



## Commercial Property Condition Assessments (PCA's)

Commercial property inspections and property condition assessments include the condition, life expectancy and repair/replacement budgets for the roof systems, electrical services, common plumbing including hot water heaters, heating units, HVAC units interior/exterior walls, floors, windows and finished areas along with the grounds and surface lots adjacent to the building.

**The Baseline PCA** - The goal of a PCA is to identify and communicate physical deficiencies to our client. The term *physical deficiencies* means the presence of conspicuous defects or material deferred maintenance of a subject property's material systems, components, or equipment as observed during the field observer's walk-through survey. This definition specifically excludes deficiencies that may be remedied with routine maintenance, miscellaneous minor repairs, normal operating maintenance, etc., and excludes de minimis conditions that generally do not present material physical deficiencies of the subject property.

**Walk-Through Survey** - This document outlines procedures we follow for conducting a walk-through survey to identify the subject property's physical deficiencies, and recommends various systems, components, and equipment that should be observed by the field observer and reported in the property condition report (PCR).

Preparation of a PCR is intended to reduce, but not eliminate, the uncertainty regarding the potential for component or system failure and to reduce the potential that such component or system may not be initially observed. This guide also recognizes the inherent subjective nature of a consultant's opinions as to such issues as workmanship, quality of original installation, and estimating the remaining useful life of any given component or system. The guide recognizes a consultant's suggested remedy may be determined under time constraints, formed without the aid of engineering calculations, testing, exploratory probing, the removal or relocation of materials, design, or other technically exhaustive means.

Only representative observations of such areas are to be surveyed. The concept of representative observations extends to all conditions, areas, equipment, components, systems, buildings, etc., to the extent that they are similar and representative of one another.

If readily available, the consultant should review the following documents and information that may be in the possession of or provided by the owner, owner's representative, user, or combination thereof, as appropriate. Such information also could aid in the consultant's knowledge of the subject property's physical improvements, extent and type of use, or assist in identifying material discrepancies between reported information and observed conditions, or a combination thereof.



**Photographs** – We will document representative conditions with photographs and use reasonable efforts to document typical conditions present including material physical deficiencies, if any. Photographs will include as a minimum: front and typical elevations and exteriors, site work, parking areas, roofing, structural systems, plumbing, HVAC and electrical systems, conveyance systems, life safety systems, representative interiors, and any special or unusual conditions present, provided that such building systems and components are within the scope of the PCA as defined between the user and consultant.

### **Opinions of Probable Costs to Remedy Physical Deficiencies**

*Purpose*—Based upon the walk-through survey and information obtained in accordance with following this guide, general-scope opinions of probable costs will be prepared for the suggested remedy of the material physical deficiencies observed. These opinions of probable costs are to assist the user in developing a general understanding of the physical condition of the subject property.

*Scope*—Opinions of probable costs will be provided for material physical deficiencies and not for repairs or improvements that could be classified as: (1) cosmetic or decorative; (2) part or parcel of a building renovation program (3) tenant improvements/finishes; (4) enhancements to reposition the subject property in the marketplace; (5) for warranty transfer purposes; or (6) routine or normal preventive maintenance, or a combination thereof.

**Suggested Remedy**—For each material physical deficiency, the consultant will provide a suggested remedy, which may include recommending further research or testing, or both, if appropriate in the consultant’s opinion.

**Significance of Physical Deficiency**—If the significance of the physical deficiency is not readily discernible, the consultant will explain its significance in a simple manner meaningful to a user. For example, stating that “the subject property has aluminum distribution wiring” may be insufficient to the user, since this statement reveals nothing about the significance of this adverse condition.

## **A) Structural/Civil Scope**

*Site:*

- *Topography* - Observe the general topography and any unusual or problematic features or conditions.
- *Storm Water Drainage*—Observe the storm water collection and drainage system and note the presence of on-site surface waters, and retention or detention basins.
- *Ingress and Egress*—Observe the major means of ingress and egress.
- *Paving, Curbing, and Parking*—Observe the material paving and curbing systems. Identify the types of parking, that is, garage, surface, subsurface, etc., the number and types of parking and



loading spaces, and any reported parking inadequacies. Note the source of the information relating to the number and types of parking and loading spaces.

- *Flatwork*—Observe sidewalks, plazas, patios, etc.
- *Landscaping and Appurtenances*—Observe landscaping (trees, shrubs, lawns, fences, retaining walls, etc.) and material site appurtenances (irrigation systems, fountains, lighting, signage, ponds, etc.).
- *Recreational Facilities*—Observe on-site recreational facilities.

#### *Utilities:*

- *Observations*—Identify type and provider of the material utilities provided to the property (water, electricity, natural gas, etc.).
- *Special Utility Systems*—Identify the presence of any material special on-site utility systems such as water or wastewater treatment systems, special power generation systems, etc. If readily available, identify material system information, such as system type, manufacturer, system capacity, system age, system operator, etc.

