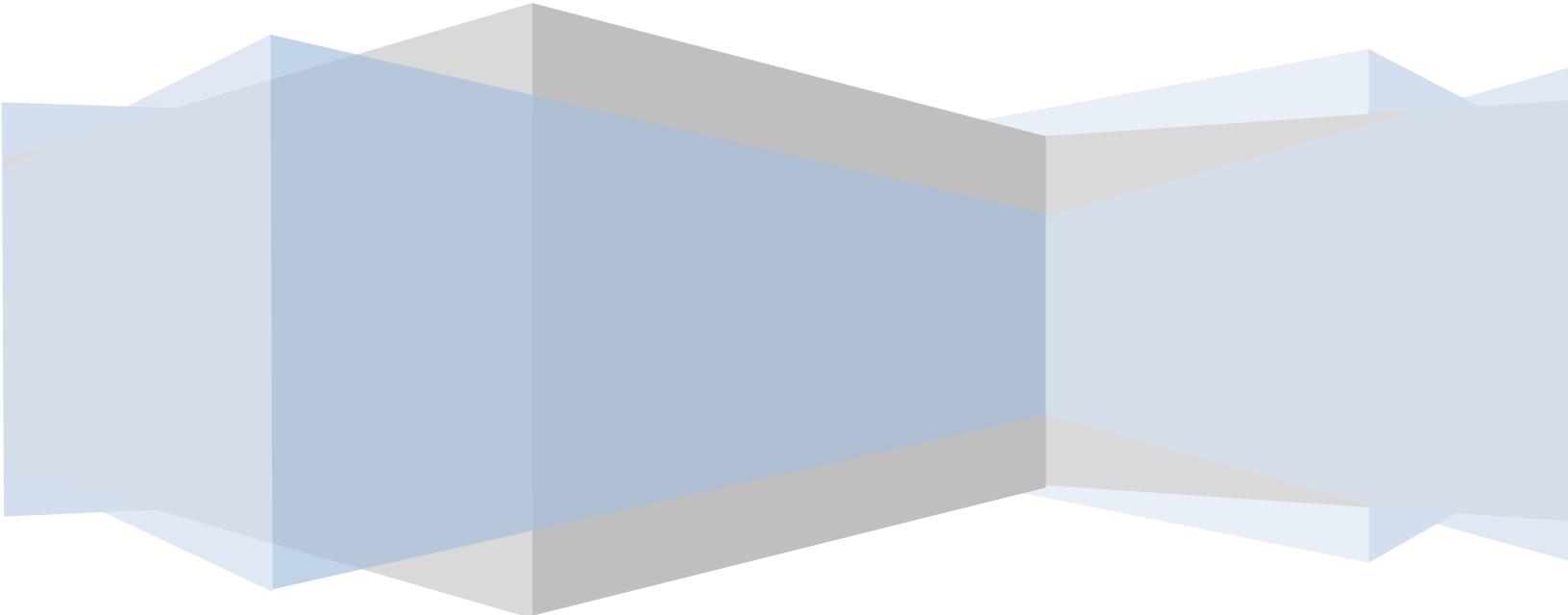




Depreciation Report

NWS 2040 – Mountaingate





Cover Letter

Absolute Building Science Strata

#408 - 4621 Canada Way
Burnaby, BC V5G 4X8

July 21, 2025

Strata Plan NWS 2040
9215-9299 Braemoor Pl & 9040-9299 Moorside Pl & 9120-9155 Ridgemoor Pl
Burnaby, BC V5A 4E1 & V5A 4E2 & V5A 4E3

RE: Depreciation Report for Strata Plan NWS 2040
File No. NW2040DR25

Dear Sirs or Mesdames,

The subject of this depreciation report consists of “Mountaingate”, a 36-unit townhouse complex constructed in 1983 and located at 9215-9299 Braemoor Pl & 9040-9299 Moorside Pl & 9120-9155 Ridgemoor Pl in Burnaby, BC. We are pleased to present you with the enclosed depreciation report, which we believe will serve as the basis of your reserve planning to help better equip your members for future expenditures.

The depreciation report (the “Report”) describes the common property condition and provides immediate and future replacement cost estimates. The replacement cost estimates serve as a basis for financial modeling and contingency reserve fund management. The Report is a document prepared based on on-site reviews and financial analyses. The replacement cost estimates herein apply solely to property defined as common property, unless otherwise noted. This Report is subject to the Assumptions and Limiting Conditions in Section 2.1 and to the Assumptions and Qualifications in Appendix C.

We have assessed the subject property and reviewed all documentations made available by the Strata Corporation. With extensive analyses performed in conjunction with all pertinent data, our cash flow models predict that the optimal reserve fund management includes the following:

- 1) Contributions of \$140,939 to the contingency reserve fund (CRF) in the upcoming fiscal year – Refer to Section 5 for recommendation details; and
- 2) An increase of monthly fee allocations to the CRF by \$188.01 per unit. (Note that this does not necessarily entail an increase in strata fees, but rather an increase in the allocations to the CRF within the annual budget.) – Refer to Section 3.3.2 for full 30-year scope details.

We are hereby delivering to you a report describing our study objectives, methods of research, results, and recommendations.



We appreciate the opportunity of compiling this depreciation report for you and would be honoured to provide you with reviews and updating services as required in the future. If you have any questions, please do not hesitate to contact the undersigned.

Respectfully yours,

Absolute Building Science Strata

Prepared by,

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Reviewed by,

Diana Tarna-Bacosca

Diana Tarna-Bacosca, M.Eng.
Division Manager

Disclaimer: The work underlying this report was, by agreement with your strata council and in compliance with the provisions of the Act and Regulation, of limited scope. Given the constraints of the study, nature of building structures, future economic trends and a multitude of factors, there will always be uncertainty with respect to the assumptions underlying the remaining useful life of common property components, projected future expenditures, inflation and return on investments. This report cannot, and does not eliminate uncertainty regarding existing, or future defects in the common property, cost variations, unpredictable hazards, or losses in connection with the property. Neither physical testing nor verification of conformance with design parameters or building codes were performed, unless specifically noted. Given the limitations of the physical study undertaken, only conditions visibly apparent during examination of a representative sample of components have been considered in this report.



*NWS 2040 – Mountaingate
9215-9299 Braemoor Pl & 9040-9299 Moorside Pl & 9120-9155 Ridgemoor Pl
Burnaby, BC*



Executive Summary

Property Statistics			
Municipal Address	9215-9299 Braemoor Pl & 9040-9299 Moorside Pl & 9120-9155 Ridgemoor Pl, Burnaby, BC		
Registered Strata Plan	NWS 2040		
Real Property Type	Wood-frame townhouse complex		
Number of Units	36		
Year of Construction*	Circa 1983		
Designated Land Use	Multifamily residential		
Reserve Fund Components	Total of 32 components: 18 Shell, 4 Services, 2 Equipment and furnishings, 8 Site improvements.		
Financial Statistics			
Date of Study	May 6, 2025		
Critical Assumptions	The review is limited to readily accessible and visible building components and documents. Certain inaccessible, hidden problems may not be detected.		
Contingency Reserve Fund Balance (Opening amount of the current fiscal year)	\$269,595		
Future Replacement Costs	First 10 years: \$2,431,911 Final 20 years: \$3,313,057		
CRF Contributions and Financial Strength Over 30-year Projection		Contributions	Financial Strength
Current investment schedule:		\$1,851,320	34%
Early investment schedule:		\$6,389,189	100%
Delayed investment schedule:		\$4,842,730	73%
Capped increase schedule:		\$3,283,226	51%
Capped special levies schedule:		\$4,391,895	65%

*For phased developments, the earliest completion year of all phases may be chosen.



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1. Introduction

1.1 Strata Development

A strata development divides land and buildings into parts for separate ownership with common features. The part of the property that an individual owns is known as the "strata lot", whereas the remainder of the property is known as "common property". Strata-titled properties, commonly known as condominiums, provide freehold ownership of a strata lot, together with the use of common property and facilities jointly owned with all strata units.

The strata development is administered by a Strata Corporation comprising of all owners within the strata development. The Strata Corporation is the decision-making body responsible for maintaining, managing, repairing, and insuring the common property and common assets. The Strata Corporation is also tasked with record-keeping responsibilities and must enforce its bylaws or rules.

The Strata Property Act¹ (the "Act"), bylaws, and Strata Plan of the corporation are the typical documents governing the operation of the Strata Corporation. They form the legal basis of the Strata Corporation and are generally enforceable in a court of law should the need arise.

As legislated within the Act, an executive body, known as a strata council, is elected annually by the strata owners to oversee the Strata Corporation during intervals between general meetings of all members. The strata council meets at regular intervals and makes decisions on behalf of and binding upon all owners for matters concerning the administration of the strata development that do not require the vote of the strata owners.

The strata council usually hires a strata manager or property manager for the management and maintenance of all common areas and facilities including the exterior of the building(s). The strata manager implements the decisions of the strata council, approves expenses, pays accounts according to the budget, administers the collection of monthly maintenance fees, and performs other like duties. In cases of self-managed stratas, the strata council directly oversees the management and maintenance of all common areas and facilities, assuming the duties of a strata manager.

¹ *Strata Property Act*, SBC 1998, c 43, as amended

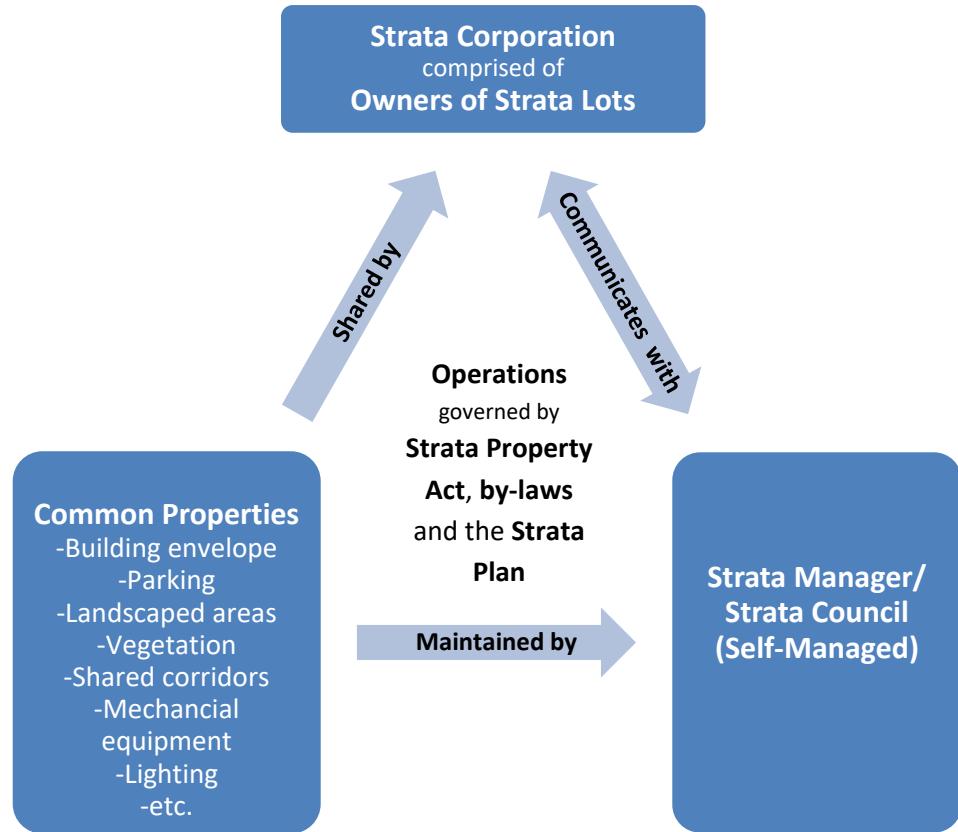


Figure 1: The strata community

1.2 Finances

In order to cover the costs of operating the strata, owners are assessed dues (termed maintenance fees or strata fees) for their proportionate share of the Strata Corporation's expenses based on their unit entitlement (a measure of the owner's allocated interest within the development). The strata fees are used to establish: 1) the operating fund, and 2) the contingency reserve fund.

1.2.1 Operating Fund

The operating fund is set up for expenses that relate to the common properties and common assets of the Strata Corporation that occurs at least once per year². These are normally recurring administrative expenses or costs that relate to the routine maintenance of the common properties. Operating expenses are not taken into consideration for the purposes of this report.

² *Ibid*



1.2.2 Contingency Reserve Fund

The contingency reserve fund (“CRF”) is a separate fund required by the Act to cover expenditures that occur less than once per year or do not usually occur³ (e.g., major repairs like roof repairs, machinery repairs, etc.). We also utilize a material threshold for common reserve expenditures targeted at \$5000. Repair/replacement cost typically estimated to be less than the material threshold may not be included in the asset renewal planning. However, in some cases, we may include an aggregate for an asset in the Report despite the individual components that form the assets having a repair/replacement cost less than the set material threshold. Budgeting for CRF expenditures and planning for adequate funding of the CRF is an important responsibility of the Strata Corporation. The CRF is required to be maintained in a separate account from the Operating Fund.

1.2.3 Special Levy

The Strata Corporation may raise money from the owners by means of a special levy for various reasons, the primary reason being that the CRF is insufficient to cover the Strata Corporation's existing or anticipated expenditures. A special levy must be approved by a resolution passed by a minimum 3/4 vote at an annual or special general meeting.

³ *Ibid*



1.2.4 Legislation Governing the CRF

1.2.4.1 Contributions

Contributions to the CRF are approved in the annual budget by a majority vote of the owners and collected as a proportion of strata fees. Contributions to the CRF are not refundable to owners. Typically, the CRF may have contributions from current and previous strata lot owners. CRF contributions are based on the unit entitlement of each strata lot in the Strata Corporation.

Contributions to contingency reserve fund

Section 6.1 of the Strata Property Regulation (the "**Regulation**") establishes the minimum requirement for the purposes of determining the amount of the annual contribution to the CRF, as outlined below⁴:

- 6.1 (i) For the purposes of section 93 of the Act, the amount of the annual contribution to the contingency reserve fund for a fiscal year, other than the fiscal year following the first annual general meeting, must be determined after consideration of the most recent depreciation report, if any, obtained under section 94 of the Act.
- (ii) The amount of the annual contribution to CRF must be at least 10% of the total amount budgeted for the contribution to the operating fund for the current fiscal year.

1.2.4.2 Expenditures

Expenditures from the CRF must be consistent with the purpose of the CRF. The expenditure can be approved by a majority vote if it is related to the repair, maintenance or replacement, as recommended by a depreciation report, of common property, common assets or portions of a strata lot for which the Strata Corporation has taken responsibility by bylaw. In almost all other expenditures, a $\frac{3}{4}$ vote is required for approval.

1.2.4.3 Investing the CRF

The CRF can be invested or held in insured accounts with savings institutions in British Columbia and in those investments permitted by Strata Property Regulation 6.11. The CRF must be accounted for separately from other monies held by the Strata Corporation or separate section and must include any interest or income earned on the CRF.

⁴ *Strata Property Regulation*, BC Reg. 238/2011, s 6.1, as amended

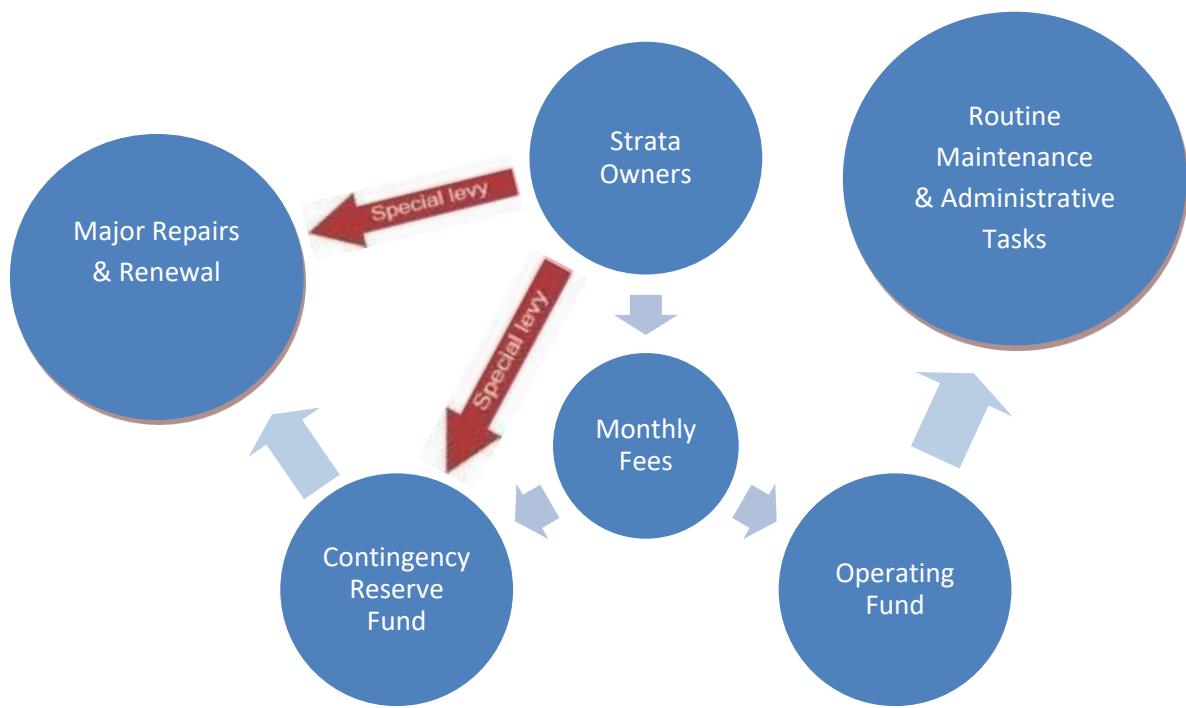


Figure 2: Financial structure of the strata community



1.3 Depreciation Reports

The depreciation report, also known as a reserve fund study, is a legislated planning requirement for Strata Corporations in British Columbia. Depreciation reports serve to guide and assist with long-term planning for CRF management. They are prepared after a thorough assessment of common properties and finances of the Strata Corporation, taking into account projected expenditures, replacement costs, and other factors.

Common properties for the purposes of a depreciation report include those items that comprise the common property, the common assets, the parts of a strata lot and/or limited common property that the Strata Corporation is responsible to maintain or repair under the Act⁵, and the Strata Corporation's bylaws or an agreement with an owner, including, but not limited to, the following items:

- the building's structure;
- the building's exterior, including roofs, roof decks, doors, windows and skylights;
- the building's systems, including the electrical, heating, plumbing, fire protection and security systems;
- common amenities and facilities;
- parking facilities and roadways;
- utilities, including water and sewage;
- landscaping, including paths, sidewalks, fencing and irrigation;
- common interior finishes, including floor covering and furnishings;
- green building components; and
- balconies and patios.

1.3.1 Benefits of a Depreciation Report

Some important benefits to a well-prepared depreciation report are listed as follows:

- A. A depreciation report may assist the Strata Corporation in ensuring that the Strata Corporation complies with the Act. As discussed earlier, the Regulation⁶ set out certain thresholds for the management of the CRF. The depreciation report recommends different cash-flow models that will balance expenditures and corresponding special levies to assist the Strata Corporation with maintaining such compliance.

