entirety.

Only the specific information identified has been reviewed. No physical or destructive testing and no design calculations have been performed unless specifically recorded. Conditions existing but not recorded were not apparent given the level of study undertaken. Only conditions actually seen during examination of representative samples can be said to have been appraised and comments on the balance of the conditions are assumptions based upon extrapolation. Therefore, this work does not eliminate uncertainty regarding the potential for existing or future costs, hazards or losses in connection with a property. We can perform further investigation on items of concern if so required.

The Consultant is not responsible for or obligated to identify, mistakes or insufficiencies in the information obtained from the various sources, or to verify the accuracy of the information.

No statements by the Consultant are given as or shall be interpreted as opinions for legal, environmental or health findings. The Consultant is not investigating or providing advice about pollutants, contaminants or hazardous materials.

The Client and other users of this report expressly deny any right to any claim against the Consultant, including claims arising from personal injury related to pollutants, contaminants or hazardous materials, including but not limited to asbestos, mould, mildew or other fungus.

Applicable codes and design standards may have undergone revision since the subject property was designed and constructed. As an example, design loads (such as those for temperature, snow, wind, rain, seismic etc) and the specific methods of calculating the capacity of the systems to resist these loads may have changed significantly. Unless specifically included in our scope, no calculations or evaluations have been completed to verify compliance with current building codes and design standards.

Budget figures are our opinion of a probable current dollar value of the work and are provided for approximate budget purposes only. Accurate figures can only be obtained by establishing a scope of work and receiving quotes from suitable contractors.

Time frames given for undertaking work represent our opinion of when to budget for the work. Failure of the item, or the optimum repair/replacement process, may vary from our estimate.

