

***EXPERT***   
**Reserve Services, Inc.**

Reserve Studies - Replacement Cost Valuations

# RESERVES STRUCTURAL & NON- STRUCTURAL

How to Navigate in the Coming Years



# Non-Structural Reserves

- Recreation Areas (if separate from the buildings)
- Remodeling of Common Areas- (floor coverings, lighting, etc.)
- Fencing/ Gates
- Asphalt/ Parking Areas
- Separate Garages/ Carports
- Signs (entrance, information, etc.)
- Water Features (fountains, waterfalls)



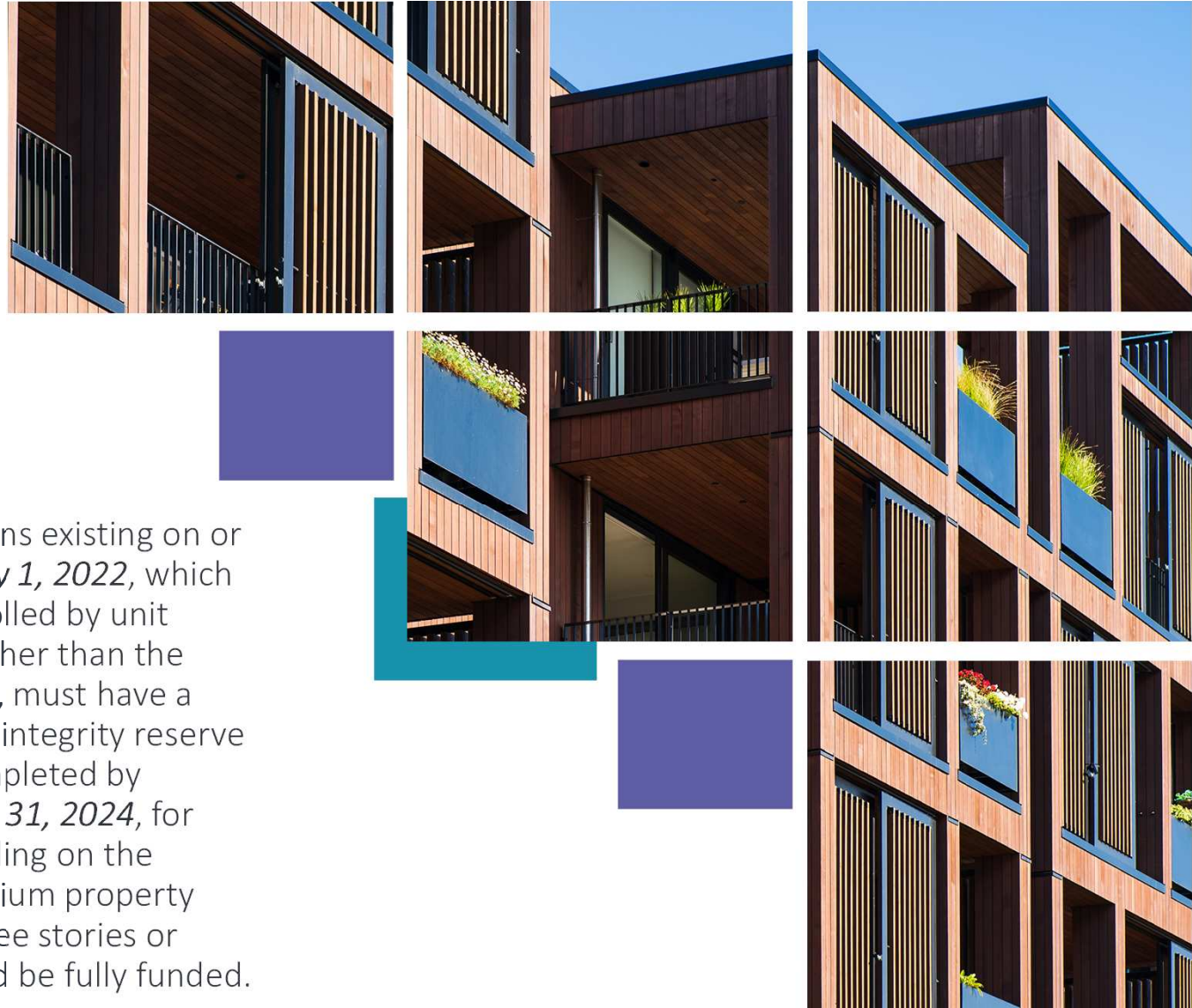
# STRUCTURAL

- Roof
- Load Bearing Walls and other Primary Structures
- Floor
- Foundation
- Fireproofing and Fire Protection Systems
- Plumbing
- Electrical Systems
- Waterproofing & Exterior Paint
- Windows
- *Any other items requiring repair/ replacement that exceeds \$10K and the failure to replace or maintain negatively affects the above items as determined by the engineer/architect.*



# THE REQUIREMENTS

- An association must have a structural integrity reserve study completed at least every 10 years for *each building* on the condominium property that is three stories or higher.
- Before a developer turns over control of an association to unit owners other than the developer, the developer must have a structural integrity reserve study completed for *each building* on the condominium property that is three stories or higher.
- Associations existing on or before *July 1, 2022*, which are controlled by unit owners other than the developer, must have a structural integrity reserve study completed by *December 31, 2024*, for each building on the condominium property that is three stories or higher and be fully funded.





# MORE REQUIREMENTS

- Effective **December 31, 2024**, members of a unit-owner-controlled association may not vote to use reserve funds, or any interest accruing thereon, that is reserved for items listed in the SIRS for any other purpose other than their intended purpose. (COMPONENT FUNDING METHOD)

- If an association fails to complete a structural integrity reserve study pursuant to this paragraph, such failure is a breach of an officer's and director's fiduciary relationship to the unit owners under s.718.111(1). 1061 (h)



# THE PROCESS



## 1<sup>st</sup> ENGINEER OR ARCHITECT INSPECTION

- A licensed engineer or architect must perform a visual inspection of required reserve items.
- Requires the study to include and state the estimated useful life, remaining life, and the estimated current replacement cost.



## 2<sup>nd</sup> RESERVE SPECIALIST

- A reserve specialist (PRA) to formulate this information into a reserve study identifying all information gathered by the engineer or architect by building.

# THE RESULT



## Fully Funded Reserves

- A distinction between structural and non-structural reserves
- Proper planning for replacements/ repairs
- Full compliance with the Law



## Additional Benefits

- Sustained property values
- Expanded mortgage capabilities
- Less risk of special assessments
- Maintained properties



# *Thank You*



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