⁵ *Strata Property Act*, *supra* note 1

⁶ *Strata Property Regulation*, *supra* note 3



- B. A depreciation report presents various analysis and models illustrating the concept of reserve fund planning. It aids the strata in prioritizing capital replacement and maintenance expenditures, which may in turn optimize strata investments over time. The models underlying the analyses reflected in the depreciation report incorporate assumptions on return on investments, inflation, the accumulation of strata fee contributions, the timing and amount of special levies relative to the projected timing and future costs of major repairs and replacements.
- C. A depreciation report provides a measure of a strata's "financial strength" in the form of a ratio of the CRF to projected expenditures. Lending institutions, owners and prospective buyers, may look to the depreciation report to evaluate the likelihood, over time, of strata fee increases and special levies. Therefore, a depreciation report may assist in establishing credit, in personal financial planning, in appraising the value of a Strata Lot and in the negotiation of the purchase price of a Strata Lot.
- D. A depreciation report may assist the Strata Corporation with the preservation of the common property value through establishing a timely major maintenance and replacement schedule. It identifies the condition of major items of the common property of a Strata Corporation and their estimated future maintenance/replacement costs. It also provides preventative maintenance recommendations, which can guide the strata council with respect to maintenance and repair which may extend the component's useful life.
- E. A depreciation report may also identify risks to Strata Corporations, and potential expenditures not previously recognized, allowing for better planning. Many Strata Councils and Owners assume that their budgeted CRF contributions will adequately cover future expenditures. However, original estimates may be outdated, or may not account for modifications made since the complex was new.

1.3.2 Legislation Regarding the Depreciation Report

The depreciation report must be completed by a "qualified person" as defined in the Act⁷. It must be based upon on-site visual inspection, physical component inventory, summary of repairs and maintenance work on common property (for items that usually occur less than once per year or that do not usually occur), a financial forecasting section, and other information specified in the Regulation⁸. As of July 1, 2024 a depreciation report is required to be obtained every 5 years by Strata Corporations consisting of 5 or more lots. These details outlined within the Act⁹ can be found in Appendix A.

⁷ *Strata Property Act*, SBC 1998, c 43, s 94.1

⁸ *Strata Property Regulation*, BC Reg. 238/2011, s 6.2

⁹ *Strata Property Act*, SBC 1998, c 43, s 94



1.4 Objectives

This depreciation report can be used as a guide for establishing long term planning for management of common assets or properties listed in detail in Section 1.3. In this report, we describe the following:

- Common properties the Strata Corporation owns;
- Condition of common properties in the Strata Corporation;
- Projected timeline for replacement or major maintenance and repairs of components of the common property of the Strata Corporation.
- Opening balance and projected balances of the CRF at year ends on various assumptions as set out in the report.
- Estimated current cost and inflation-adjusted future cost of replacement or major repairs of common property components.
- Five cash flow models projecting year by year for 30 years the funds available in the CRF relative to the projected future costs on various assumptions with respect to strata fee contributions to the CRF and special levies.

1.5 Intended Use

This depreciation report has been completed for the exclusive use of the owners of the Strata Corporation, Strata Plan NWS 2040. No other party may rely on the report without explicit written approval of Strata Engineering. This depreciation report may be attached to the “Form B: the information Certificate” in accordance with the Strata Property Act¹⁰. This depreciation report is subject to the assumptions and limiting conditions set out in Appendix C attached hereto.

¹⁰ *Strata Property Act*, SBC 1998, c 43, as amended



2. Methods

A physical assessment and a financial assessment were first performed, providing information regarding the current status of the property. After determining the common assets, the data were used to generate different strategic plans.

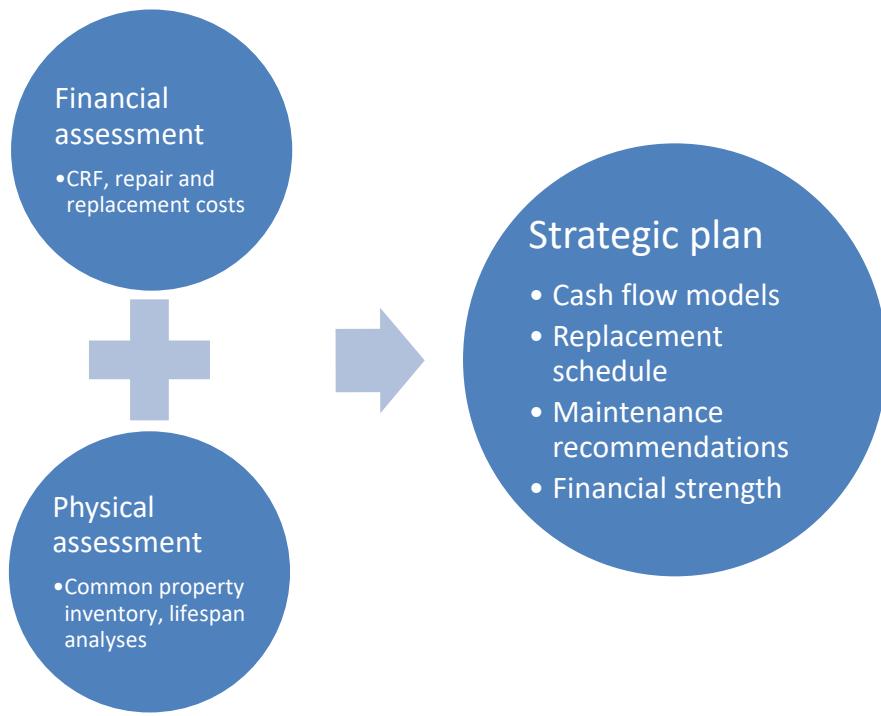


Figure 3: Formulation of the strategic plan

2.1 Assumptions and Limitations

This report contains recommendations based on information available for our review at the time of preparation. This is not a certification of compliance with past or present regulations. This depreciation report is to be read in its entirety and as a whole. No portion of this report can be severed or read independently of the other portions.

The work underlying this report was, by agreement with your strata council and in compliance with the provisions of the Act and Regulation, of limited scope. Given the constraints of the study, nature of building structures, future economic trends and a multitude of factors, there will always be uncertainty with respect to the assumptions underlying the remaining useful life of common property components, projected future expenditures, inflation and return on investments. This report cannot, and does not eliminate uncertainty regarding existing, or future defects in the common property, cost variations, unpredictable hazards, or losses in connection with the property.



Neither physical testing nor verification of conformance with design parameters or building codes were performed, unless specifically noted. Given the limitations of the physical study undertaken, only conditions visibly apparent during examination of a representative sample of components have been considered in this report.

Only specific information identified below has been reviewed. Absolute Building Science Strata Engineering (Strata Engineering) is not obligated to identify mistakes, or insufficiencies in the information obtained from the various sources or to verify the accuracy of the information.

The depreciation report estimates are subjective and are provided for approximate budgeting purposes only. The report should only be relied upon for general guidance and planning of the Strata Corporation. The figures are calculated based on our educated understanding of life cycle of building components and comparative analyses of similar properties over time. Accurate replacement costs for building components can only be obtained after proper design and tendering processes, with scopes of work established and contractors' obligations identified. The estimated time frame for undertaking replacement or maintenance work represents our opinion at the time of report preparation and may vary based on real-time conditions. Failure of an item, or an optimum repair or replacement process, may vary from our estimates. Additional engineering investigations are required for more certainty in establishing the scope of work and replacement requirements.

In issuing this report, Strata Engineering does not assume any of the duties, or liabilities of the original designers, builders or owners of the subject property. Owners, prospective purchasers, tenants, or others who use, or rely on the contents of this report, do so with the understanding that Strata Engineering cannot be held liable for damages which may be suffered with respect to the purchase, ownership, or use of the subject property.

2.2 Physical Assessment

2.2.1 Physical Inspection

A site visit was performed by Bhargav Patel of Strata Engineering on May 6, 2025 at 9215-9299 Braemoor Pl & 9040-9299 Moorside Pl & 9120-9155 Ridgemoor Pl in Burnaby, BC.



2.2.2 Documentation Review

The following documents were reviewed upon availability from the Strata Corporation:

- Strata plan and architectural drawing
- Annual general meeting minutes and council meeting minutes (2023-2024)
- Balance sheet and approved budget (Dec 2024)
- Strata Corporation Bylaws
- Strata Engineering depreciation report component checklist
- Bridges condition review report (Mar 2025)
- Depreciation report (Jun 2021)

2.2.3 Inspection of Common Properties

2.2.3.1 Common Property Classification

Within this report, we classified the common properties assets according to the Uniformat II¹¹ system, specified by the National Institute of Standards and Technology. The Uniformat II system is organized into seven major building component divisions, with a letter assigned to each specific division. The building components inspected are classified into the following divisions¹² (examples of such components are indicated below):

1. ***Substructure:*** Slab on grade, underground parking and basement structures etc.
2. ***Shell:*** Roof construction, exterior walls, exterior windows, balconies, decks etc.
3. ***Interiors:*** Common wall finishes, floor finishes, stairs, partitions etc.
4. ***Services:*** Elevators and lifts, heating ventilation & air conditioning, fire protection etc.
5. ***Equipment and furnishings:*** Commercial, institutional equipment, furniture etc.
6. ***Special construction and demolition:*** Special facilities, integrated construction etc.
7. ***Site improvements:*** Paving, landscaping, fencing, sewers etc.

2.2.3.2 Reserve Component Inventory

The reserve component inventory was compiled following the site visit and included in Section 3.2. It lists all common properties reviewed, along with their quantities and life cycle indices.

¹¹ ASTM Uniformat II for Building Elements (E1557-97)

¹² Components belonging to certain divisions may not be inspected due to accessibility issues.



2.2.4 Remaining Useful Life (RUL) Estimation

The method of estimating the remaining useful life of the components first necessitates the determination of their physical condition. The chronological age of any asset may not equate to its effective age. Some assets' lifetimes may have been prolonged by continued maintenance whereas others might have undergone rapid deterioration due to unforeseen circumstances or neglect.

In this Report, the effective age of a common property is estimated via documentation review, discussion with facility representatives, and visual examination. The total useful life is estimated based on industry standards of comparative improvements. Generally, the RUL is thus represented by the following equation:

$$\text{Remaining useful life(RUL)} = \text{Estimated useful life(EUL)} - \text{Effective age(EA)}$$

In cases where the component's RUL is labelled as "contingency", this simply means an allowance is included in the plan to address partial repairs and replacements of the assets described in the component as they are unlikely to fail all at the same time. The component as a whole does not have a definite remaining life span as the condition of the individual parts varies. Equivalently, the various assets that make up the component as a whole does not have a definite Estimated Useful Life "EUL" and therefore may also be listed as "contingency", "various", or "building life".

Please note that in the process of determining the remaining useful life of each component, no destructive testing was carried out on any of the common properties, nor were the common properties disassembled or subjected to confirmation of functionality.

2.3 Financial Assessment

Over the life of every building, owners contribute towards operating, maintenance, and renewal costs of capital assets. Occasionally, more comprehensive rehabilitation costs are also incurred.

The financial assessment identifies the following:

- The current replacement costs of the common properties and their future replacement costs;
- The status of the current CRF balance and how it is impacted by ongoing CRF requirements; and
- The ability of the current budget to meet major maintenance renewal needs.

This depreciation report is primarily concerned with costs of building upkeep. Expenditures such as legal consultation fees, warranty claims, investigative report fees, and unforeseen emergency expenses are not included.



2.3.1 Future Replacement Cost Estimation

The future replacement cost estimation is performed using the current replacement cost compounded by an average inflation rate across the remaining useful life of the components. Replacement costs were estimated based on the cost data service provided by RSMeans Online¹³, National Construction Estimator, Get-A-Quote, and our quotation database collected over time from contractors and supplier. Inflation measurement in this depreciation report is based on construction indices rather than the widely quoted Consumer Price Index (CPI), which measures consumer goods. An average inflation rate was calculated based on changes in construction price index over a period of 30 years from 1990 to 2020. From the analysis, the inflation rate was found to be **2.60%**.

2.3.2 Projected Cash Flow

The projected cash flow predicts how well the CRF would be able to cover necessary replacement costs over the next 30 years. There are five cash flow models presented here for your reference. Dollar amounts are indexed, based on todays' costs.

Model 1 (Strata Property Act mandatory schedule): This model aligns with the regulatory requirement of the Strata Property Act, which mandates a minimum contribution of 10% of the operating budget to the CRF. This method has the effect of deferring the funding of replacement costs for your common properties to the date when such replacement is required, resulting in larger special levies and greater future financial burden.

Model 2 (Early investment schedule): This model increases current CRF contributions rapidly over the next three years, such that no special levies will be required over the 30-year projection. Depending on interest rates, this method potentially allows for the greatest investment returns, maximizing financial strength.

Model 3 (Delayed investment schedule): This model increases current CRF contributions over a period of five years, such that two will be required over the 30-year projection. This method still allows for a reasonable return on investment while maintaining financial strength.

Model 4 (Partially funded investment schedule – capped increase): This model increases current CRF contributions by a maximum of 21% in the next year. For the remaining 30-year projection, CRF contributions are increased annually by the current inflation rate.

¹³ www.rsmeansonline.com



Model 5 (Partially funded investment schedule – capped special levies): This model increases current CRF contributions over the next three years, such that the sum of all special levies for the 30-year projection is kept at \$2,000,000 or less. For the remaining 30-year projection, CRF contributions are increased annually by the current inflation rate.

2.3.2.1 Current CRF Levels

Current CRF level is defined as the opening balance of the reserve account beginning the year in which the study took place. In this case, it is \$269,595 beginning in December 2024. In cases where reserve accounts are unavailable, the current CRF level is calculated by summing the total amount of funds set aside for major replacement or repairs beginning the year during which the inspection is performed.

2.3.2.2 Special Levies

The Strata Corporation may raise money from the owners by means of a special levy for various reasons, the primary reason being that the CRF is insufficient to cover the Strata Corporation's existing or anticipated expenditures. A special levy must be approved by a resolution passed by a minimum 3/4 vote at an annual or special general meeting.

Within this report, special levies are calculated as the amount of money required to cover the shortfalls in the CRF after anticipated expenditures.

2.3.2.3 Investment Returns

For this report, the Strata Corporation's funds are placed within a savings account. Hence, investment returns are estimated to be **1.00%** based on historical rates and current rates. Actual rates of return will differ depending on minimum balances, terms, and financial instruments chosen.

2.3.2.4 CRF Contributions

CRF contributions with all our cash flow models except the current model (Model 1) are set based on different calculations tailored to different scenarios.

2.3.2.5 Calculations

The closing balance for a given year was calculated as follows:

Closing balance

$$\begin{aligned} &= (\text{CRF opening balance} + \text{CRF contributions} + \text{investment returns} \\ &\quad + \text{Special levies}) - \text{Replacement expenses} \end{aligned}$$



2.3.3 Financial Strength

For this depreciation report, the analysis is performed primarily based upon the CRF of the Strata Corporation, and not accounting for operating expenses that are paid through the operating fund. Thus, the financial strength of the Strata Corporation is the proportion of replacement or maintenance expenses that can be covered by the CRF contributions and investment returns. The optimal CRF with maximized financial strength would be able to cover all expenses at any given time, resulting in no special levies over a specified period.

2.3.3.1 Reserve Requirements

Insufficiency in this depreciation report is determined by the percent of replacement expenses covered by special levies, given by the following formula:

$$\% \text{ Insufficiency} = \frac{\text{Special levies}}{\text{Replacement expenses}} \times 100\%$$

Financial strength in this depreciation report is expressed in the following formula:

$$\% \text{ Financial strength} = 100\% - \frac{\text{Total special levies}}{\text{Total replacement expenses}} \times 100\%$$

Hence, 100% strength means that no special levies are needed (insufficiency is 0%).



3. Results

3.1 Building Information

The property assessed was a 36-unit townhouse complex built in 1983 for multifamily residential purposes. The key statistics of the building are presented in Table 1 below.

Table 1: Property statistics

Mountaingate	
Municipal Address	9215-9299 Braemoor Pl & 9040-9299 Moorside Pl & 9120-9155 Ridgemoor Pl, Burnaby, BC
Registered Strata Plan	NWS 2040
Real property type	Wood-frame townhouse complex
Number of Units	36
Year of Construction*	Circa 1983
Designated land use	Multifamily residential
Reserve fund components	Total of 32 components: 18 Shell, 4 Services, 2 Equipment and furnishings, 8 Site improvements.

*For phased developments, the earliest completion year of all phases may be chosen.

3.2 Reserve Components Inventory

The identified components were grouped into major categories according to the Uniformat II system. The schedule of common property components can be found on the next page. Detailed descriptions can be found in Appendix B (reserve component data sheets) and the major replacement schedule regarding the components can be found in Appendix D. The reserve components included within this budget is listed in the following table. Due to varying factors such as usage and load, items listed as “contingency” are anticipated not to fail as a whole at the same time and as a result will likely see periodic partial replacements with an allocation of a contingency amount over the life of the property.



Table 2: Reserve Components

Components	Estimated Useful Life (years)	Effective Age (years)	Remaining Useful Life (years)
Balcony flooring	Contingency	VAR	Contingency
Cladding - Fiber cement	Contingency	VAR	Contingency
Cladding - Cedar siding	Contingency	42	Contingency
Balcony railings	45	13	32
Soffits	40	36	4
Exterior painting - Cladding	Contingency	6	Contingency
Exterior painting - Wooden elements	Contingency	6	Contingency
Exterior wooden elements	Contingency	42	Contingency
Exterior windows	45	42	3
Caulking and weatherstripping	Contingency	6	Contingency
Exterior unit entry and carport doors	45	42	3
Electrical closet doors	45	41	4
Patio doors - Aluminum slider	45	42	3
Balcony doors - Wooden swing	Contingency	VAR	Contingency
Roofing - Flat	25	14	11
Roofing - Sloped	25	14	11
Gutters and downspouts - aluminum	50	39	11
Connected Structures	30	11	19
Domestic water distribution system	Contingency	2	Contingency
Sanitary drainage system	Contingency	42	Contingency
Storm water drainage system	45	42	3
Electrical distribution	Contingency	42	Contingency
Lighting fixtures	Contingency	0	Contingency
Property signages	Contingency	42	Contingency
Exterior paving - Asphalt	Contingency	42	Contingency
Exterior paving - Concrete	Contingency	42	Contingency
Exterior and patio flooring	Contingency	42	Contingency
Privacy screens	40	8	32
Retaining and planter wall	Contingency	42	Contingency
Bridges	Contingency	42	Contingency
Landscaping	Contingency	42	Contingency
Site lighting	Contingency	42	Contingency



3.3 Thirty-Year Cash Flow Models

Cash flow models allow you to tailor your budget to suit your own needs or financial abilities. We have provided five distinct cash flow models for the estimation of CRF contributions and special levies not accounting for preventive maintenance. In each of these models, calculations are based on the December 2024 CRF opening balance of \$269,595. In order to satisfy legal requirements, annual CRF contributions are set to be at least 10% of the total amount budgeted for the contribution to the operating fund for the current fiscal year. Special levies are assessed to ensure the minimum closing balance of the CRF is 25% of the operating budget, or where there is a shortfall in covering replacement or repair expenses. In this case, the operating budget is \$169,490 for 2024-2025 and in each subsequent year, the operating budget is estimated to increase 2.6% to account for inflation.



3.3.1 Model 1: Strata Property Act (SPA) mandatory schedule

In the Strata Property Act (SPA), mandatory schedule, an annual CRF contribution \$59,720 (as noted in the annual budget for 2025) is increased to be at least 10% of the operating budget over the 30-year projection. Over the 30-year projection, eleven special levies, ranging from \$15,524 to \$1,035,477 are expected to be required. An investment return of \$40,230 is obtained.