Photos

Photo No. 1: North elevation

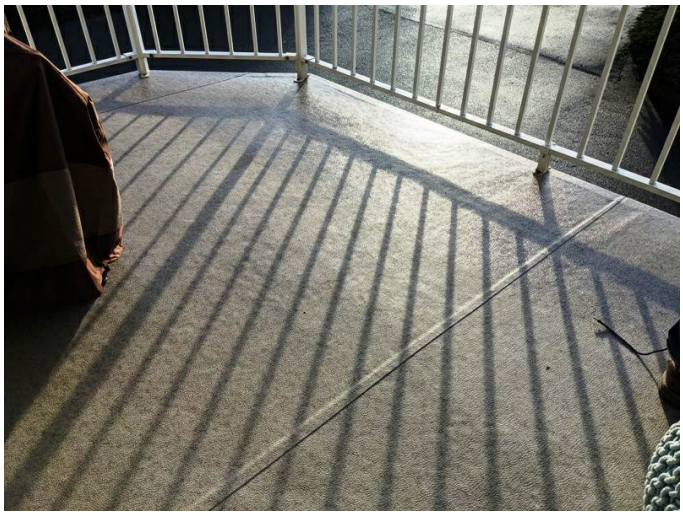

Photo No. 2: Vinyl balcony membrane

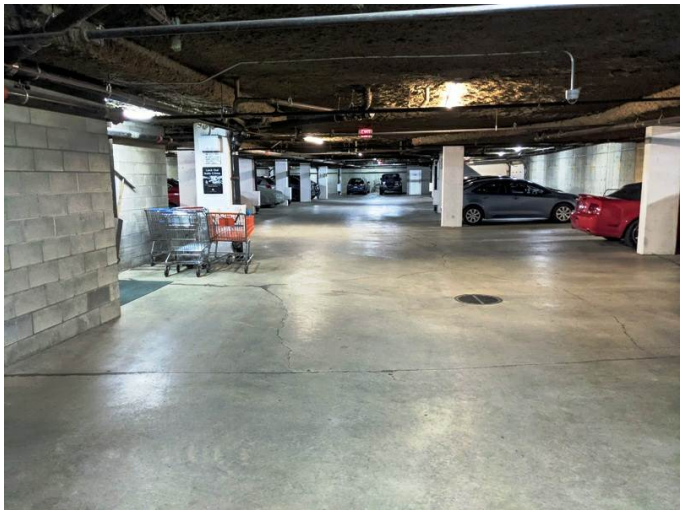

Photo No. 3: Parking garage

Photo No. 4: Typical elevation

Photo No. 5: Stucco cladding

Photo No. 6: Wood cladding and trims

Photo No. 7: Joint sealants

Photo No. 8: Low-sloped roofing

Photo No. 9: Sloped roofing

Photo No. 10: Aluminum-framed window and sliding door

Photo No. 11: Main entryway

Photo No. 12: Garage door

Photo No. 13: Fire alarm panel

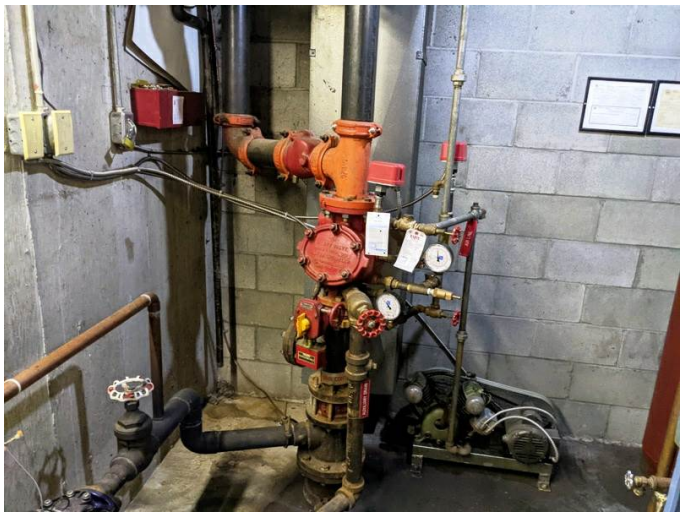

Photo No. 14: Fire suppression system

Photo No. 15: Main lobby

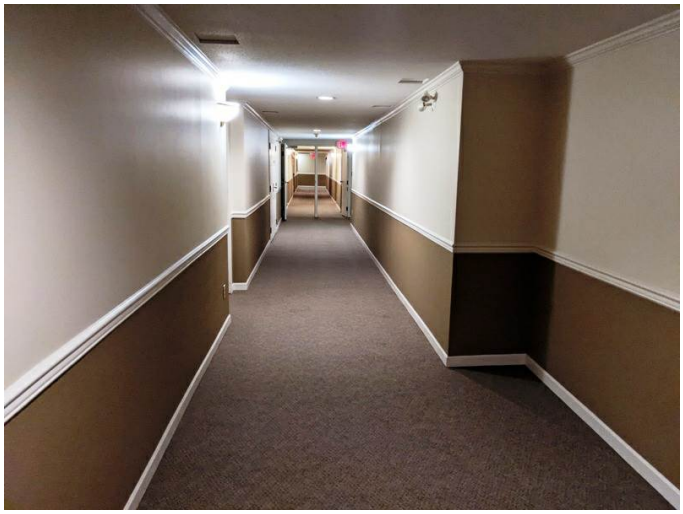

Photo No. 16: Typical corridor

Photo No. 17: Activity room

Photo No. 18: Typical landscaping

Photo No. 19: Chain-link fencing

Photo No. 20: Hot water boiler and heat exchanger

Photo No. 21: Hydronic baseboard heating

Photo No. 22: Make-up air unit

Photo No. 23: Garage exhaust fan

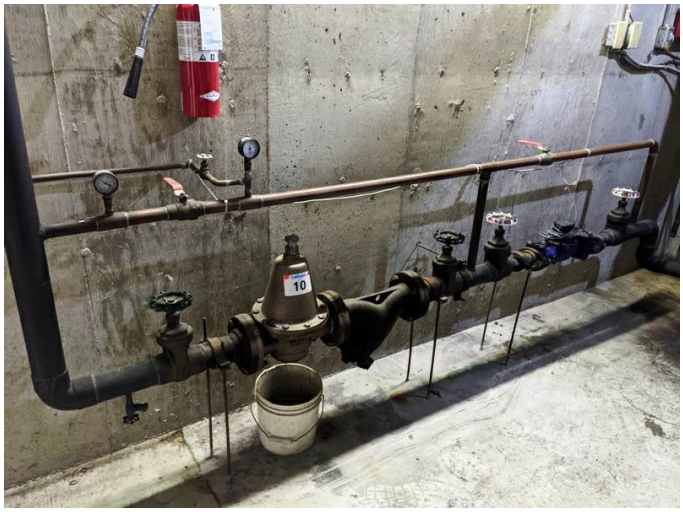

Photo No. 24: Domestic water service

Photo No. 25: Electrical room

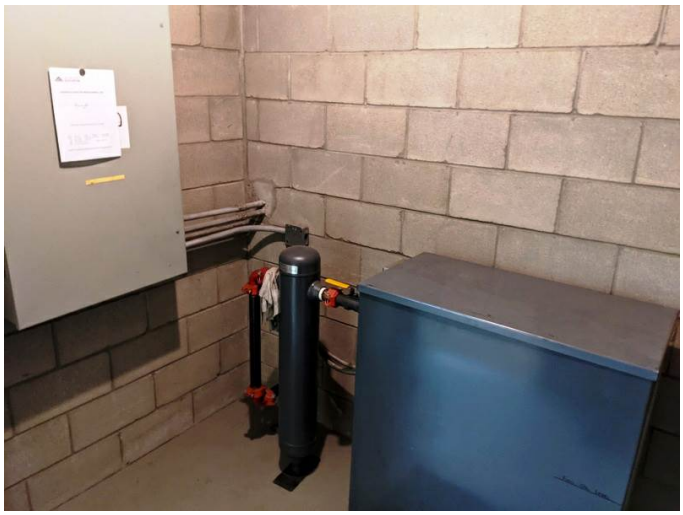

Photo No. 26: Elevator room