

# Do we need a Depreciation Report or a Building Condition Assessment?

We often get asked by Strata Corporations to highlight the differences and similarities between Depreciation Reports and Building Condition Assessments. Both of these studies are valuable tools to help manage your building assets and each have unique benefits.



**Depreciation Reports**, sometimes referred to as Reserve Fund Studies or Renewal Plans, are a broad documentation of the Strata's common property combined with a financial plan to fund major renewals over a period of thirty years. They are a government regulated, high-level planning tool to help manage the building components and to help ensure funding is available when major renewals are triggered. After the first depreciation report is created and the inventory is well documented, the report is then required to be updated every three years.



**Building Condition Assessments** are a deep dive into the condition of isolated building elements, such as the building envelope, roofs, balconies, windows, or mechanical systems, etc. These studies are often undertaken to assess the condition of a component to help plan for a pending renewal. They are the first step in putting together a project, whether it be an isolated repair or a major renovation. Once the project is executed and completed, the Depreciation Report and associated funding models are updated accordingly.



**Building Condition Assessments** are often initiated voluntarily to review a particular concern; however, they may also be needed to support or substantiate a recommendation in a **Depreciation Report**. Depreciation Report limited renewal recommendations are often based on high-level visual review, industry standard expectations of performance (i.e., age of component), or subjective/assumed failure criteria. This can lead to unsubstantiated and premature renewal recommendations. The responsible approach is to request a Building Condition Assessment to better understand your project needs prior to acting on significant recommendations of a Depreciation Report.

Since 1996, BC Building Science has been an industry leader in helping Strata Corporations manage their building assets in the most responsible and practical ways. Whether we are preparing a Depreciation Report or a Building Condition Assessment, we always provide the most appropriate solutions for your particular situation.