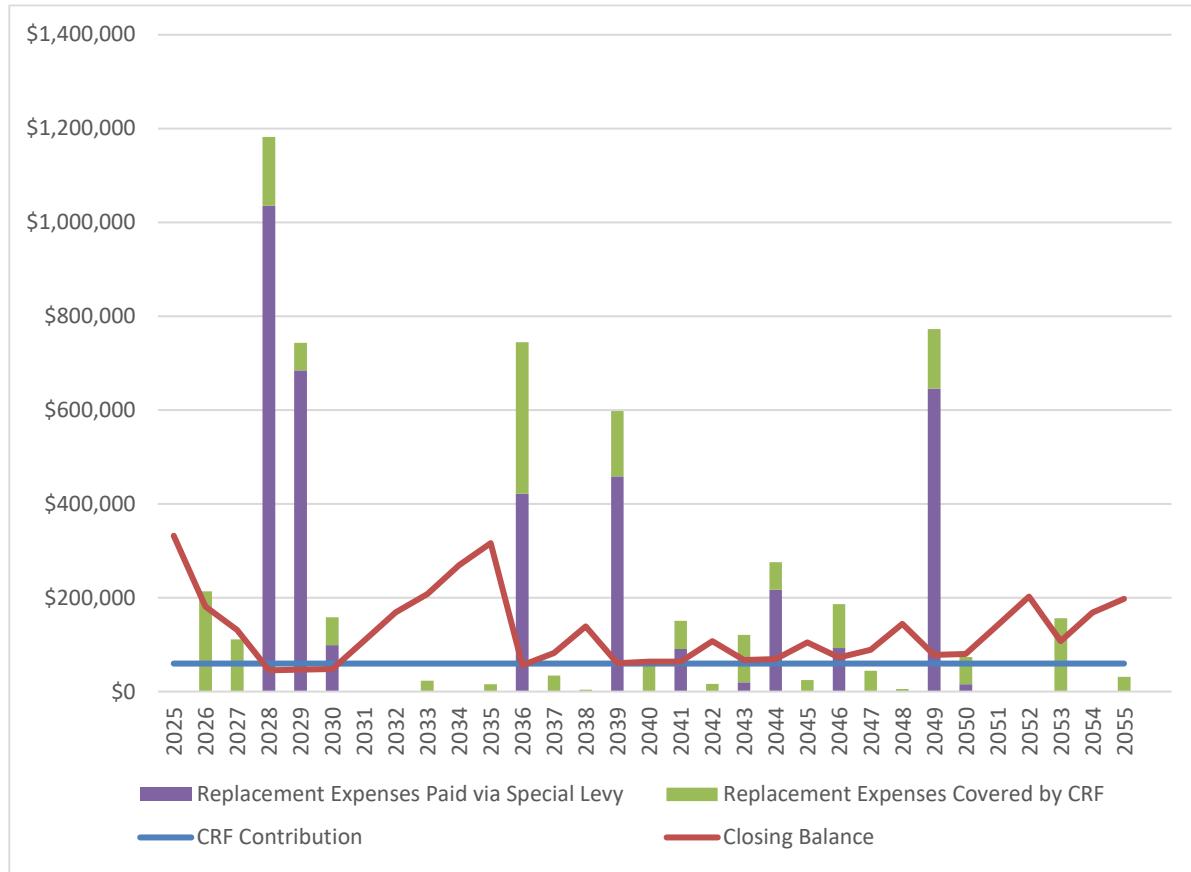


Figure 4: 30-year projection of CRF cash flow using current investment schedule



Table 3: Model 1—Cash flow table for CRF with current investment schedule

Year	Opening balance	CRF contributions	Contribution changes	Investment returns	Replacement expenses	Special levies	Closing balance
2025	\$269,595	\$59,720		\$2,696	\$0	\$0	\$332,011
2026	\$332,011	\$59,720	0.0%	\$3,320	\$214,014	\$0	\$181,037
2027	\$181,037	\$59,720	0.0%	\$1,810	\$111,369	\$0	\$131,199
2028	\$131,199	\$59,720	0.0%	\$1,312	\$1,181,944	\$1,035,477	\$45,764
2029	\$45,764	\$59,720	0.0%	\$458	\$743,419	\$684,432	\$46,954
2030	\$46,954	\$59,720	0.0%	\$470	\$158,203	\$99,234	\$48,175
2031	\$48,175	\$59,720	0.0%	\$482	\$0	\$0	\$108,377
2032	\$108,377	\$59,720	0.0%	\$1,084	\$0	\$0	\$169,180
2033	\$169,180	\$59,720	0.0%	\$1,692	\$22,963	\$0	\$207,630
2034	\$207,630	\$59,720	0.0%	\$2,076	\$0	\$0	\$269,426
2035	\$269,426	\$59,720	0.0%	\$2,694	\$15,512	\$0	\$316,329
2036	\$316,329	\$59,720	0.0%	\$3,163	\$744,866	\$421,850	\$56,196
2037	\$56,196	\$59,720	0.0%	\$562	\$34,193	\$0	\$82,285
2038	\$82,285	\$59,720	0.0%	\$823	\$4,188	\$0	\$138,640
2039	\$138,640	\$59,720	0.0%	\$1,386	\$597,604	\$458,552	\$60,694
2040	\$60,694	\$59,720	0.0%	\$607	\$57,239	\$0	\$63,782
2041	\$63,782	\$59,720	0.0%	\$638	\$150,785	\$90,537	\$63,891
2042	\$63,891	\$59,720	0.0%	\$639	\$16,708	\$0	\$107,542
2043	\$107,542	\$59,720	0.0%	\$1,075	\$121,109	\$20,029	\$67,257
2044	\$67,257	\$59,720	0.0%	\$673	\$275,751	\$217,107	\$69,006
2045	\$69,006	\$59,720	0.0%	\$690	\$24,562	\$0	\$104,854
2046	\$104,854	\$59,720	0.0%	\$1,049	\$186,160	\$93,179	\$72,640
2047	\$72,640	\$59,720	0.0%	\$726	\$44,199	\$0	\$88,888
2048	\$88,888	\$59,720	0.0%	\$889	\$5,414	\$0	\$144,083
2049	\$144,083	\$59,720	0.0%	\$1,441	\$772,479	\$645,690	\$78,455
2050	\$78,455	\$59,720	0.0%	\$785	\$73,989	\$15,524	\$80,495
2051	\$80,495	\$59,720	0.0%	\$805	\$0	\$0	\$141,020
2052	\$141,020	\$59,720	0.0%	\$1,410	\$0	\$0	\$202,150
2053	\$202,150	\$59,720	0.0%	\$2,021	\$156,549	\$0	\$107,342
2054	\$107,342	\$59,720	0.0%	\$1,073	\$0	\$0	\$168,136
2055	\$168,136	\$59,720	0.0%	\$1,681	\$31,750	\$0	\$197,788



3.3.2 Model 2: Early Investment Schedule (Recommended)

In the early investment schedule, contributions to the initial opening balance in the CRF increase 136% per year over the next three years. However, most of the expenditures are projected between the year 2025 and the year 2029; therefore, after large expenditures of significant repairs and replacements, the CRF contribution is set to be reduced by 79% in 2030 to an optimized amount. Over the 30-year projection, no special levies are expected to be required. An investment return of \$156,765 is obtained.

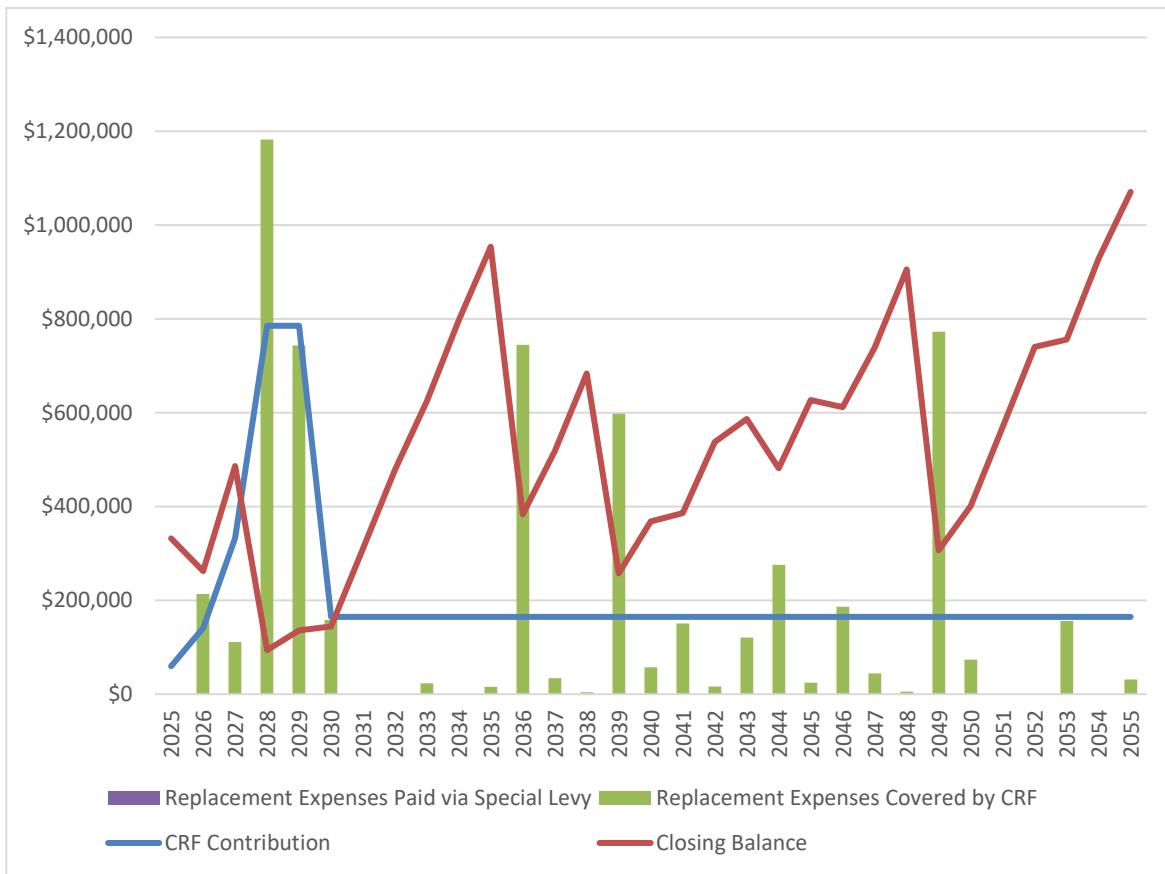


Figure 5: 30-year projection of CRF cash flow using early investment schedule



Table 4: Model 2—Cash flow table for CRF with early investment schedule

Year	Opening balance	CRF contributions	Contribution changes	Investment returns	Replacement expenses	Special levies	Closing balance
2025	\$269,595	\$59,720		\$2,696	\$0	\$0	\$332,011
2026	\$332,011	\$140,939	136%	\$3,320	\$214,014	\$0	\$262,256
2027	\$262,256	\$332,617	136%	\$2,623	\$111,369	\$0	\$486,126
2028	\$486,126	\$784,975	136%	\$4,861	\$1,181,944	\$0	\$94,019
2029	\$94,019	\$784,975	0%	\$940	\$743,419	\$0	\$136,515
2030	\$136,515	\$164,845	-79%	\$1,365	\$158,203	\$0	\$144,522
2031	\$144,522	\$164,845	0%	\$1,445	\$0	\$0	\$310,812
2032	\$310,812	\$164,845	0%	\$3,108	\$0	\$0	\$478,765
2033	\$478,765	\$164,845	0%	\$4,788	\$22,963	\$0	\$625,435
2034	\$625,435	\$164,845	0%	\$6,254	\$0	\$0	\$796,534
2035	\$796,534	\$164,845	0%	\$7,965	\$15,512	\$0	\$953,833
2036	\$953,833	\$164,845	0%	\$9,538	\$744,866	\$0	\$383,350
2037	\$383,350	\$164,845	0%	\$3,833	\$34,193	\$0	\$517,835
2038	\$517,835	\$164,845	0%	\$5,178	\$4,188	\$0	\$683,670
2039	\$683,670	\$164,845	0%	\$6,837	\$597,604	\$0	\$257,748
2040	\$257,748	\$164,845	0%	\$2,577	\$57,239	\$0	\$367,931
2041	\$367,931	\$164,845	0%	\$3,679	\$150,785	\$0	\$385,670
2042	\$385,670	\$164,845	0%	\$3,857	\$16,708	\$0	\$537,663
2043	\$537,663	\$164,845	0%	\$5,377	\$121,109	\$0	\$586,775
2044	\$586,775	\$164,845	0%	\$5,868	\$275,751	\$0	\$481,737
2045	\$481,737	\$164,845	0%	\$4,817	\$24,562	\$0	\$626,837
2046	\$626,837	\$164,845	0%	\$6,268	\$186,160	\$0	\$611,790
2047	\$611,790	\$164,845	0%	\$6,118	\$44,199	\$0	\$738,554
2048	\$738,554	\$164,845	0%	\$7,386	\$5,414	\$0	\$905,370
2049	\$905,370	\$164,845	0%	\$9,054	\$772,479	\$0	\$306,789
2050	\$306,789	\$164,845	0%	\$3,068	\$73,989	\$0	\$400,713
2051	\$400,713	\$164,845	0%	\$4,007	\$0	\$0	\$569,564
2052	\$569,564	\$164,845	0%	\$5,696	\$0	\$0	\$740,105
2053	\$740,105	\$164,845	0%	\$7,401	\$156,549	\$0	\$755,802
2054	\$755,802	\$164,845	0%	\$7,558	\$0	\$0	\$928,204
2055	\$928,204	\$164,845	0%	\$9,282	\$31,750	\$0	\$1,070,581



3.3.3 Model 3: Delayed Investment Schedule

In the delayed investment schedule, the CRF contributions to an initial opening balance of \$269,595 are phased in over a period of five years at increases of 23% per year. Over the 30-year projection, two special levies, ranging from \$607,461 to \$939,118 are expected to be required. An investment return of \$137,643 is obtained.

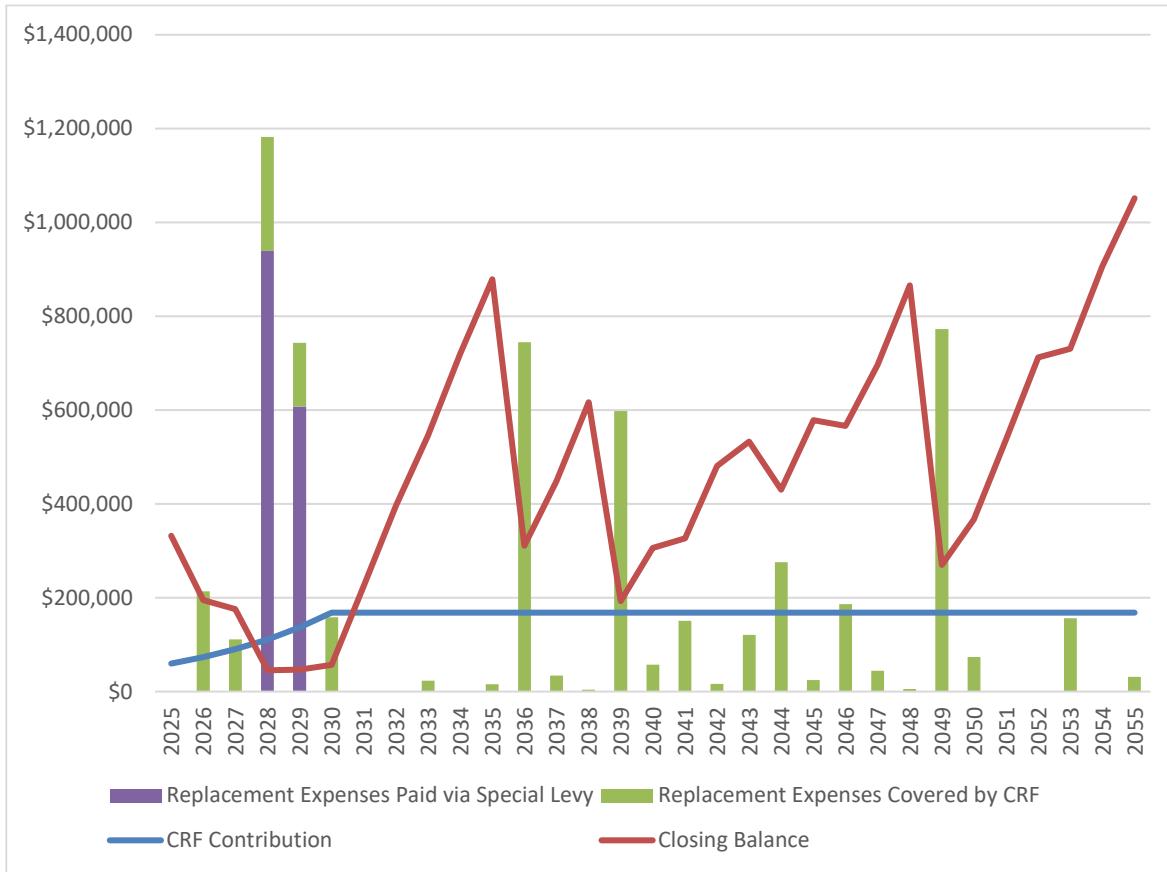


Figure 6: 30-year projection of CRF cash flow using delayed investment schedule



Table 5: Model 3—Cash flow table for CRF with delayed investment schedule

Year	Opening balance	CRF contributions	Contribution changes	Investment returns	Replacement expenses	Special levies	Closing balance
2025	\$269,595	\$59,720		\$2,696	\$0	\$0	\$332,011
2026	\$332,011	\$73,456	23%	\$3,320	\$214,014	\$0	\$194,773
2027	\$194,773	\$90,350	23%	\$1,948	\$111,369	\$0	\$175,702
2028	\$175,702	\$111,131	23%	\$1,757	\$1,181,944	\$939,118	\$45,764
2029	\$45,764	\$136,691	23%	\$458	\$743,419	\$607,461	\$46,954
2030	\$46,954	\$168,130	23%	\$470	\$158,203	\$0	\$57,351
2031	\$57,351	\$168,130	0%	\$574	\$0	\$0	\$226,055
2032	\$226,055	\$168,130	0%	\$2,261	\$0	\$0	\$396,445
2033	\$396,445	\$168,130	0%	\$3,964	\$22,963	\$0	\$545,577
2034	\$545,577	\$168,130	0%	\$5,456	\$0	\$0	\$719,163
2035	\$719,163	\$168,130	0%	\$7,192	\$15,512	\$0	\$878,973
2036	\$878,973	\$168,130	0%	\$8,790	\$744,866	\$0	\$311,027
2037	\$311,027	\$168,130	0%	\$3,110	\$34,193	\$0	\$448,075
2038	\$448,075	\$168,130	0%	\$4,481	\$4,188	\$0	\$616,497
2039	\$616,497	\$168,130	0%	\$6,165	\$597,604	\$0	\$193,189
2040	\$193,189	\$168,130	0%	\$1,932	\$57,239	\$0	\$306,011
2041	\$306,011	\$168,130	0%	\$3,060	\$150,785	\$0	\$326,416
2042	\$326,416	\$168,130	0%	\$3,264	\$16,708	\$0	\$481,103
2043	\$481,103	\$168,130	0%	\$4,811	\$121,109	\$0	\$532,934
2044	\$532,934	\$168,130	0%	\$5,329	\$275,751	\$0	\$430,643
2045	\$430,643	\$168,130	0%	\$4,306	\$24,562	\$0	\$578,517
2046	\$578,517	\$168,130	0%	\$5,785	\$186,160	\$0	\$566,272
2047	\$566,272	\$168,130	0%	\$5,663	\$44,199	\$0	\$695,866
2048	\$695,866	\$168,130	0%	\$6,959	\$5,414	\$0	\$865,541
2049	\$865,541	\$168,130	0%	\$8,655	\$772,479	\$0	\$269,847
2050	\$269,847	\$168,130	0%	\$2,698	\$73,989	\$0	\$366,687
2051	\$366,687	\$168,130	0%	\$3,667	\$0	\$0	\$538,484
2052	\$538,484	\$168,130	0%	\$5,385	\$0	\$0	\$711,998
2053	\$711,998	\$168,130	0%	\$7,120	\$156,549	\$0	\$730,699
2054	\$730,699	\$168,130	0%	\$7,307	\$0	\$0	\$906,136
2055	\$906,136	\$168,130	0%	\$9,061	\$31,750	\$0	\$1,051,578



3.3.4 Model 4: Partially Funded Investment Schedule (Capped Increase)

In the capped increase investment schedule, contributions to the initial CRF opening balance are kept at a maximum increase of 21% over the next year, then increased by the current inflation rate for the remaining years. Over the 30-year projection, seven special levies, ranging from \$78,879 to \$991,772 are expected to be required. An investment return of \$61,867 is obtained.

