

DO PLUMBING, ELECTRICAL, AND LANDSCAPE RENOVATION PROJECTS BELONG IN A RESERVE STUDY?



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Several times a year I will get a call from an association representative asking why one (or sometimes all) of these projects were missed in their Reserve Study. Of course, this is a perfectly understandable question, as these projects can be substantial expenditures for any association-governed community. Let's take a closer look at some of the reasons why these projects may or may not be in your Reserve Study.



Constructing the Component List

First, it's essential to understand the 4-part test that determines whether or not a component is suitable to be included in a Reserve Study. This test is part of [National Reserve Study Standards](#):



RESERVE COMPONENT "FOUR-PART TEST"

- The project needs to be a common area maintenance responsibility
- It must have a Limited Useful Life
- It must have a predictable Remaining Useful Life
- Its repair or replacement cost must be above a minimum threshold of significance.

When you consider Plumbing, Electrical and Landscape projects, it is easy to see that 3 of the 4 requirements are readily met. For a Reserve Specialist, the challenge comes in assigning a predictable Remaining Useful Life and replacement cost to these projects.

Reserve Study Site Inspections

Since a Reserve Study is based only on a [visual inspection](#) (not intrusive, descriptive inspection) of the common area, there is no way to assess future repairs or replacements related to behind-the-wall plumbing or electrical systems.



The scope of work on a major Landscape Renovation project is also difficult to establish without the involvement of a landscape specialist. For these reasons, projects of this nature are not automatically included as components in the reserve funding plan.

However, the benefit of the Reserve planning process is that a good Reserve Specialist will communicate with association representatives and vendors about **all** anticipated projects. When the Board or Manager has enlisted the help of experts in developing a specific scope and schedule of work for plumbing, electrical, or landscaping expenses, these components qualify under the Reserve Component “4-Part Test” and can easily be incorporated into the Study.

When it comes time to update your Reserve Study, remember that when armed with the right information, it is possible to add these major items to the Component List!