*Out of Scope Issues*—Operating conditions of any systems or accessing manholes or utility pits.

#### *Structural Frame and Building Envelope:*

- *Observations*—Identify the primary buildings, including parking structures, on the subject property, and identify the basic type of structure (steel frame, wood frame, cast-in place concrete, precast concrete, concrete block, etc.) for each. Observe the building substructure, including the foundation system (noting the presence of cellars, basements, or crawlspaces), building's superstructure or structural frame (floor framing system and roof framing system), building envelope including facades or curtain wall system, glazing system, exterior sealants, exterior balconies, doors, stairways, parapets, etc. Observations of the building's exterior generally are to be limited to vantage points that are on-grade or from readily accessible balconies or rooftops.

*Out of Scope Issues*—Entering of plenum, crawl, or confined space areas (however, the field observer should observe conditions to the extent easily visible from the point of access to the crawl or confined space areas, provided such points of access are readily accessible), determination of previous substructure flooding or water penetration unless easily visible or if such information is provided.

#### *Roofing:*

- *Observations*—Identify and observe the material roof systems (exposed membrane and flashings) including, parapets, slope, drainage, etc. Observe for evidence and/or the need for material repairs, evidence of significant ponding, or evidence of roof leaks. Inquire as to the age of the material roofing system(s) and whether a roof warranty or bond is reported to be in effect.

*Out of Scope Issues*—Walking on pitched roofs, or any roof areas that appear to be unsafe, or roofs with no built-in access, or determining any roofing design criteria.



## B) Electrical & Fire/Safety Scope

### *Electrical:*

- *Observations*—Identify the electrical service provided and observe the electrical distribution system including distribution panels, transformers, meters, emergency generators, general lighting systems, and other such equipment or systems. Observe general electrical items, such as distribution panels, type of wiring, energy management systems, emergency power, lightning protection, etc. Identify any observed or reported special or unusual electrical equipment, systems, or devices at the subject property.

*Out of Scope Issues*—Removing of electrical panel and device covers, except if removed by building staff, EMF issues, electrical testing, or operating of any electrical devices, or opening on process related equipment or tenant owned equipment.

### *Life Safety/Fire Protection:*

- *Observations*—Identify and observe life safety and fire protection systems, including sprinklers and standpipes(wet or dry, or both), fire hydrants, fire alarm systems, water storage, smoke detectors, fire extinguishers, emergency lighting, stairwell pressurization, smoke evacuation, etc.

*Out of Scope Issues*—Determining NFPA hazard classifications, identifying, classifying, or testing fire rating of assemblies. Determination of the necessity for or the presence of fire areas, fire walls, fire barriers, path of travels, construction groups or types, or use classifications.

## C) HVAC & Plumbing Inspection

### *Plumbing:*

- *Observations*—Identify and observe the material plumbing systems including piping (sanitary, storm and supply water), fixtures, domestic hot water production, and note any special or unusual plumbing systems.
- *Out of Scope Issues*—Determining adequate pressure and flow rate, fixture-unit values and counts, verifying pipe sizes, or verifying the point of discharge for underground drains.

### *Heating:*

- *Observations*—Identify the basic type of heat generating and distribution system, and the apparent or reported age of the equipment, past material component replacements/upgrades, and the apparent level of maintenance exercised. If heating equipment is shutdown or not operational at the time of the walk-through survey, provide an opinion of the condition to the extent observed. Also, observe any special or unusual heating systems or equipment present, such as solar heat. Identify in general terms reported material tenant-owned systems that are outside the scope of the PCA.



*Out of Scope Issues*—Observation of flue connections, interiors of chimneys, flues or boiler stacks, or tenant owned or maintained equipment. Entering of plenum or confined space areas.

*Air Conditioning and Ventilation:*

- *Observations*—Identify the basic type of air conditioning and ventilation systems including cooling towers, chillers (include type of reported refrigerant used), package units, split systems, air handlers, thermal storage equipment, material distribution systems, etc. Identify the apparent or reported age of the material equipment, past material component upgrades/replacements, apparent level of preventive maintenance exercised, and whether a maintenance contract is reported to be in place. If air conditioning and ventilation systems are shutdown or not operational at the time of the walk-through survey, provide an opinion of the condition to the extent observable. Identify any special or unusual air conditioning and ventilation systems or equipment, such as refrigeration equipment for ice skating rinks, cold storage systems, special computer cooling equipment, etc. Identify in general terms reported material tenant-owned systems that are outside the scope of the PCA.

*Out of Scope Issues*—Process related equipment or condition of tenant owned/maintained equipment. Entering of plenum or confined space areas. Testing or measurements of equipment or air flow.



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