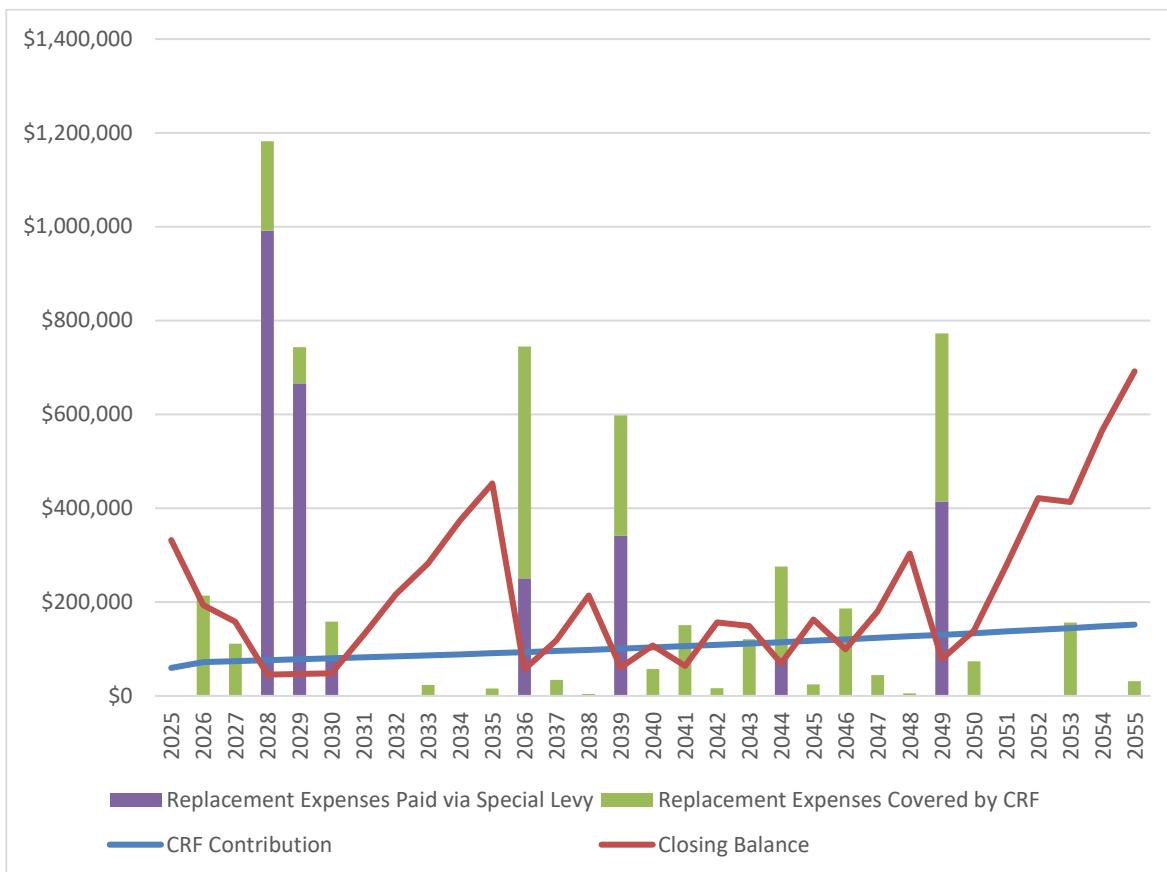


Figure 7: 30-year projection of CRF cash flow using capped increase investment schedule



Table 6: Model 4—Cash flow table for CRF with capped increase investment schedule

Year	Opening balance	CRF contributions	Contribution changes	Investment returns	Replacement expenses	Special levies	Closing balance
2025	\$269,595	\$59,720		\$2,696	\$0	\$0	\$332,011
2026	\$332,011	\$72,261	21.0%	\$3,320	\$214,014	\$0	\$193,578
2027	\$193,578	\$74,140	2.6%	\$1,936	\$111,369	\$0	\$158,285
2028	\$158,285	\$76,068	2.6%	\$1,583	\$1,181,944	\$991,772	\$45,764
2029	\$45,764	\$78,045	2.6%	\$458	\$743,419	\$666,106	\$46,954
2030	\$46,954	\$80,075	2.6%	\$470	\$158,203	\$78,879	\$48,175
2031	\$48,175	\$82,157	2.6%	\$482	\$0	\$0	\$130,813
2032	\$130,813	\$84,293	2.6%	\$1,308	\$0	\$0	\$216,414
2033	\$216,414	\$86,484	2.6%	\$2,164	\$22,963	\$0	\$282,100
2034	\$282,100	\$88,733	2.6%	\$2,821	\$0	\$0	\$373,653
2035	\$373,653	\$91,040	2.6%	\$3,737	\$15,512	\$0	\$452,918
2036	\$452,918	\$93,407	2.6%	\$4,529	\$744,866	\$250,207	\$56,196
2037	\$56,196	\$95,835	2.6%	\$562	\$34,193	\$0	\$118,400
2038	\$118,400	\$98,327	2.6%	\$1,184	\$4,188	\$0	\$213,723
2039	\$213,723	\$100,884	2.6%	\$2,137	\$597,604	\$341,554	\$60,694
2040	\$60,694	\$103,507	2.6%	\$607	\$57,239	\$0	\$107,568
2041	\$107,568	\$106,198	2.6%	\$1,076	\$150,785	\$0	\$64,057
2042	\$64,057	\$108,959	2.6%	\$641	\$16,708	\$0	\$156,948
2043	\$156,948	\$111,792	2.6%	\$1,569	\$121,109	\$0	\$149,201
2044	\$149,201	\$114,698	2.6%	\$1,492	\$275,751	\$79,366	\$69,006
2045	\$69,006	\$117,681	2.6%	\$690	\$24,562	\$0	\$162,814
2046	\$162,814	\$120,740	2.6%	\$1,628	\$186,160	\$0	\$99,023
2047	\$99,023	\$123,880	2.6%	\$990	\$44,199	\$0	\$179,694
2048	\$179,694	\$127,100	2.6%	\$1,797	\$5,414	\$0	\$303,177
2049	\$303,177	\$130,405	2.6%	\$3,032	\$772,479	\$414,320	\$78,455
2050	\$78,455	\$133,796	2.6%	\$785	\$73,989	\$0	\$139,046
2051	\$139,046	\$137,274	2.6%	\$1,390	\$0	\$0	\$277,711
2052	\$277,711	\$140,843	2.6%	\$2,777	\$0	\$0	\$421,331
2053	\$421,331	\$144,505	2.6%	\$4,213	\$156,549	\$0	\$413,501
2054	\$413,501	\$148,262	2.6%	\$4,135	\$0	\$0	\$565,898
2055	\$565,898	\$152,117	2.6%	\$5,659	\$31,750	\$0	\$691,925



3.3.5 Model 5: Partially Funded Investment Schedule (Capped Special Levies)

In the capped special levies investment schedule, contributions to the initial CRF opening balance are increased 20% over the next three years such that the sum of all special levies over the 30-year projection is kept at \$2,000,000 or less. For the remaining years, the annual CRF contributions are increased at the current inflation rate. Over the 30-year projection, six special levies, ranging from \$50,322 to \$953,277 are expected to be required. An investment return of \$89,371 is obtained.

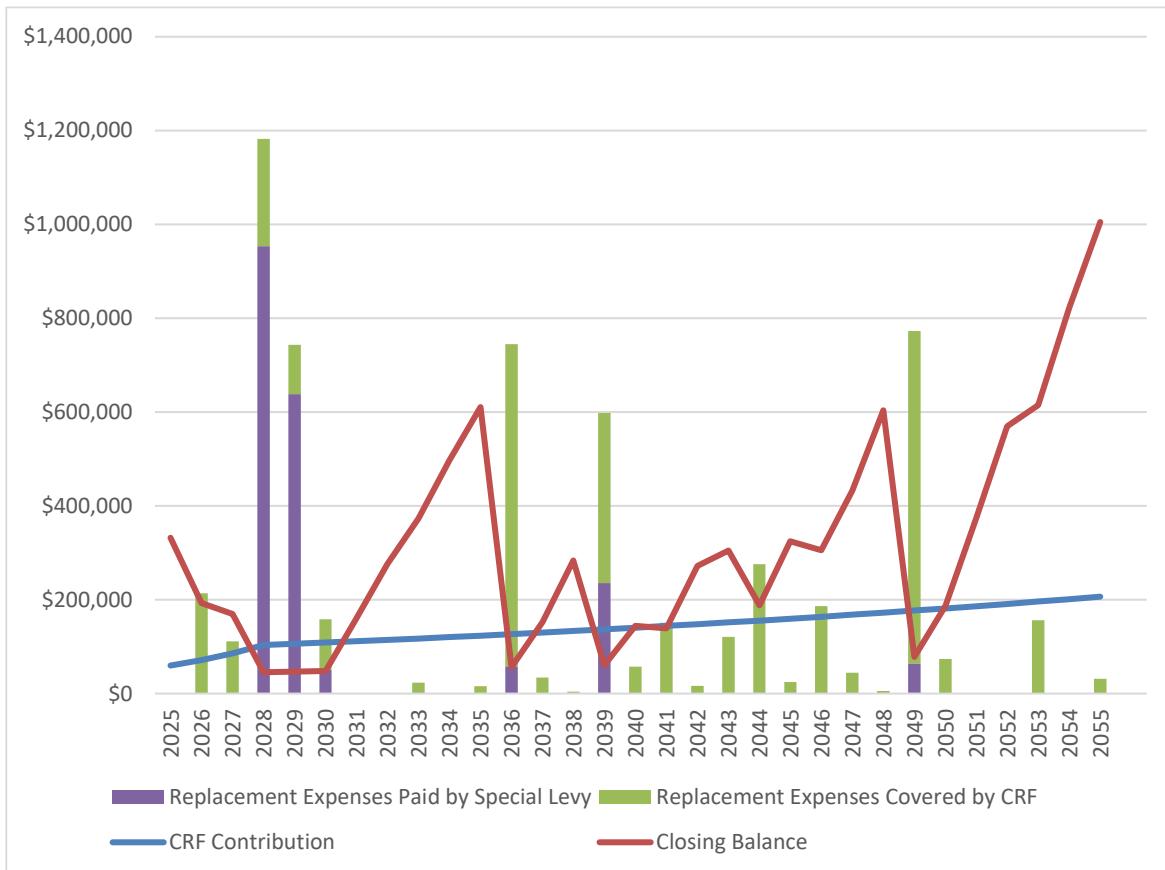


Figure 8: 30-year projection of CRF cash flow using capped special levies investment schedule



Table 7: Model 5—Cash flow table for CRF with partially funded investment schedule

Year	Opening balance	CRF contributions	Contribution changes	Investment returns	Replacement expenses	Special levies	Closing balance
2025	\$269,595	\$59,720		\$2,696	\$0	\$0	\$332,011
2026	\$332,011	\$71,664	20%	\$3,320	\$214,014	\$0	\$192,981
2027	\$192,981	\$85,997	20%	\$1,930	\$111,369	\$0	\$169,539
2028	\$169,539	\$103,196	20%	\$1,695	\$1,181,944	\$953,277	\$45,764
2029	\$45,764	\$105,879	2.6%	\$458	\$743,419	\$638,272	\$46,954
2030	\$46,954	\$108,632	2.6%	\$470	\$158,203	\$50,322	\$48,175
2031	\$48,175	\$111,457	2.6%	\$482	\$0	\$0	\$160,113
2032	\$160,113	\$114,354	2.6%	\$1,601	\$0	\$0	\$276,069
2033	\$276,069	\$117,328	2.6%	\$2,761	\$22,963	\$0	\$373,195
2034	\$373,195	\$120,378	2.6%	\$3,732	\$0	\$0	\$497,305
2035	\$497,305	\$123,508	2.6%	\$4,973	\$15,512	\$0	\$610,274
2036	\$610,274	\$126,719	2.6%	\$6,103	\$744,866	\$57,966	\$56,196
2037	\$56,196	\$130,014	2.6%	\$562	\$34,193	\$0	\$152,579
2038	\$152,579	\$133,394	2.6%	\$1,526	\$4,188	\$0	\$283,311
2039	\$283,311	\$136,863	2.6%	\$2,833	\$597,604	\$235,292	\$60,694
2040	\$60,694	\$140,421	2.6%	\$607	\$57,239	\$0	\$144,483
2041	\$144,483	\$144,072	2.6%	\$1,445	\$150,785	\$0	\$139,215
2042	\$139,215	\$147,818	2.6%	\$1,392	\$16,708	\$0	\$271,716
2043	\$271,716	\$151,661	2.6%	\$2,717	\$121,109	\$0	\$304,985
2044	\$304,985	\$155,604	2.6%	\$3,050	\$275,751	\$0	\$187,888
2045	\$187,888	\$159,650	2.6%	\$1,879	\$24,562	\$0	\$324,855
2046	\$324,855	\$163,801	2.6%	\$3,249	\$186,160	\$0	\$305,744
2047	\$305,744	\$168,060	2.6%	\$3,057	\$44,199	\$0	\$432,662
2048	\$432,662	\$172,429	2.6%	\$4,327	\$5,414	\$0	\$604,004
2049	\$604,004	\$176,912	2.6%	\$6,040	\$772,479	\$63,978	\$78,455
2050	\$78,455	\$181,512	2.6%	\$785	\$73,989	\$0	\$186,762
2051	\$186,762	\$186,231	2.6%	\$1,868	\$0	\$0	\$374,861
2052	\$374,861	\$191,073	2.6%	\$3,749	\$0	\$0	\$569,683
2053	\$569,683	\$196,041	2.6%	\$5,697	\$156,549	\$0	\$614,872
2054	\$614,872	\$201,138	2.6%	\$6,149	\$0	\$0	\$822,160
2055	\$822,160	\$206,368	2.6%	\$8,222	\$31,750	\$0	\$1,005,000



4. Analysis

4.1 Investment Schedule Comparison

Apart from the current investment schedule, all other cash flow models propose increases to the CRF contributions in the next few years (in addition to matching inflation), eliminating or reducing special levies. Model 2 (the early investment schedule) distinguishes itself in that no special levies will be required over the 30-year projection due to larger increases in CRF contributions. The figure below illustrates the outcome of each investment schedule (without preventive maintenance), along with the changes in CRF contributions.

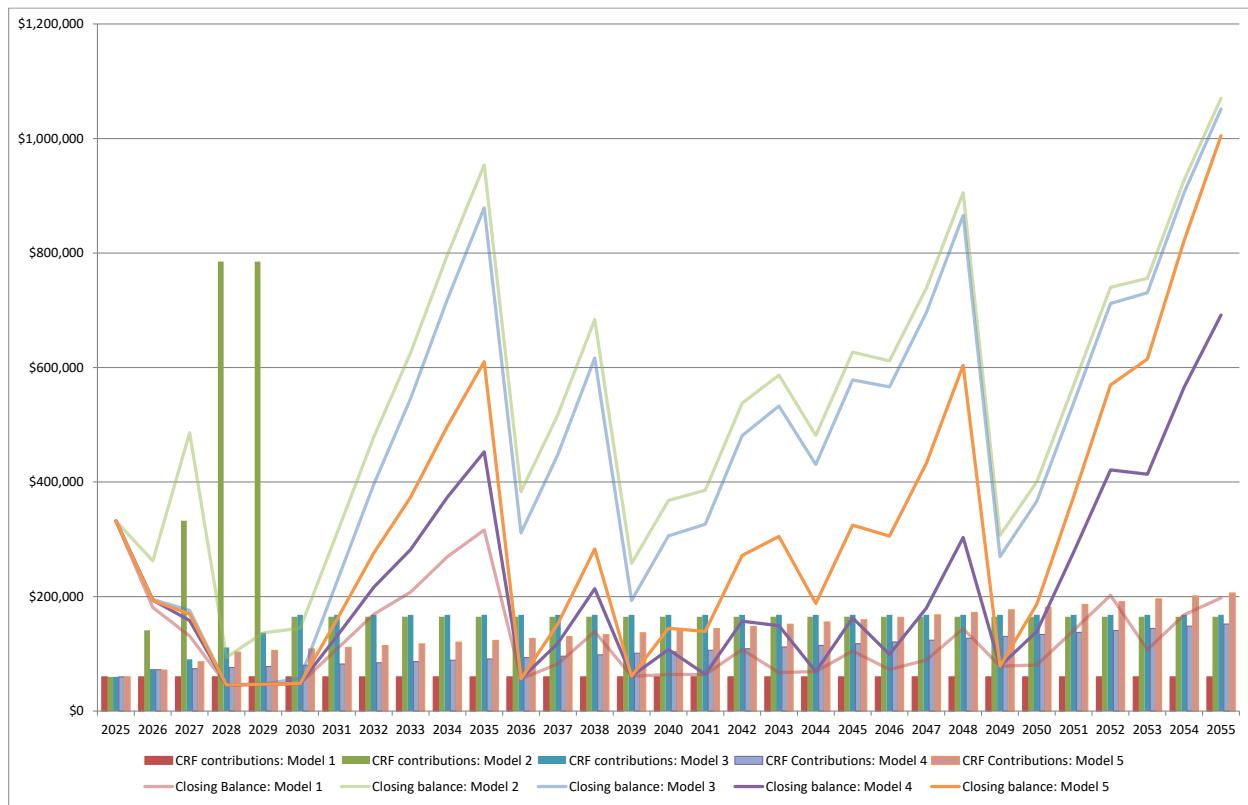


Figure 9: Comparison of CRF contributions and closing balances



Table 8: Summary of investment schedules

	Model 1: Current Model	Model 2: Early investment	Model 3: Delayed investment	Model 4: Capped Increase	Model 5: Capped Special Levies
Analysis for first 10 years					
Current CRF balance	\$269,595	\$269,595	\$269,595	\$269,595	\$269,595
CRF contributions	\$597,200	\$2,927,449	\$1,311,998	\$781,975	\$998,605
Investment returns	\$15,399	\$31,401	\$22,902	\$17,237	\$19,144
Special levies	\$1,819,143	\$0	\$1,546,578	\$1,736,758	\$1,641,872
Replacement expenses	\$2,431,911	\$2,431,911	\$2,431,911	\$2,431,911	\$2,431,911
Financial strength	25%	100%	36%	29%	32%
Insufficiency	75%	0%	64%	71%	68%
Analysis for final 20 years					
Opening balance in year 11	\$269,426	\$796,534	\$719,163	\$373,653	\$497,305
CRF contributions	\$1,254,120	\$3,461,740	\$3,530,731	\$2,501,251	\$3,393,290
Investment returns	\$24,831	\$125,365	\$114,741	\$44,630	\$70,227
Special levies	\$1,962,467	\$0	\$0	\$1,085,447	\$357,235
Replacement expenses	\$3,313,057	\$3,313,057	\$3,313,057	\$3,313,057	\$3,313,057
Financial strength	41%	100%	100%	67%	89%
Insufficiency	59%	0%	0%	33%	11%
Overall analysis (30-year course)					
Opening balance in year 1	\$269,595	\$269,595	\$269,595	\$269,595	\$269,595
CRF contributions	\$1,851,320	\$6,389,189	\$4,842,730	\$3,283,226	\$4,391,895
Investment returns	\$40,230	\$156,765	\$137,643	\$61,867	\$89,371
Special levies	\$3,781,610	\$0	\$1,546,578	\$2,822,205	\$1,999,106
Replacement expenses	\$5,744,968	\$5,744,968	\$5,744,968	\$5,744,968	\$5,744,968
Financial strength	34%	100%	73%	51%	65%
Insufficiency	66%	0%	27%	49%	35%
Closing balance in year 30	\$197,788	\$1,070,581	\$1,051,578	\$691,925	\$1,005,000

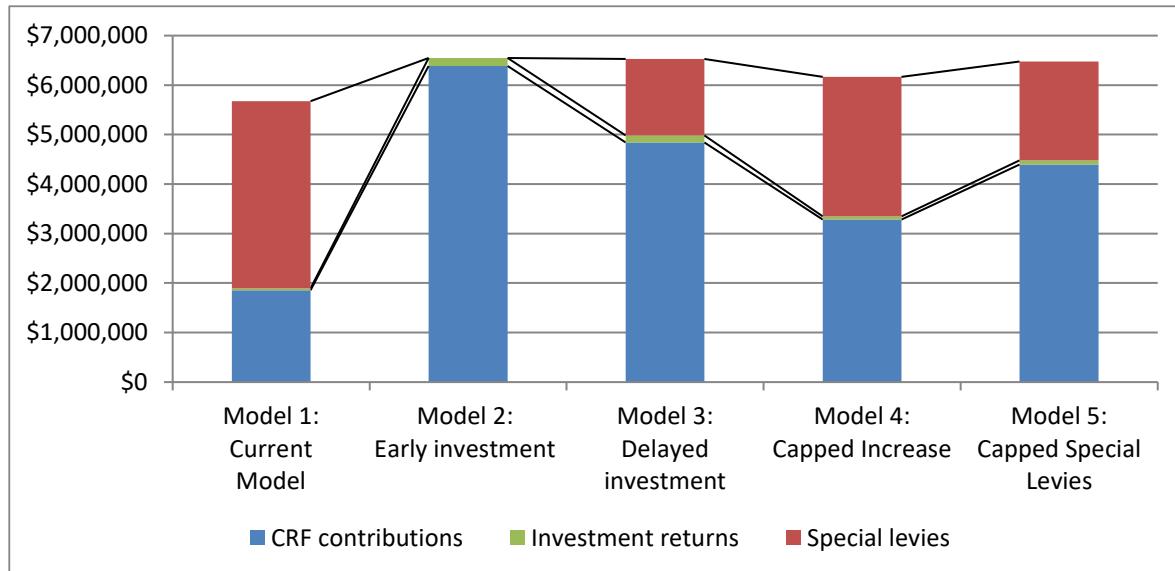


Figure 10: Comparison of financial models over 30-year projection

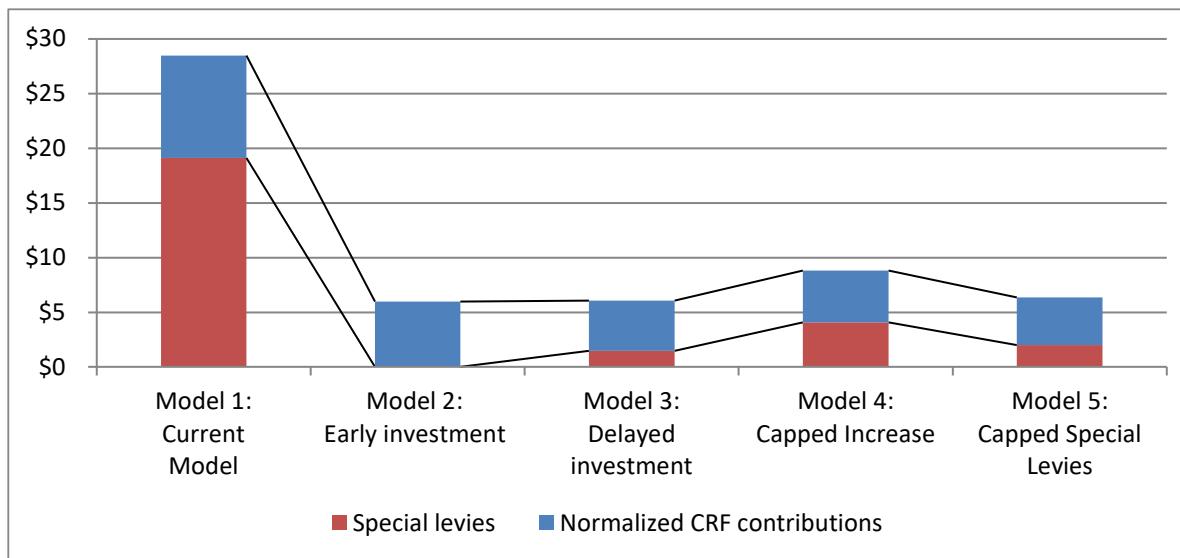


Figure 11: Normalized contributions

From Table 8 and Figures 9, 10, and 11 above, it is apparent that Model 2, the early investment schedule, has the highest rate of investment returns after the 30-year projection, at \$156,765. Though Model 2 requires a surge in CRF contributions over the next three years, the normalized contribution amount is still the lowest of all investment schedules (Figure 11). The normalized contribution expresses both CRF contributions and Special levies standardized with respect to their closing balance in 30 years.



5. Recommendations

Given the aforementioned scenarios, the adoption of Cash Flow Model 2, the early investment schedule, is recommended because it has the potential to lead to the greatest amount of investment returns. Investing in the CRF at the earliest possible time is recommended because a greater delay in investment may lead to lower potential income from investment returns.

However, depending on various characteristics of the Strata Corporation, the consideration of Cash Flow Model 2 may not be as viable. The inclusion of additional models allows for flexibility in planning, even as some may appear to forecast larger special levies with less drastic increases to CRF contributions. Although these investment models will potentially lead to lower investment returns compared to Model 2, they may be more viable in the near term.

All of the aforementioned models together illustrate the concept of reserve fund planning. Earlier investments in the CRF leads to greater offsets in replacement expenses due to the return on investment. Ultimately, CRF increases may need to be balanced against prospects of future levies due to practical considerations.

The analysis presented within a depreciation report accounts for the financial position of the Strata Corporation in isolation. The models are not intended to guide personal investment decisions and do not account for the financial circumstances of the owners. The models aim to bring greater predictability to the timing and cost for replacements such that the Strata Corporation may prioritize and prepare for the expenditures at that time.

If your Strata Corporation has any additional concerns about the investment schedule, please do not hesitate to contact Strata Engineering so that a more feasible and reasonable solution may be determined to suit your specific needs.



Appendix A – Strata Property Act Amendment

[SBC 1998] CHAPTER 43

Part 6 — Finances

Division 1 — Operating Fund and Contingency Reserve Fund

Depreciation report

- 94 (1) In this section, "qualified person" has the meaning set out in the regulation.
- (2) Subject to subsection (3), a Strata Corporation must obtain from a qualified person, on or before the following dates, a depreciation report estimating the repair and replacement cost for major items in the Strata Corporation and the expected life of those items:
- (a) for the first time,
 - (i) December 14, 2013, in the case of a Strata Corporation that existed on December 14, 2011, or
 - (ii) the prescribed date, in all other cases;
 - (b) if the Strata Corporation has, before or after the coming into force of this section, obtained a depreciation report that complies with the requirements of this section, the date that is the prescribed period after the date on which that report was obtained;
 - (c) if the Strata Corporation has, under subsection (3) (a), waived the requirement under this subsection to obtain a depreciation report, the date that is the prescribed period after the date on which the resolution waiving the requirement was passed.
- (3) A Strata Corporation need not comply with the requirement under subsection (2) to obtain a depreciation report on or before a certain date if
- (a) the Strata Corporation, by a resolution passed by a 3/4 vote at an annual or special general meeting within the prescribed period, waives that requirement, or
 - (b) the Strata Corporation is a member of a prescribed class of Strata Corporations.
- (4) A depreciation report referred to in subsection (2) must contain the information set out in the regulation.



Strata Property Act

STRATA PROPERTY REGULATION

Part 6 — Finances

Contributions to contingency reserve fund

Section 6.1 of the Strata Property Regulation (the "**Regulation**") establishes the minimum requirement for the purposes of determining the amount of the annual contribution to the CRF, as outlined below¹⁴:

- 6.1**
- (i) For the purposes of section 93 of the Act, the amount of the annual contribution to the contingency reserve fund for a fiscal year, other than the fiscal year following the first annual general meeting, must be determined after consideration of the most recent depreciation report, if any, obtained under section 94 of the Act.
 - (ii) The amount of the annual contribution to CRF must be at least 10% of the total amount budgeted for the contribution to the operating fund for the current fiscal year.

Depreciation report

- 6.2**
- (1) For the purposes of section 94 of the **Act**, a depreciation report must include all of the following:
 - (a) a physical component inventory and evaluation that complies with subsection(2)
 - (b) a summary of repairs and maintenance work for common expenses respecting the items listed in subsection (2) (b) that usually occur less often than once a year or that do not usually occur;
 - (c) a financial forecasting section that complies with subsection (3);
 - (d) the name of the person from whom the depreciation report was obtained and a description of
 - (i) that person's qualifications,
 - (ii) the error and omission insurance, if any, carried by that person, and
 - (iii) the relationship between that person and the Strata Corporation;
 - (e) the date of the report;

¹⁴ *Strata Property Regulation*, BC Reg. 238/2011, s 6.1, as amended



- (f) any other information or analysis that the Strata Corporation or the person providing the depreciation report considers appropriate.
- (2) For the purposes of subsection (1) (a) and (b) of this section, the physical component inventory and evaluation must
- (a) be based on an on-site visual inspection of the site and, where practicable, of the items listed in paragraph (b) conducted by the person preparing the depreciation report,
 - (b) include a description and estimated service life over 30 years of those items that comprise the common property, the common assets and those parts of a strata lot or limited common property, or both, that the Strata Corporation is responsible to maintain or repair under the **Act**, the Strata Corporation's bylaws or an agreement with an owner, including, but not limited to, the following items:
 - (i) the building's structure;
 - (ii) the building's exterior, including roofs, roof decks, doors, windows and skylights;
 - (iii) the building's systems, including the electrical, heating, plumbing, fire protection and security systems;
 - (iv) common amenities and facilities;
 - (v) parking facilities and roadways;
 - (vi) utilities, including water and sewage;
 - (vii) landscaping, including paths, sidewalks, fencing and irrigation;
 - (viii) interior finishes, including floor covering and furnishings;
 - (ix) green building components;
 - (x) balconies and patios, and
 - (c) identify common property and limited common property that the strata lot owner, and not the Strata Corporation, is responsible to maintain and repair.
- (3) For the purposes of subsection (1) (c), the financial forecasting section must include
- (a) the anticipated maintenance, repair and replacement costs for common expenses that usually occur less often than once a year or that do not usually occur, projected over 30 years, beginning with the current or previous fiscal year of the Strata Corporation, of the items listed in subsection (2) (b),
 - (b) a description of the factors and assumptions, including interest rates and rates of inflation, used to calculate the costs referred to in paragraph (a),
 - (c) a description of how the contingency reserve fund is currently being funded,



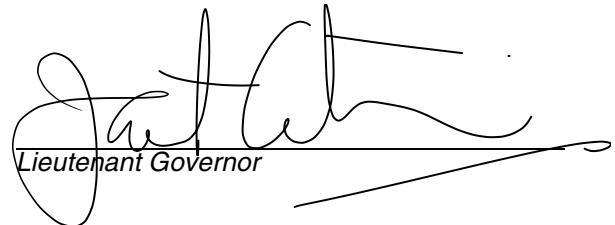
- (d) the current balance of the contingency reserve fund minus any expenditures that have been approved but not yet taken from the fund, and
 - (e) at least 3 cash-flow funding models for the contingency reserve fund relating to the maintenance, repair and replacement over 30 years, beginning with the current or previous fiscal year of the Strata Corporation, of the items listed in subsection (2) (b).
- (4) For the purposes of subsection (3) (e), the cash-flow funding models may include any one or more of the following:
- (a) balances of, contributions to and withdrawals from the contingency reserve fund;
 - (b) special levies;
 - (c) borrowings.
- (5) If a Strata Corporation contributes to the contingency reserve fund based on a depreciation report, the contributions in respect of an item become part of the contingency reserve fund and may be spent for any purpose permitted under section 96 of the **Act**.
- (6) For the purposes of section 94 (1) of the **Act**, "**qualified person**" means any person who has the knowledge and expertise to understand the individual components, scope and complexity of the Strata Corporation's common property, common assets and those parts of a strata lot or limited common property, or both, that the Strata Corporation is responsible to maintain or repair under the **Act**, the Strata Corporation's bylaws or an agreement with an owner and to prepare a depreciation report that complies with subsections (1) to (4).
- (7) The following periods are prescribed:
- (a) for the purposes of section 94 (2) (b) of the **Act**, 3 years;
 - (b) for the purposes of section 94 (2) (c) of the **Act**, 18 months;
 - (c) for the purposes of section 94 (3) (a) of the **Act**, the one year period immediately preceding the date on or before which the depreciation report is required to be obtained.
- (8) A Strata Corporation is prescribed for the purposes of section 94 (3) (b) of the **Act** if and for so long as there are fewer than 5 strata lots in the strata plan.

[en. B.C. Reg. 238/2011, Sch. 1, s. 2.]

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 204

, Approved and Ordered April 22, 2024



Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that, effective July 1, 2024,

- (a) sections 4 and 12 of the *Municipal Affairs and Housing Statutes Amendment Act (No. 2), 2020*, S.B.C. 2020, c. 16, are brought into force, and
- (b) the Strata Property Regulation, B.C. Reg. 43/2000, is amended as set out in the attached Schedule.

DEPOSITED

April 22, 2024

B.C. REG. 88/2024



Minister of Housing



Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Municipal Affairs and Housing Statutes Amendment Act (No. 2), 2020*, S.B.C. 2020, c. 16, s. 17
Strata Property Act, S.B.C. 1998, c. 43, s. 292

Other: OIC 130/2000

R10752311

SCHEDULE

1 Section 4.1 (2) of the Strata Property Regulation, B.C. Reg. 43/2000, is amended by striking out “(h) and (n.1)” and substituting “(h), (n.1), (n.3) and (n.4)”.

2 Section 6.2 is amended

(a) by adding the following subsection:

(0.1) For the purposes of section 94 (1) of the Act, “**qualified person**” means a person who

- (a) has the knowledge and expertise to understand the individual components, scope and complexity of the strata corporation’s common property, common assets and those parts of a strata lot or limited common property, or both, that the strata corporation is responsible to maintain or repair, and
- (b) in respect of a depreciation report obtained on or after July 1, 2025, is one of the following:

(i) a professional engineer registered as a member in good standing with the Association of Professional Engineers and Geoscientists of the Province of British Columbia;

(ii) a person registered as an architect with the Architectural Institute of British Columbia;

(iii) a person registered as an applied science technologist under the Professional Governance Act;

(iv) a person designated Accredited Appraiser Canadian Institute by the Appraisal Institute of Canada;

(v) a certified reserve planner accredited by the Real Estate Institute of Canada;

(vi) a person designated Professional Quantity Surveyor by the Canadian Institute of Quantity Surveyors., ,

(b) in subsection (1) by adding the following paragraph:

(g) an executive summary., ,

(c) in subsection (2) (b) (iii) by adding “ventilation, air conditioning,” after “heating,”, and

(d) by repealing subsections (6), (6.1), (6.2), (7) and (8).

3 The following sections are added:

When depreciation report must be obtained

6.21 (1) In this section, “**specified area**” means any of the following:

- (a) the Capital Regional District, other than an island within the Capital Regional District that is accessible only by air or boat;
- (b) the Fraser Valley Regional District;

- (c) the Metro Vancouver Regional District, other than an island that is accessible only by air or boat.
- (2) Subject to subsections (3) to (5), a strata corporation must obtain a new depreciation report at least once every 5 years.
- (3) A strata corporation established before July 1, 2024 that has not obtained a depreciation report since December 31, 2020 must obtain a depreciation report
 - (a) before July 1, 2026, in the case of a strata corporation located wholly or partially in a specified area, or
 - (b) before July 1, 2027, in the case of a strata corporation located wholly outside of a specified area.
- (4) A strata corporation established on or after July 1, 2024 but before July 1, 2027 must obtain its first depreciation report no later than 2 years after the date of the strata corporation's first annual general meeting.
- (5) A strata corporation established on or after July 1, 2027 must obtain its first depreciation report no later than 18 months after the date of the strata corporation's first annual general meeting.

Exemption from requirement to obtain depreciation report

- 6.22** Section 94 (2) of the Act does not apply in relation to a strata corporation if and for so long as there are fewer than 5 strata lots in the strata plan.

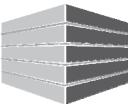
Owner developer must make payment into contingency reserve fund

- 6.23** (1) If a strata corporation is established on or after July 1, 2027, the owner developer must, in respect of the strata corporation's obligation to obtain its first depreciation report, pay into the contingency reserve fund the lesser of the following amounts:
- (a) \$5 000, plus an additional \$200 multiplied by the number of strata lots in the strata corporation;
 - (b) \$30 000.
- (2) The owner developer must pay the amount set out in subsection (1) no later than the date of the strata corporation's first annual general meeting.

Appendix B – Component Data Sheets

List of Abbreviations	
DOI	Date of Installation
CA	Chronological Age
EUL	Estimated Useful Life
EA	Effective Age
RUL	Remaining Useful Life
CGN	Contingency
VAR	Various
BL	Building Life

Overall Component Condition Rating System	
GOOD	Minor to no deterioration or deficiencies: The building component is performing its intended function and is in good condition. Ongoing maintenance work is all that is required
FAIR	Basically, sound but signs of distress may be present: The building component is performing its intended function and will continue to do so, however, some remedial work or upgrade may be warranted within the next 2-5 years. The system or building element has reached more than half of its service lifespan.
POOR	Near end of service life / Needs significant attention: Major remedial work is required in the near future, usually within 1 to 2 years. The building component is barely performing its intended function, further deterioration will likely result in serious problems.

**Reserve Component** **Balcony flooring****B10100305****Properties** Vinyl membrane flooring**Potential Deterioration**

The wooden deck frame may shrink as moisture evaporates, which can cause the waterproofing membrane to shift, resulting in the failure of the seams at the edges or ponding. Wear and tear can also cause punctures or cracks in the membrane. Failure of the membrane can lead to water ingress, which can deteriorate the wooden frame.

Condition Analysis**Deterioration** None observed.**Overall Condition** Good.**Repair History**

Last balcony was installed in 2022. Balcony repairs including resurfacing and upgrades completed in 2012.

Life Cycle Analysis

	DOI	CA	EUL	EA	RUL
	VAR	VAR years	Contingency	VAR	Contingency

Cost Estimates

	Starting Year	Current Cost	Future Cost
	2037	\$20,929	\$28,478

Funding Method

Budget for contingency allowance every 10 years.

Preventative Maintenance

Periodic wash to remove surface dirt. In areas of environmental pollution or heavy service use, membranes may require washing with a scrub brush and mild detergent or pressure washing. Immediate attention to any loose seaming will ensure that the vinyl membrane lasts for years to come.

Remarks

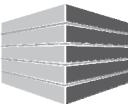
None.

Pictures

Vinyl membrane flooring



Vinyl membrane flooring



Reserve Component Cladding - Fiber cement

B20100107

Properties Fiber cement cladding

Potential Deterioration Typically, fiber cement siding is resistant to moisture, insect or fire related damage. It is a low maintenance product known for its durability. In areas of severe pollution, fiber cement siding may be subject to deterioration through environmental hazards such as acid rain, carbonation and leaching.

Condition Analysis **Deterioration** None observed.

Overall Condition Good.

Repair History Partial replacement of fiber cement cladding was completed throughout the lifespan of the complex.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	VAR	VAR years	Contingency	VAR	Contingency

Cost Estimates	Starting Year	Current Cost	Future Cost
	2039	\$82,588	\$118,298

Funding Method Budget for contingency allowance every 10 years.

Preventative Maintenance Clean with soap and water every 2 years.

Remarks None.

Pictures



Fiber cement cladding



Fiber cement cladding



Reserve Component Cladding - Cedar siding

B20100111

Properties Cedar siding

Potential Deterioration The durability of cedar siding is dependent on the coating as cedar itself is quite vulnerable to weathering when used in exposed conditions. Individual pieces may warp or crack, particularly on the side of a elevation hardest hit by storms.

Condition Analysis **Deterioration** None observed.

Overall Condition Fair.

Repair History Partial replacement of cedar siding to fiber cement cladding was completed throughout the lifespan of the complex.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	1983	42 years	Contingency	42 years	Contingency

Cost Estimates	Starting Year	Current Cost	Future Cost
	2029	\$233,998	\$259,300

Funding Method Budget for contingency allowance every 10 years.

Preventative Maintenance Every 3 years review for warping, damage, loose panels and discoloration. Touch up painting or staining. Clean with non-pressurized soapy water. If more than 25 percent of deteriorated pieces on a wall need fixing, consider replacing the entire wall area, as it can usually be covered in much less time than it takes to repair individual pieces.

Remarks An allowance has been included to replace 15% of the cedar siding with fiber cement cladding every 10 years.

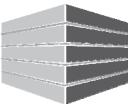
Pictures



Cedar siding



Cedar siding



Reserve Component Balcony railings

B20100506

Properties Metal railings

Potential Deterioration
Metal railings are prone to rust, fasteners may become loose over time, leading to detachment. Water may leak through the junction between the guardrail base and the membrane. Guardrails may also be loose at the junction between the balcony surface and the wall surface after prolonged use.

Condition Analysis **Deterioration** None observed.

Overall Condition Good.

Repair History Deck railings were replaced in 2012.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	2012	13 years	45 years	13 years	32 years

Cost Estimates **Starting Year** **Current Cost** **Future Cost**

Funding Method Excluded from plan as RUL is beyond the scope of this DR.

Preventative Maintenance Inspect every 2 years. Repair as needed. Repaint periodically.

Remarks None.

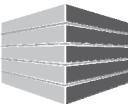
Pictures



Balcony railings



Balcony railings

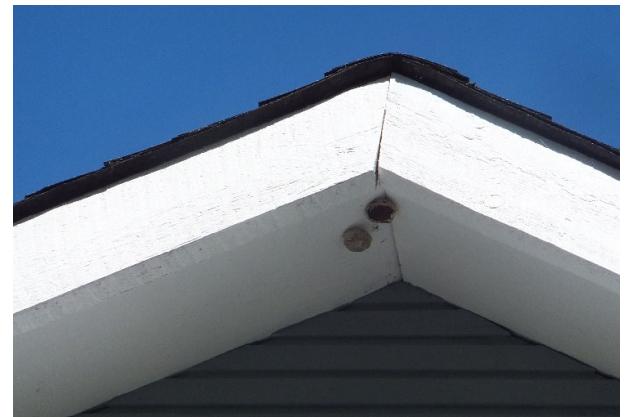


Reserve Component Soffits													
B20100603													
Properties	Wooden soffits												
Potential Deterioration	Soffits typically suffer little deterioration. However, they may become deformed or damaged due to high winds and mechanical impact. Unprotected gaps in soffit area may lead to pest infestation.												
Condition Analysis	<table><tr><td>Deterioration</td><td>Signs of aging were observed.</td></tr><tr><td>Overall Condition</td><td>Fair.</td></tr></table>	Deterioration	Signs of aging were observed.	Overall Condition	Fair.								
Deterioration	Signs of aging were observed.												
Overall Condition	Fair.												
Repair History	Not available.												
Life Cycle Analysis	<table><thead><tr><th></th><th>DOI</th><th>CA</th><th>EUL</th><th>EA</th><th>RUL</th></tr></thead><tbody><tr><td></td><td>1983</td><td>42 years</td><td>40 years</td><td>36 years</td><td>4 years</td></tr></tbody></table>		DOI	CA	EUL	EA	RUL		1983	42 years	40 years	36 years	4 years
	DOI	CA	EUL	EA	RUL								
	1983	42 years	40 years	36 years	4 years								
Cost Estimates	<table><thead><tr><th></th><th>Starting Year</th><th>Current Cost</th><th>Future Cost</th></tr></thead><tbody><tr><td></td><td>2029</td><td>\$222,561</td><td>\$246,626</td></tr></tbody></table>		Starting Year	Current Cost	Future Cost		2029	\$222,561	\$246,626				
	Starting Year	Current Cost	Future Cost										
	2029	\$222,561	\$246,626										
Funding Method	Budget for full replacement.												
Preventative Maintenance	Inspect and clean as needed.												
Remarks	None.												

Pictures



Wooden soffits



Wooden soffits at roof



Reserve Component Exterior painting - Cladding

B20100801

Properties Acrylic paint

Potential Deterioration Over prolonged exposure to the elements, fading, yellowing, blistering, or peeling typically occur. Rusting of metal components on surface may lead to stains.

Condition Analysis **Deterioration** None observed.

Overall Condition Good.

Repair History Exterior painting was completed in 2019.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	2019	6 years	Contingency	6 years	Contingency

Cost Estimates	Starting Year	Current Cost	Future Cost
	2029	\$80,752	\$89,484

Funding Method Budget for contingency allowance every 10 years.

Preventative Maintenance Clean annually. Remove the deteriorated paint and re-paint locally.

Remarks None.

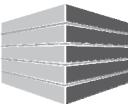
Pictures



Exterior painting



Exterior painting



Reserve Component Exterior painting - Wooden elements

B20100802

Properties Acrylic paint

Potential Deterioration Over prolonged exposure to the elements, the paint may peel or fade.
Rusting of metal components on surface may lead to stains.

Condition Analysis **Deterioration** None observed.

Overall Condition Good.

Repair History Exterior painting of wooden elements was completed in 2019.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	2019	6 years	Contingency	6 years	Contingency

Cost Estimates	Starting Year	Current Cost	Future Cost
	2026	\$25,455	\$26,117

Funding Method Budget for contingency allowance every 10 years.

Preventative Maintenance Inspect annually and repaint periodically.

Remarks None.

Pictures



Exterior painting at roof fascia board



Exterior painting at window trim



Reserve Component Exterior wooden elements

B20100806

Properties Trims and fascia boards

Potential Deterioration Prolonged exposure to the weather elements may cause paint to fade, and wood to deteriorate over time.

Condition Analysis

Deterioration	Cracks and splintering were observed on wooden trims and fascia boards at isolated locations. Detached trim was also noted at isolated location.
Overall Condition	Fair.

Repair History Not available.

Life Cycle Analysis

DOI	CA	EUL	EA	RUL
1983	42 years	Contingency	42 years	Contingency

Cost Estimates

Starting Year	Current Cost	Future Cost
2026	\$77,136	\$79,141

Funding Method Budget for contingency allowance every 10 years.

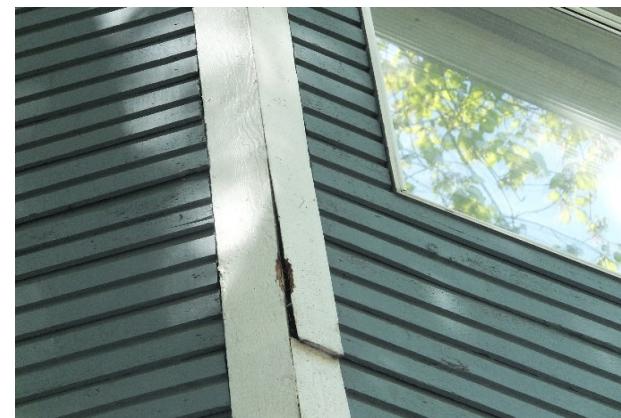
Preventative Maintenance Inspect annually and touch up as needed.

Remarks None.

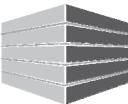
Pictures



Cracks at roof fascia board



Detached trim



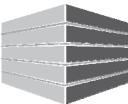
Reserve Component	Exterior windows										
B20200111											
Properties	Aluminum framed windows										
Potential Deterioration	<p>Failure of window hardware, such as hinges or hinge connections to frame may occur over time, leading to difficulty in opening and closing.</p> <p>Condensation may occur on the window frame due to the thermal bridging of the frame (for metal-framed windows) or due to air leakage through the cavity between the rough wall opening and the window frame. Mould and mildew may also grow be present on the frame due to poor air circulation around the window or air leakage through the window.</p>										
Condition Analysis	<p>Deterioration None observed.</p> <p>Overall Condition Fair.</p>										
Repair History	Not available.										
Life Cycle Analysis	<table><thead><tr><th>DOI</th><th>CA</th><th>EUL</th><th>EA</th><th>RUL</th></tr></thead><tbody><tr><td>1983</td><td>42 years</td><td>45 years</td><td>42 years</td><td>3 years</td></tr></tbody></table>	DOI	CA	EUL	EA	RUL	1983	42 years	45 years	42 years	3 years
DOI	CA	EUL	EA	RUL							
1983	42 years	45 years	42 years	3 years							
Cost Estimates	<table><thead><tr><th>Starting Year</th><th>Current Cost</th><th>Future Cost</th></tr></thead><tbody><tr><td>2028</td><td>\$728,346</td><td>\$786,647</td></tr></tbody></table>	Starting Year	Current Cost	Future Cost	2028	\$728,346	\$786,647				
Starting Year	Current Cost	Future Cost									
2028	\$728,346	\$786,647									
Funding Method	Budget for full replacement.										
Preventative Maintenance	Clean windows regularly to prevent corrosive substances from damaging the glass and the frame. Operable windows may require replacement of hardware after many operating cycles. Make sure the drain holes in the metal frame are clear of dirt and able to carry water away.										
Remarks	None.										

| Pictures |


Aluminum framed window



Aluminum framed window



Reserve Component Caulking and weatherstripping

B20200402

Properties Polyurethane caulk

Potential Deterioration

Common causes of sealant failures are loss of adhesion and cohesion, mostly due to imperfections of the material and application methods. Sealant subjected to prolonged exposure to ultra violet rays, moisture or cyclic movement will lose its elastic properties, dry out, crack, chalk and fail (reversion, fatigue, UV degradation). Various sealants are more or less resistant to these weathering phenomena. The failure of the sealant contributes to water penetration.

Condition Analysis

Deterioration Failed caulking was observed at few locations.

Overall Condition Fair.

Repair History

Caulking was completed in 2019.

Life Cycle Analysis

	DOI	CA	EUL	EA	RUL
	2019	6 years	Contingency	6 years	Contingency

Cost Estimates

	Starting Year	Current Cost	Future Cost
	2029	\$19,868	\$22,016

Funding Method

Budget for contingency allowance every 10 years.

Preventative Maintenance

Inspect, clean and properly replace deteriorated sealant based on manufacturer's instructions.

Remarks

None.

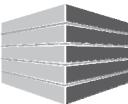
Pictures



Failed caulking

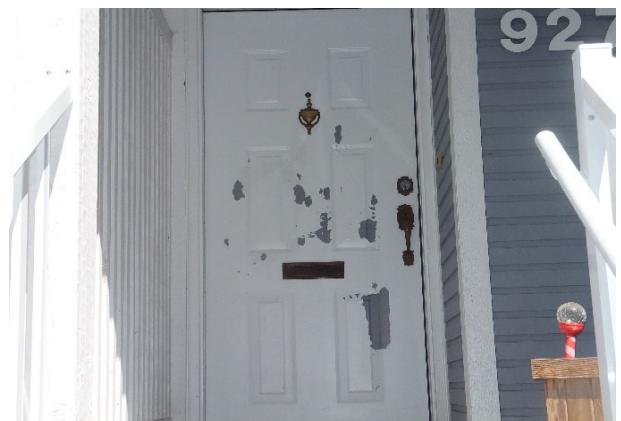


Failed caulking

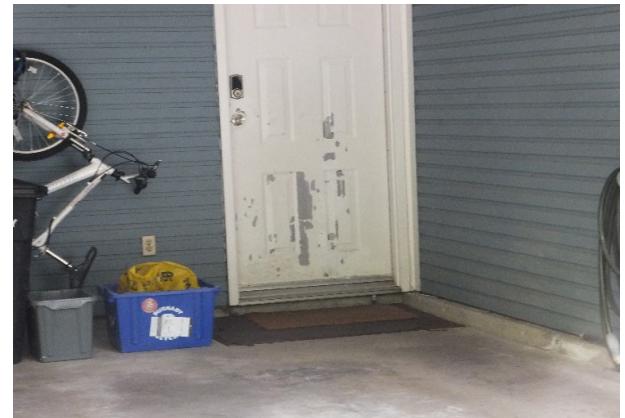
**Reserve Component Exterior unit entry and carport doors****B20300102****Properties** Metal doors**Potential Deterioration**
Metal doors may warp under large temperature fluctuations. The operation of the locking system may deteriorate due to the failure of mechanical components. Hardware failure and poor latching may result from distortions in the door frame or loosening of the striker plate.**Condition Analysis** **Deterioration** Peeling paint was observed at various locations.**Overall Condition** Fair.**Repair History** Not available.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	1983	42 years	45 years	42 years	3 years

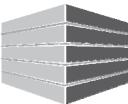
Cost Estimates	Starting Year	Current Cost	Future Cost
	2028	\$172,800	\$186,632

Funding Method Budget for full replacement.**Preventative Maintenance** A general visual inspection of the door and frame finish should be periodically conducted. Check all closing devices for loose attaching screws, hinge pin wear, locksets, latch wear, or other notable defects.**Remarks** It is recommended to perform touch-up painting in areas where paint has peeled to protect the underlying surface and maintain structural integrity.**Pictures**

Peeling paint at exterior unit entry door



Peeling paint at carport door



Reserve Component Electrical closet doors

B20300113

Properties Electrical closet doors

Potential Deterioration Deterioration of main entrance doors mainly concerns aesthetic appeal.

Condition Analysis **Deterioration** None observed.

Overall Condition Good.

Repair History Not available.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	1983	42 years	45 years	41 years	4 years

Cost Estimates	Starting Year	Current Cost	Future Cost
	2029	\$13,500	\$14,960

Funding Method Budget for full replacement.

Preventative Maintenance A general visual inspection of the door and frame finish should be periodically conducted. Check all closing devices for loose attaching screws, hinge pin wear, locksets, latch wear, or other notable defects.

Remarks None.

Pictures



Electrical closet door



Electrical closet door

**Reserve Component** **Patio doors - Aluminum slider****B20300501****Properties** Aluminum slider doors with tempered glass**Potential Deterioration**
Door hardware such as rollers and locks may fail over time. Depending on the material, rollers may be subject to deterioration such as corrosion or breakage. Tracks may become misaligned, bent or worn. Roller and track deterioration are the most common factors leading to difficulties in operating the sliding doors.**Condition Analysis**
Deterioration None observed.**Overall Condition** Good.**Repair History** Not available.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	1983	42 years	45 years	42 years	3 years

Cost Estimates	Starting Year	Current Cost	Future Cost
	2028	\$90,000	\$97,204

Funding Method Budget for full replacement.**Preventative Maintenance**
A general visual inspection of the door and frame finish should be periodically conducted. If the door doesn't slide smoothly, the rollers under the door either need adjusting or are shot. Scrub caked dirt and grime out of the track.**Remarks** None.**Pictures**

Aluminum slider door with tempered glass



Aluminum slider door with tempered glass

**Reserve Component** **Balcony doors - Wooden swing****B20300503****Properties** Wooden swing doors with tempered glass**Potential Deterioration**
Dirt and debris may become trapped in sills, leading to difficulties opening. Settling over time can cause distortion of door frame, which also leads to difficulties opening. Seals between the glass may fail, leading to a loss of energy efficiency.**Condition Analysis** **Deterioration** None observed.**Overall Condition** Good.**Repair History** Not available.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	VAR	VAR years	Contingency	VAR	Contingency

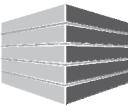
Cost Estimates	Starting Year	Current Cost	Future Cost
	2037	\$4,200	\$5,715

Funding Method Budget for contingency allowance every 10 years.**Preventative Maintenance**
A general visual inspection of the door and frame finish should be periodically conducted. Check all closing devices for loose attaching screws, hinge pin wear, locksets, latch wear, or other notable defects.**Remarks** None.**Pictures**

Wooden swing door with tempered glass



Wooden swing door with tempered glass



Reserve Component Roofing - Flat

B30100109

Properties SBS membrane

Potential Deterioration The membrane roof is constantly exposed to the elements. Over time, cracks may appear due to expansion and contraction under temperature fluctuations. Furthermore, torch-down roofing with large number of seams has a higher risk of failure and water penetration.

Condition Analysis **Deterioration** None observed.

Overall Condition Good.

Repair History Roof deck flooring was assumingly replaced along with roof replacement project in 2011.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	2011	14 years	25 years	14 years	11 years

Cost Estimates	Starting Year	Current Cost	Future Cost
	2036	\$27,911	\$37,017

Funding Method Budget for full replacement.

Preventative Maintenance Inspect twice a year (spring and fall) and repair/replace any damage. Clear away any debris or dirt, ensuring that drainage is clear.

Remarks None.

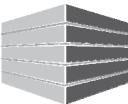
Pictures



Roof deck flooring



Roof deck flooring



Reserve Component Roofing - Sloped

B30100110

Properties Asphalt shingles

Potential Deterioration
The mineral surface may be wearing off causing cracking in shingles, allowing water intrusion. Lack of ventilation will overheat the shingles, causing the oils to deplete in the asphalt. Strong winds may break or uplift or even remove shingles. Over time, nails may come loose or pop up, leading to shingles and/or flashing to uplift.

Condition Analysis **Deterioration** None observed.

Overall Condition Good.

Repair History Asphalt shingles roofing replacement was completed in 2011.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	2011	14 years	25 years	14 years	11 years

Cost Estimates	Starting Year	Current Cost	Future Cost
	2036	\$350,452	\$464,782

Funding Method Budget for full replacement.

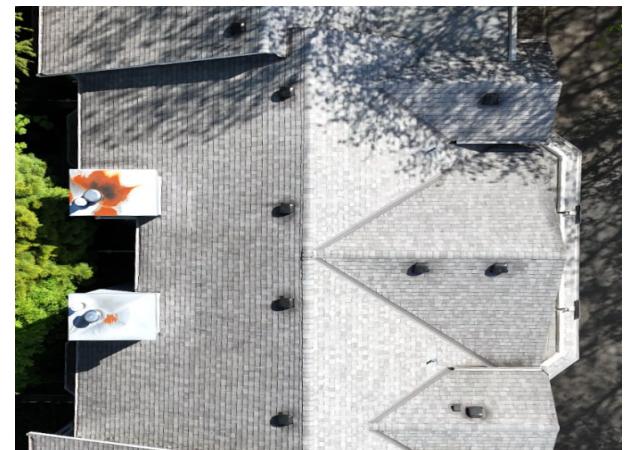
Preventative Maintenance Inspect twice a year (spring and fall) and repair/replace any damage. Moss on the sloped roofs can be prevented by installing a zinc strip at its peak.

Remarks None.

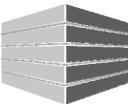
Pictures



Asphalt shingles roofing



Asphalt shingles roofing



Reserve Component Gutters and downspouts - aluminum

B30100601

Properties Aluminum

Potential Deterioration Gutters and downspouts may be clogged by organic debris over time, leading to poor drainage. Expansion and contraction of gutters may cause caulked seams to separate, leading to leaks.

Condition Analysis **Deterioration** None observed.

Overall Condition Fair.

Repair History Not available.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	1983	42 years	50 years	39 years	11 years

Cost Estimates	Starting Year	Current Cost	Future Cost
	2036	\$74,685	\$99,050

Funding Method Budget for full replacement.

Preventative Maintenance Clean and remove debris once or twice a year. Test downspouts by flushing with water.

Remarks None.

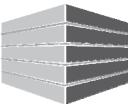
Pictures



Gutters and downspouts



Gutters and downspouts



Reserve Component		Connected Structures							
B40100102									
Properties	Exterior wooden stairs with metal guardrails								
Potential Deterioration	The wood stairs are exposed to degradation due to various factors: rain, snow, microbial activity, sun's radiation, erosion from foot traffic, furniture scuffing the surface.								
Condition Analysis	Deterioration None observed. Overall Condition Good.								
Repair History	Exterior wooden stairs with metal guardrails were replaced in 2014.								
Life Cycle Analysis	DOI	CA	EUL	EA	RUL				
	2014	11 years	30 years	11 years	19 years				
Cost Estimates	Starting Year	Current Cost		Future Cost					
	2044	\$169,324		\$275,751					
Funding Method	Budget for full replacement.								
Preventative Maintenance	Wooden stairs may require cleaning and "touching up" more frequently than other components of the building as they have higher exposure to elements due to the horizontal orientation. Washing every year can postpone much of the deterioration caused by moisture. Refinish every 3 years.								
Remarks	None.								

Pictures



Exterior wooden stairs with metal guardrails



Exterior wooden stairs with metal guardrails



Reserve Component Domestic water distribution system

D20100101

Properties Piping, valves, PRV's, backflow preventers

Potential Deterioration Over time, as the building ages, there could be seizing and leakage of valves. Impurities in the water and currents may lead to corrosion, pitting and erosion and/or embrittlement of piping. The piping is exposed to erosion due to water, both entrained in steam flow and also as non-discharged condensate traveling at high speeds in piping.

Condition Analysis **Deterioration** None observed.

Overall Condition Good.

Repair History All domestic water pipes were replaced in 2023.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	2023	2 years	Contingency	2 years	Contingency

Cost Estimates	Starting Year	Current Cost	Future Cost
	2043	\$57,600	\$91,427

Funding Method Budget for contingency allowance every 10 years.

Preventative Maintenance Inspect piping annually for leaks, and for deterioration of water meter and gauges. Every 5 years, inspect to evaluate the condition and adjust performance life based on findings. Periodic repairs/replacements as needed. Ensure insulation is secured around heated piping to minimize heat loss.

Remarks None.

Pictures



Domestic water piping



Water shut-off valves



Reserve Component Sanitary drainage system

D20100201

Properties Piping, cleanouts, manholes

Potential Deterioration Fats, Oil, and Grease (FOGs) from kitchen sinks cause most drain lines to clog. Non-organic material can become imbedded or attached to the FOG build-up inside the pipes, causing further blockage and back-up problems. Underground piping of the water mains may break due to settlement and movement. Valves can malfunction over time.

Condition Analysis **Deterioration** None observed.

Overall Condition Good.

Repair History Not available.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	1983	42 years	Contingency	42 years	Contingency

Cost Estimates	Starting Year	Current Cost	Future Cost
	2033	\$16,200	\$19,893

Funding Method Budget for contingency allowance every 10 years.

System should be routinely cleaned and repaired. Proper drainage can be checked by filling sinks and observing the speed at which the water drains. If sinks drain slowly, the trap underneath can usually be opened for cleaning. If toilets drain slowly, a plunger or snake can be used to clear the obstruction.

Remarks None.

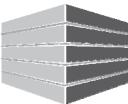
Pictures



Sanitary drainage piping



Sanitary drainage piping



Reserve Component Storm water drainage system

D20100301

Properties Drains, piping, catch basins, manholes

Potential Deterioration Catch basins and storm drains that become clogged due to accumulated debris and sediment or due to collapsing because of settlement, can cause flooding and safety issues.

Condition Analysis **Deterioration** None observed.

Overall Condition Good.

Repair History Not available.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	1983	42 years	45 years	42 years	3 years

Cost Estimates	Starting Year	Current Cost	Future Cost
	2028	\$300,600	\$324,662

Funding Method Budget for full replacement phased over 2 years.

Preventative Maintenance Visual inspections at regular intervals. Sump pumps, if any, should be annually inspected and may include: flushing and pumping out the pit, inspection and lubrication of motors, inspection of check valves.

Remarks The cost estimate for this component accounts for full replacement of drain tile/French drain.

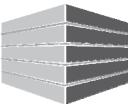
Pictures



Catch basin



Catch basin



Reserve Component Electrical distribution

D50100101

Properties

Typical electrical distribution components

Electric distribution components experience mechanical, electrical and thermal stress which may lead to its failure. Bolts and connecting devices may corrode or overheat. Insulating deposits may built up on the energized contacts, leading to arcing and power disruption. Also, the devices may exhibit signs of corona, tracking, and thermal or physical damages.

Condition Analysis

Deterioration None observed.

Overall Condition Good.

Repair History

Not available.

Life Cycle Analysis

DOI	CA	EUL	EA	RUL
1983	42 years	Contingency	42 years	Contingency

Cost Estimates

Starting Year	Current Cost	Future Cost
2027	\$10,800	\$11,369

Funding Method

Budget for contingency allowance every 15 years.

Preventive maintenance and testing are recommended every 3 years, performed by specialized personnel. Electrical rooms or vaults should be kept cleaned of dirt, and examined for water seepage, especially at the top of electrical equipment enclosures. Prior to the planned maintenance, an infrared survey should be conducted to help identify areas that need specific and immediate attention. Ensure electrical room is kept clean and free of clutter.

Remarks

As per the council's request, one-time allowance of \$100,000 has been included in 2027 to upgrade the transformer in the complex.

Pictures



Electrical main switch



Electric meters



Reserve Component	Lighting fixtures							
E10100201								
Properties	Light fixtures on building facades							
Potential Deterioration	Wall and soffit lighting is generally replaced based on aesthetic and energy saving considerations and/or for better illumination of the areas served. Over time the corrosion may occur on the casing or discoloring and yellowing may occur on the lens.							
Condition Analysis	Deterioration None observed. Overall Condition Good.							
Repair History	Patio and carport light fixtures were replaced in 2025.							
Life Cycle Analysis	DOI 2025	CA 0 years	EUL Contingency	EA 0 years	RUL Contingency			
Cost Estimates	Starting Year 2045	Current Cost \$2,700	Future Cost \$4,511					
Funding Method	Budget for contingency allowance every 10 years.							
Preventative Maintenance	Maintenance service should be performed annually and typically include: removing of old lamps and cleaning the fixtures, inspecting wiring, contacts, terminals and sockets, installation of new lamps, putting back into service and testing the operation.							
Remarks	None.							

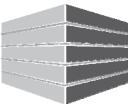
Pictures



Soffit-mounted light fixture



Wall-mounted light fixture



Reserve Component	Property signages								
E10900401									
Properties	Property signages								
Potential Deterioration	Deterioration mostly concerns loss of aesthetic appeal.								
Condition Analysis	Deterioration	Leaning property signage was observed at isolated location.							
	Overall Condition	Fair.							
Repair History	Not available.								
Life Cycle Analysis	DOI	CA	EUL	EA	RUL				
	1983	42 years	Contingency	42 years	Contingency				
Cost Estimates	Starting Year	Current Cost		Future Cost					
	2026	\$6,000		\$6,156					
Funding Method	Budget for contingency allowance every 10 years.								
Preventative Maintenance	Annual inspection and cleaning.								
Remarks	None.								

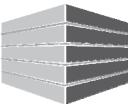
Pictures



Leaning property signage



Property signage



Reserve Component Exterior paving - Asphalt

G20100201

Properties Asphalt paving

Potential Deterioration Failure of the asphalt pavement, such as: pot holes, various types of cracking, rutting, raveling, etc. may occur over time due to repeat traffic, moisture (with its associated freeze/thaw cycles), as well as settlement of the underlayment.

Condition Analysis **Deterioration** Cracks at asphalt paving were observed at few locations.

Overall Condition Fair.

Repair History Not available.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	1983	42 years	Contingency	42 years	Contingency

Cost Estimates	Starting Year	Current Cost	Future Cost
	2030	\$8,475	\$9,636

Funding Method Budget for contingency allowance every 10 years.

Preventative Maintenance Stresses producing minor defects are constantly at work. Early detection and repair (patching, crack sealing, etc.) of minor defects is essential before they deteriorate into pavement failures requiring major repair expenditures.

Remarks None.

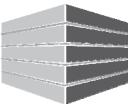
Pictures



Cracks at asphalt paving



Cracks at asphalt paving



Reserve Component Exterior paving - Concrete

G20100204

Properties Concrete paving

Potential Deterioration Failure of the concrete pavement such as: cracking, faulting, mud pumping, polished aggregate, etc. may occur over time due to repeat traffic, moisture (with its associated freeze/thaw cycles), as well as settlement of the underlayment.

Condition Analysis **Deterioration** Cracks on concrete paving were observed at few locations.

Overall Condition Fair.

Repair History Not available.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	1983	42 years	Contingency	42 years	Contingency

Cost Estimates	Starting Year	Current Cost	Future Cost
	2030	\$4,688	\$5,329

Funding Method Budget for contingency allowance every 10 years.

Preventative Maintenance Stresses producing minor defects are constantly at work. Early detection and repair (patching, crack sealing, etc.) of minor defects is essential before they deteriorate into pavement failures requiring major repair expenditures.

Remarks None.

Pictures



Cracks at concrete paving



Cracks at concrete walkway



Reserve Component Exterior and patio flooring

G20100205

Properties Concrete unit pavers

Potential Deterioration Prolonged wear and tear as well as settlement may cause cracking, faulting, spalling, rutting, depressions, distortions, etc.

Condition Analysis **Deterioration** Cracks on concrete unit pavers were observed at few locations.

Overall Condition Fair.

Repair History Not available.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	1983	42 years	Contingency	42 years	Contingency

Cost Estimates	Starting Year	Current Cost	Future Cost
	2030	\$13,785	\$15,673

Funding Method Budget for contingency allowance every 10 years.

Preventative Maintenance Inspect every two years, repair as needed.

Remarks None.

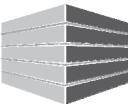
Pictures



Cracks at concrete unit pavers



Patio flooring



Reserve Component Privacy screens

G20400118

Properties Vinyl privacy screens

Potential Deterioration Settlement and mechanical impacts may lead to leaning, broken posts, or detachment.

Condition Analysis **Deterioration** None observed.

Overall Condition Good.

Repair History Vinyl privacy screens were installed in 2017.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	2017	8 years	40 years	8 years	32 years

Cost Estimates	Starting Year	Current Cost	Future Cost

Funding Method Excluded from plan as RUL is beyond the scope of this DR.

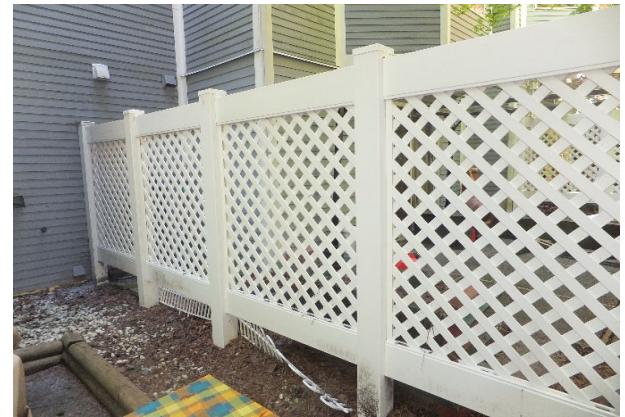
Preventative Maintenance Regularly inspect to identify, loose or unstable footings, cracks, or other damages. Repair as needed. Clean periodically.

Remarks None.

Pictures



Vinyl privacy screens



Vinyl privacy screens



Reserve Component Retaining and planter wall

G20400202

Properties Wooden retaining and planter wall

Potential Deterioration Retaining walls are constantly exposed to soil and moisture, and freeze/thaw cycles that can cause cracking, loosening, etc. Vegetation also displaces the wood members as it grows and causes loosening.

Condition Analysis **Deterioration** None observed.

Overall Condition Fair.

Repair History Partial replacement of wooden retaining wall was completed throughout the lifespan of the complex.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	1983	42 years	Contingency	42 years	Contingency

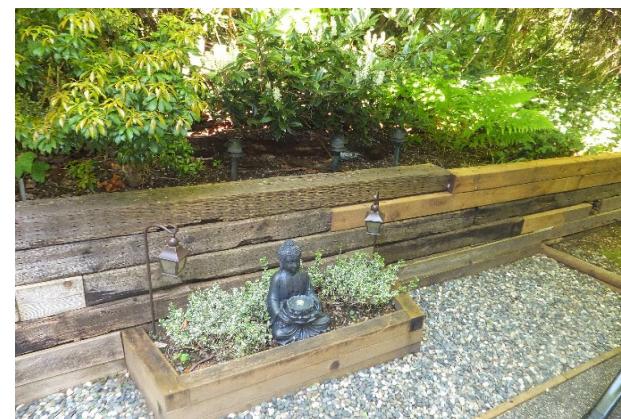
Cost Estimates	Starting Year	Current Cost	Future Cost
	2028	\$3,000	\$3,240

Funding Method Budget for contingency allowance every 10 years.

Preventative Maintenance Periodic inspections should be performed to examine, shifting, and/or any changes in the landscape on either side of the wall. Bulges and deterioration in the timber should also be noted. Localized repairs should be performed as needed.

Remarks None.

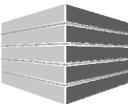
Pictures



Partially repaired retaining wall



Wooden retaining wall



Reserve Component Bridges

G20400902

Properties Pedestrian and vehicular bridges

Potential Deterioration
Bridges can suffer from concrete cracking and spalling due to freeze-thaw cycles, de-icing chemicals, or corrosion of embedded steel. Water infiltration and poor drainage can accelerate deck and substructure deterioration. Load-induced stress over time may lead to joint failures or settlement issues. Vegetation growth and debris buildup can further impair structural integrity and obscure developing problems.

Condition Analysis
Deterioration Hairline cracks and water leakage were reported on vehicular bridge at few locations. Hairline cracks were also reported on pedestrian bridge at the bottom faces of some beams.

Overall Condition Fair.

Repair History Bridge railing replacement was completed in 2016.

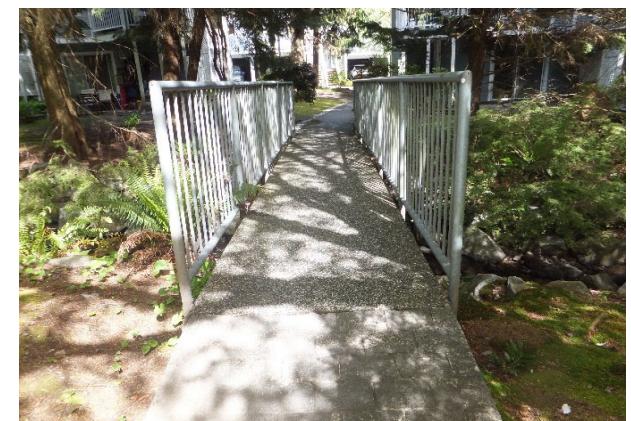
Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	1983	42 years	Contingency	42 years	Contingency

Cost Estimates	Starting Year	Current Cost	Future Cost
	2026	\$100,000	\$102,600

Funding Method Budget for contingency allowance every 15 years.
Preventative Maintenance Regular inspections should be scheduled to detect early signs of wear, corrosion, or structural stress. Applying protective sealants and surface coatings can reduce moisture ingress and slow down corrosion. Minor repairs like joint resealing and crack sealing should be promptly performed to avoid costly structural damage.

Remarks An allowance has been included to address any engineering and construction costs of bridge repairs.

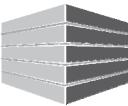
Pictures



Pedestrian bridge



Vehicular bridge



Reserve Component Landscaping

G20500501

Properties Plants, irrigation systems and architectural installations

Potential Deterioration Wooden installations may be prone to rot and distortion due to weathering. Irrigation systems may fail due to wear. Due to vegetative growth, the landscaping should be periodically redesigned to integrate resource efficiency, site functionality, and aesthetics.

Condition Analysis **Deterioration** None observed.

Overall Condition Good.

Repair History Not available.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	1983	42 years	Contingency	42 years	Contingency

Cost Estimates	Starting Year	Current Cost	Future Cost
	2030	\$12,000	\$13,643

Funding Method Budget for contingency allowance every 5 years.

Preventative Maintenance Plants will need regular pruning and maintenance. Maintain the existing elements by keeping plants healthy and preventing deterioration due to weather, damage and normal usage. Mechanical equipment such as irrigation systems will need regular servicing.

Remarks None.

Pictures



Landscaping



Landscaping



Reserve Component Site lighting

G40200101

Properties External lighting

Potential Deterioration Socket deterioration and filament corrosion may compromise light output and shorten lamp life.

Condition Analysis **Deterioration** None observed.

Overall Condition Good.

Repair History Not available.

Life Cycle Analysis	DOI	CA	EUL	EA	RUL
	1983	42 years	Contingency	42 years	Contingency

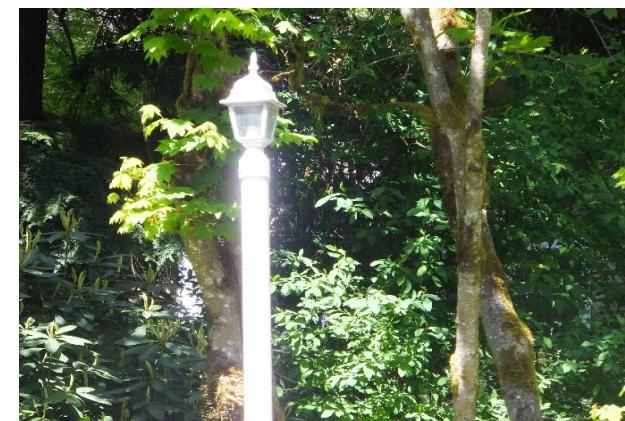
Cost Estimates	Starting Year	Current Cost	Future Cost
	2033	\$2,500	\$3,070

Funding Method Budget for contingency allowance every 10 years.

Preventative Maintenance Annual inspection. Touch up paint to protect lamp post from deterioration.

Remarks None.

Pictures



Site lighting



Site lighting



Appendix C – Assumptions and Qualifications

Preamble

This report is subject to the assumptions and qualifications outlined below and otherwise set out elsewhere in this report. Use of this report by any reader constitutes acceptance of these assumptions, qualification and the conditions outlined below and elsewhere in this report. The acceptance of this report also constitutes acceptance of responsibility for payment of the fee balance and any due costs to Strata Engineering.

Common Property Conditions

The determination of the physical condition of the common properties is solely based on a visual review of a representative sampling of all common properties in readily accessible locations after discussion with Strata Corporation representatives and a review of documentation provided by the Strata Corporation. No invasive testing or excavations were carried out on the site for the purposes of this report. Similarly, none of the equipment is disassembled, operated or subjected to any sort of functional testing. The physical inspection does not constitute a "technical audit" since extensive, comprehensive testing was not included in the scope of work. Unless proven otherwise, the subject Strata is assumed to take pride in their property and will continue to proactively address maintenance items on an ongoing basis with due diligence.

Building Codes

The visual reviews were not conducted to determine whether common property construction meets or exceeds building code requirements and thus this depreciation report is exempt from all recommendations regarding build code requirements.

Cost Estimation for Common Properties

All cost estimates are **Class D (Indicative) Estimates ($\pm 50\%$)** performed in future year dollars. The estimates indicate the approximate magnitude of cost and are solely intended for budgetary or planning purposes and not accounting for tender use. Actual costs will vary depending on a variety of factors. Most importantly, the estimates assume economies of scale and small operations will incur higher costs when performed individually. Miscellaneous costs such as consulting services and certain contingency allowances unrelated to building components are not included in the budget estimates. Cost estimates for actual projects should be developed in greater detail, accounting for owner contingency, permit fees, engineering fees etc. Construction costs may fluctuate, varying based on the time of year, contractor availability and other factors. These cost estimates must be updated over time and confirmed by competitive tender before any contracts are awarded. The cost estimates do not include allowances for site-specific access requirements or



environmental concerns. Generally, replacement costs are based on like-for-like with a similar component except in face of building code modifications or external obsolescence.

Remaining Useful Life of Common Properties

Determination of the remaining useful life is based on the condition of the common properties assessed through a visual review and on the average lifespan of the same component by industry standards. Poor maintenance, insurable losses such as earthquakes, fires and floods can shorten the life of an asset. These unforeseen events are not accounted for in our calculation.

Funding Models

The funding models for this depreciation report are calculated based on a 30-year horizon, beginning within the current year. For instance, a report performed in 2020 projects funding until 2050. The projected period is stationary and does not shift. Hence, in year 1, 2021, the projections will be valid for 29 years. The funding projections do not extend past 30 years and accuracy is only estimated by a +/- 30% error within the prescribed period of 30 years. Renewals and major maintenance projects occurring beyond the 30-year projection time frame are not considered in the given funding models.

Services Not Included

The agreed compensation for services rendered in preparing this report does not include fees for follow-up consultations and/or attendances to arbitrations or mediations, other than those outlined at the time of the acceptance of the given quote. Additional fees will have to be negotiated if personal appearances are required in connection with this report after its acceptance.

Services Included

Limited consulting or clarification regarding the content of this report or requested modifications shall be provided at no additional charge within one year of the completion of the draft report. Attendance of a final meeting with the strata council to clarify ramifications and concerns regarding the report will also be provided at no extra charge.

Currency and Taxes

Unless otherwise noted, all estimates are expressed in Canadian currency. All repair and replacement cost estimates in our planning include federal and provincial taxes, where applicable. Properties located in B.C. includes Goods and Services Tax ("GST") and Provincial Sales Tax ("PST").

Report Distribution, Third Party Liability

This report is intended sole and exclusive use of the Strata Corporation. Possession of a copy of the report shall not authorize use of the report for any purpose other than that noted in the



agreement and/or report. This report shall not be distributed or communicated to unauthorized third parties in whole or in part without prior written consent of representative of the client as noted herein. Any liability, if any, of Strata Engineering is limited to the Strata Corporation only. Notwithstanding anything herein to the contrary, the Strata Corporation will forever indemnify and hold Strata Engineering along with its employees harmless from any claims by third parties related in any way to this report.

Information Provided by Third Parties

This report, its analysis and conclusions required information from various sources. Such information was believed to be reasonably reliable, accurate, and true. Strata Engineering shall not be responsible for the accuracy of any information used in this report that has been obtained from any source. No independent verification of factual data presented to Strata Engineering has been undertaken by Strata Engineering.

Modifications

Strata Engineering reserves the right at any time to alter statements, analyses, conclusions or value estimates, if additional facts pertinent to this report are discovered at any time. Strata Engineering is not responsible for any unauthorized alterations or distributions to the report. The report must not be abstracted and must be used in its entirety.

Measurements and Exhibits

The sketches, maps and photographs in the report are included solely for the purpose of assisting the reader in visualizing the assets and may not be to scale. All components assessed herein are assumed to be completed according to the architectural, structural, mechanical, electrical plans provided, unless otherwise noted. Any variation in land or building areas from those considered in the depreciation report may alter the estimates and in turn, the required funding. No legal survey, soil tests, engineering investigations, detailed quantity survey compilations, nor exhaustive physical examinations have been made. Accordingly, no responsibility is assumed concerning these matters or other technical and engineering techniques, which would be required to discover any inherent or hidden condition of the property.

Legal Concerns

The author is highly qualified in matters concerning the depreciation report itself but otherwise not qualified in legal affairs and does not purport to give legal advice. It is assumed that:

- 1) The legal description as well as the registered survey as stated herein is that which is recorded by the Registrar of the requisite Land Titles Office and are assumed correct.
- 2) Title to the property is good and marketable; and
- 3) Rights-of-way, easements or encroachments over other real property, are legally enforceable.



The distribution of cost and other estimates in this report apply only under the programme of utilization as identified in this report. The estimates herein must not be used in conjunction with any other forms of valuation or depreciation reports and may be invalid if so used.

The report is based, unless otherwise stated, on there being full compliance with all applicable federal, provincial and local environmental regulations, laws and restrictions. Moreover, it is assumed that all required permits have been or can be obtained or renewed for any use considered herein. It is also assumed that the subject property is maintained and managed pursuant to prudent and competent ownership and management.

We have no current or prospective interest in the management of the property or its ownership. Our engagement in preparing this report and the compensation received is not contingent on the value of the estimates stated in the Report.

Environmental Concerns

Strata Engineering personnel are not qualified in aspects of surveying and environmental assessment. Unless otherwise stated in the report, it is assumed that the subject assets are not affected in any way by any adverse environmental conditions. Strata Engineering personnel are not qualified to detect potentially hazardous materials and/or substances which may adversely affect the value of the property. Hence, Strata Engineering shall not be held responsible for past or present, legal or physical deficiencies that may be found.

Furthermore, Strata Engineering personnel are not qualified to comment on environmental issues that may affect the market value of the property. These environmental issues include but are not limited to, the pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants including, but not limited to, moulds or mildews or the conditions that might give rise to either. Strata Engineering and its assignees expressly deny any legal liability relating to the effect of environmental issues on the market value of the property assessed.

Physical Concerns

Strata Engineering shall not be held responsible for any costs incurred to investigate or correct any deficiencies of any type, which may be present in the real estate and/or real property described herein. It is assumed that there are no patent or latent defects in the subject improvements, that no objectionable materials are present and that the improvements are structurally, mechanically and electrically adequate and in need of no immediate repairs unless expressly noted within this report.



Team Biographies and Qualifications (Provided as Required by the Strata Property Act)

Yang Fei, B.Sc., CRP

Principal, Operations Manager

As the operations manager, Yang ensures that Strata Engineering delivers quality services, guaranteeing client satisfaction. Yang brings extensive project management and leadership experience, cultivating new services and diverse teams. He has overseen the delivery of large projects involving interdisciplinary teams and has extensive experience working with lawyers, insurers, developers, and scientists. Yang studied at the University of British Columbia and has served on the Board of the Real Estate Institute of Vancouver. He also sits on two strata councils, serving more than 500-unit owner properties.

Diana Tarna-Bacosca, M.Eng.

Division Manager

Diana is a civil engineering graduate and has a wealth of experience in architectural, engineering, and construction environments. Her work experience has included a wide range of projects including warranty reviews, depreciation reports, insurance claims and building enclosure condition assessments. She has worked on both residential and commercial buildings, and on lowrise to high-rise as well as townhomes and provides clients with high-level reports based on site and record assessments. Her diligence provides Strata Engineering's clients with the information they need to make informed decisions for their properties.

Doug Sokolowski, B.Sc., EIT

Building Science Technologist, Team Lead

Doug is a Building Science Technologist with a background in Mechanical Engineering. He has experience in mechanical system design, project management and technical analysis. Doug specializes in preparing Depreciation Reports, conducting site assessments, and analyzing building components to help clients make informed decisions about their properties. His technical expertise and attention to detail ensure thorough and accurate evaluations of building systems and long-term maintenance planning.

Rahnuma Hossen, B.A.Sc.

Building Science Technologist

Rahnuma is a Building Science Technologist with a background in Environmental and Civil Engineering. A graduate of the University of British Columbia's Integrated Engineering program, Rahnuma has experience working on depreciation reports for residential low-rise to high-rise buildings, and townhomes, and has a strong understanding of long-term asset management and building performance.

**Bhargav Patel, M.Eng., EIT***Building Science Technologist*

Bhargav holds a Master of Engineering in Mechanical Engineering from the University of British Columbia. He brings experience in mechanical system design and technical documentation. Bhargav specializes in preparing depreciation reports and developing financial planning strategies to help strata corporations make informed maintenance decisions for both commercial and residential properties. His knowledge of budget forecasting and engineering analysis supports delivering comprehensive assessments that help clients manage their reserve funds effectively.

David Tang, M.Arch.*Building Science Technologist*

David is a Building Science Technologist with a background in Architectural Design, Urban Design and Urban Planning. David studied at the University of Southern California for his Bachelor of Architecture and at Meiji University in Tokyo, Japan for his Master of Architecture; he now combines his educational background with practical knowledge about building components to prepare Depreciation Reports for properties of all sizes and ages.



Appendix D – Replacement Schedule

The following table notes the recommended years of replacement or major repairs for each component over the 30-year period. Please note that the years listed below may differ from the replacement years in Appendix B in order to optimize the financial models. The costs listed are the future replacement costs as determined by the inflation rates noted in Section 2.3.1.

Component	Current Cost	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Balcony flooring	\$ 20,929	-	-	-	-	-	-	-	-	-	-	-	-	\$ 28,478
Cladding - Fiber cement	\$ 82,588	-	-	-	-	-	-	-	-	-	-	-	-	-
Cladding - Cedar siding	\$ 233,998	-	-	-	-	\$ 259,300	-	-	-	-	-	-	-	-
Balcony railings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Soffits	\$ 222,561	-	-	-	-	\$ 246,626	-	-	-	-	-	-	-	-
Exterior painting - Cladding	\$ 80,752	-	-	-	-	\$ 89,484	-	-	-	-	-	-	-	-
Exterior painting - Wooden elements	\$ 25,455	-	\$ 26,117	-	-	-	-	-	-	-	-	-	\$ 33,759	-
Exterior wooden elements	\$ 77,136	-	\$ 79,141	-	-	-	-	-	-	-	-	-	\$ 102,300	-
Exterior windows	\$ 728,346	-	-	-	\$ 786,647	-	-	-	-	-	-	-	-	-
Caulking and weatherstripping	\$ 19,868	-	-	-	-	\$ 22,016	-	-	-	-	-	-	-	-
Exterior unit entry and carport doors	\$ 172,800	-	-	-	\$ 186,632	-	-	-	-	-	-	-	-	-
Electrical closet doors	\$ 13,500	-	-	-	-	\$ 14,960	-	-	-	-	-	-	-	-
Patio doors - Aluminum slider	\$ 90,000	-	-	-	\$ 97,204	-	-	-	-	-	-	-	-	-
Balcony doors - Wooden swing	\$ 4,200	-	-	-	-	-	-	-	-	-	-	-	-	\$ 5,715
Roofing - Flat	\$ 27,911	-	-	-	-	-	-	-	-	-	-	-	\$ 37,017	-
Roofing - Sloped	\$ 350,452	-	-	-	-	-	-	-	-	-	-	-	\$ 464,782	-
Gutters and downspouts - aluminum	\$ 74,685	-	-	-	-	-	-	-	-	-	-	-	\$ 99,050	-
Connected Structures	\$ 169,324	-	-	-	-	-	-	-	-	-	-	-	-	-
Domestic water distribution system	\$ 57,600	-	-	-	-	-	-	-	-	-	-	-	-	-
Sanitary drainage system	\$ 16,200	-	-	-	-	-	-	-	-	\$ 19,893	-	-	-	-
Storm water drainage system	\$ 300,600	-	-	-	\$ 108,221	\$ 111,034	\$ 113,921	-	-	-	-	-	-	-
Electrical distribution	\$ 10,800	-	-	\$ 111,369	-	-	-	-	-	-	-	-	-	-
Lighting fixtures	\$ 2,700	-	-	-	-	-	-	-	-	-	-	-	-	-
Property signages	\$ 6,000	-	\$ 6,156	-	-	-	-	-	-	-	-	-	\$ 7,957	-
Exterior paving - Asphalt	\$ 8,475	-	-	-	-	\$ 9,636	-	-	-	-	-	-	-	-
Exterior paving - Concrete	\$ 4,688	-	-	-	-	-	\$ 5,329	-	-	-	-	-	-	-
Exterior and patio flooring	\$ 13,785	-	-	-	-	-	\$ 15,673	-	-	-	-	-	-	-
Privacy screens	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retaining and planter wall	\$ 3,000	-	-	-	\$ 3,240	-	-	-	-	-	-	-	-	-
Bridges	\$ 100,000	-	\$ 102,600	-	-	-	-	-	-	-	-	-	-	-
Landscaping	\$ 12,000	-	-	-	-	-	\$ 13,643	-	-	-	-	\$ 15,512	-	-
Site lighting	\$ 2,500	-	-	-	-	-	-	-	-	\$ 3,070	-	-	-	-
Total	-	-	\$ 214,014	\$ 111,369	\$ 1,181,944	\$ 743,419	\$ 158,203	-	-	\$ 22,963	-	\$ 15,512	\$ 744,866	\$ 34,193

Component	Current Cost	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Balcony flooring	\$ 20,929	-	-	-	-	-	-	-	-	-	\$ 36,811	-
Cladding - Fiber cement	\$ 82,588	-	\$ 118,298	-	-	-	-	-	-	-	-	-
Cladding - Cedar siding	\$ 233,998	-	\$ 335,178	-	-	-	-	-	-	-	-	-
Balcony railings	-	-	-	-	-	-	-	-	-	-	-	-
Soffits	\$ 222,561	-	-	-	-	-	-	-	-	-	-	-
Exterior painting - Cladding	\$ 80,752	-	\$ 115,669	-	-	-	-	-	-	-	-	-
Exterior painting - Wooden elements	\$ 25,455	-	-	-	-	-	-	-	-	\$ 43,638	-	-
Exterior wooden elements	\$ 77,136	-	-	-	-	-	-	-	-	\$ 132,236	-	-
Exterior windows	\$ 728,346	-	-	-	-	-	-	-	-	-	-	-
Caulking and weatherstripping	\$ 19,868	-	\$ 28,458	-	-	-	-	-	-	-	-	-
Exterior unit entry and carport doors	\$ 172,800	-	-	-	-	-	-	-	-	-	-	-
Electrical closet doors	\$ 13,500	-	-	-	-	-	-	-	-	-	-	-
Patio doors - Aluminum slider	\$ 90,000	-	-	-	-	-	-	-	-	-	-	-
Balcony doors - Wooden swing	\$ 4,200	-	-	-	-	-	-	-	-	-	\$ 7,387	-
Roofing - Flat	\$ 27,911	-	-	-	-	-	-	-	-	-	-	-
Roofing - Sloped	\$ 350,452	-	-	-	-	-	-	-	-	-	-	-
Gutters and downspouts - aluminum	\$ 74,685	-	-	-	-	-	-	-	-	-	-	-
Connected Structures	\$ 169,324	-	-	-	-	-	-	\$ 275,751	-	-	-	-
Domestic water distribution system	\$ 57,600	-	-	-	-	-	\$ 91,427	-	-	-	-	-
Sanitary drainage system	\$ 16,200	-	-	-	-	-	\$ 25,714	-	-	-	-	-
Storm water drainage system	\$ 300,600	-	-	-	-	-	-	-	-	-	-	-
Electrical distribution	\$ 10,800	-	-	-	-	\$ 16,708	-	-	-	-	-	-
Lighting fixtures	\$ 2,700	-	-	-	-	-	-	-	\$ 4,511	-	-	-
Property signages	\$ 6,000	-	-	-	-	-	-	-	-	\$ 10,286	-	-
Exterior paving - Asphalt	\$ 8,475	-	-	\$ 12,455	-	-	-	-	-	-	-	-
Exterior paving - Concrete	\$ 4,688	-	-	\$ 6,889	-	-	-	-	-	-	-	-
Exterior and patio flooring	\$ 13,785	-	-	\$ 20,260	-	-	-	-	-	-	-	-
Privacy screens	-	-	-	-	-	-	-	-	-	-	-	-
Retaining and planter wall	\$ 3,000	\$ 4,188	-	-	-	-	-	-	-	-	-	\$ 5,414
Bridges	\$ 100,000	-	-	-	\$ 150,785	-	-	-	-	-	-	-
Landscaping	\$ 12,000	-	-	\$ 17,636	-	-	-	-	\$ 20,051	-	-	-
Site lighting	\$ 2,500	-	-	-	-	-	\$ 3,968	-	-	-	-	-
Total	-	\$ 4,188	\$ 597,604	\$ 57,239	\$ 150,785	\$ 16,708	\$ 121,109	\$ 275,751	\$ 24,562	\$ 186,160	\$ 44,199	\$ 5,414

Component	Current Cost	2049	2050	2051	2052	2053	2054	2055
Balcony flooring	\$ 20,929	-	-	-	-	-	-	-
Cladding - Fiber cement	\$ 82,588	\$ 152,915	-	-	-	-	-	-
Cladding - Cedar siding	\$ 233,998	\$ 433,261	-	-	-	-	-	-
Balcony railings	-	-	-	-	-	-	-	-
Soffits	\$ 222,561	-	-	-	-	-	-	-
Exterior painting - Cladding	\$ 80,752	\$ 149,517	-	-	-	-	-	-
Exterior painting - Wooden elements	\$ 25,455	-	-	-	-	-	-	-
Exterior wooden elements	\$ 77,136	-	-	-	-	-	-	-
Exterior windows	\$ 728,346	-	-	-	-	-	-	-
Caulking and weatherstripping	\$ 19,868	\$ 36,786	-	-	-	-	-	-
Exterior unit entry and carport doors	\$ 172,800	-	-	-	-	-	-	-
Electrical closet doors	\$ 13,500	-	-	-	-	-	-	-
Patio doors - Aluminum slider	\$ 90,000	-	-	-	-	-	-	-
Balcony doors - Wooden swing	\$ 4,200	-	-	-	-	-	-	-
Roofing - Flat	\$ 27,911	-	-	-	-	-	-	-
Roofing - Sloped	\$ 350,452	-	-	-	-	-	-	-
Gutters and downspouts - aluminum	\$ 74,685	-	-	-	-	-	-	-
Connected Structures	\$ 169,324	-	-	-	-	-	-	-
Domestic water distribution system	\$ 57,600	-	-	-	-	\$ 118,181	-	-
Sanitary drainage system	\$ 16,200	-	-	-	-	\$ 33,238	-	-
Storm water drainage system	\$ 300,600	-	-	-	-	-	-	-
Electrical distribution	\$ 10,800	-	-	-	-	-	-	-
Lighting fixtures	\$ 2,700	-	-	-	-	-	-	\$ 5,832
Property signages	\$ 6,000	-	-	-	-	-	-	-
Exterior paving - Asphalt	\$ 8,475	-	\$ 16,100	-	-	-	-	-
Exterior paving - Concrete	\$ 4,688	-	\$ 8,905	-	-	-	-	-
Exterior and patio flooring	\$ 13,785	-	\$ 26,188	-	-	-	-	-
Privacy screens	-	-	-	-	-	-	-	-
Retaining and planter wall	\$ 3,000	-	-	-	-	-	-	-
Bridges	\$ 100,000	-	-	-	-	-	-	-
Landscaping	\$ 12,000	-	\$ 22,796	-	-	-	-	\$ 25,918
Site lighting	\$ 2,500	-	-	-	-	\$ 5,129	-	-
Total	-	\$ 772,479	\$ 73,989	-	-	\$ 156,549	-	\$ 31,750