



ASSOCIATION
RESERVES™

WHY RESERVE STUDIES?

*Reserve Studies help you outsmart
disrepair at your property.*



reservestudy.com



Association-governed
Communities



Timeshares & Fractionals



Municipalities &
Commercial Properties



Worship Facilities



Schools



Camps, Retreats &
Charitable Organizations



Private Clubs &
Recreation Centers



Robert Nordlund, PE, RS
ASSOCIATION RESERVES
Founder/CEO



DID YOU KNOW?

- Plans of this nature have been in existence throughout the US in the field of Association-governed communities for over 30 years
- The Community Associations Institute (CAI) established National Reserve Study Standards in 1998



Capital Replacement Plan

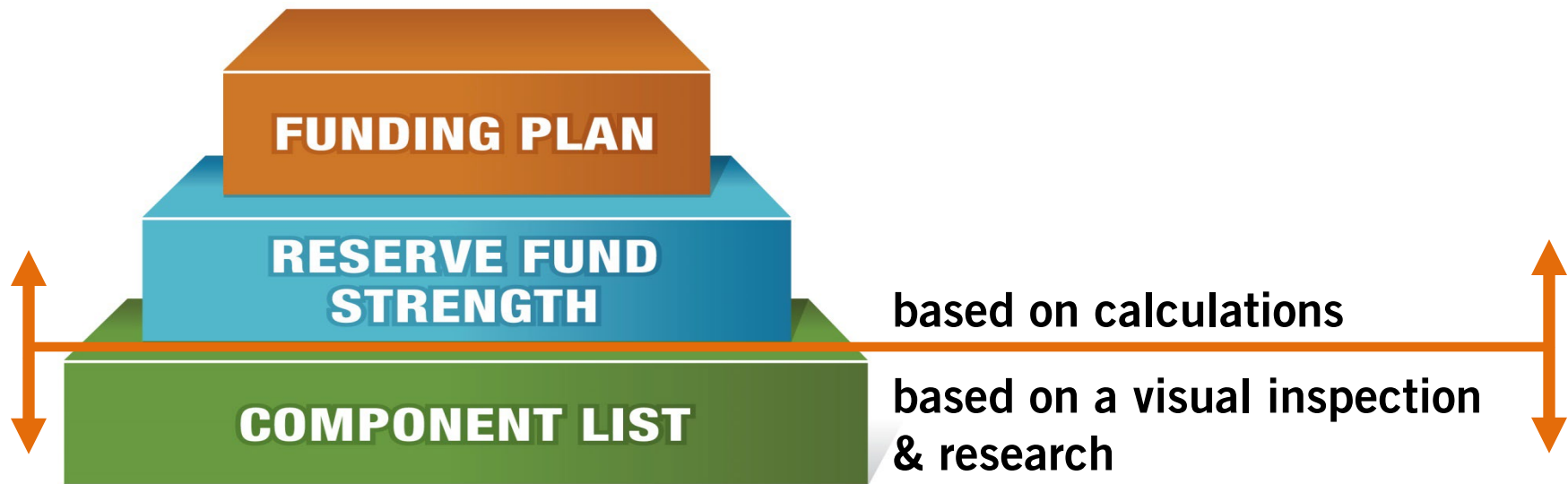
Facility Condition Assessment (FCA)

Property Condition Assessment (PCA)

A Reserve Study has 3 key results:



Each result is foundational to the next







COMPONENT LIST





1 COMPONENT LIST

- **Description**

The description of the component

- **Useful Life (UL)**

An estimate (measured in years) of how long the component was designed to fulfill its intended function

- **Remaining Useful Life (RUL)**

An estimate (measured in years) of how much longer the component will perform its intended function

- **Replacement Cost**

Current cost (measured in dollars) to cover the scope of work

①

COMPONENT LIST

Description	UL	RUL	Cost
Asphalt - Seal	5	2	\$8,000
Asphalt - Resurface	20	2	\$150,000
Building - Ext Repaint	10	1	\$27,000
Building - Int Repaint	10	5	\$17,500
Roofing - Replace	20	5	\$85,000
Flooring - Replace	8	6	\$65,000
HVAC - Replace	15	1	\$125,000
Bathrooms- refurbish	15	5	\$40,000

Scope

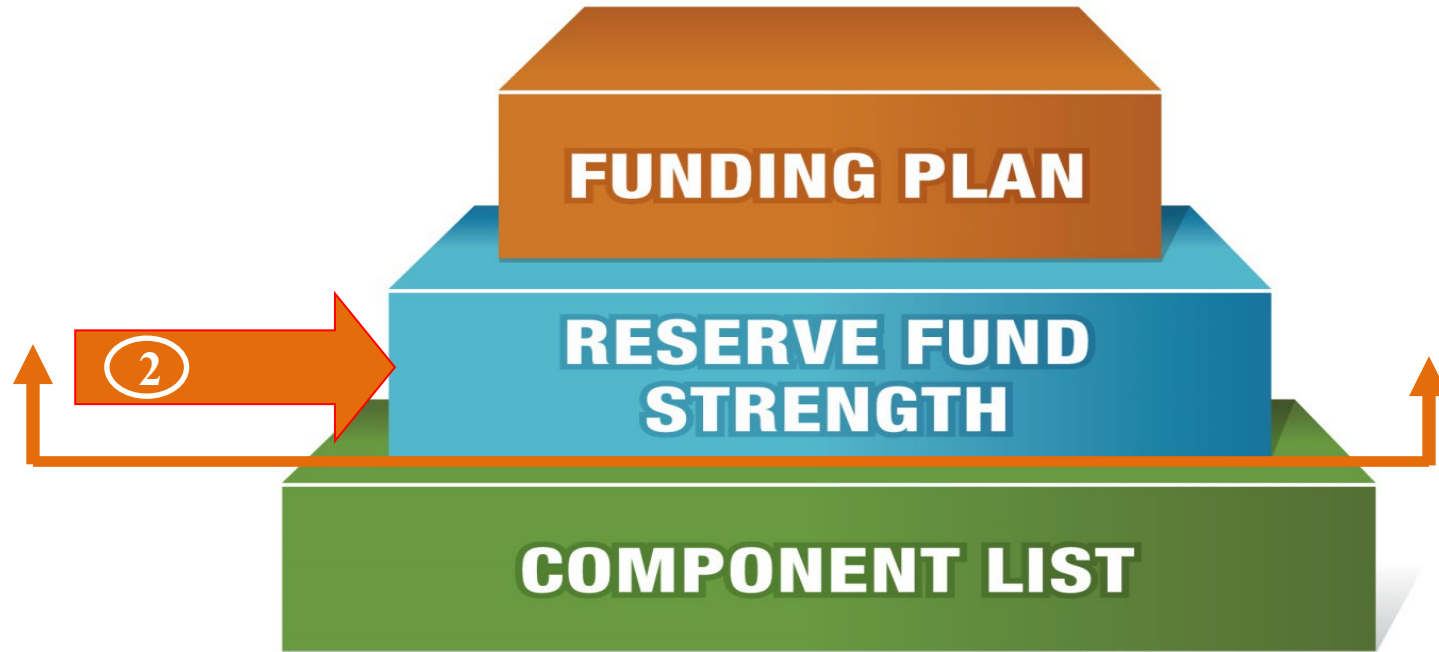


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Schedule





RESERVE FUND STRENGTH

Measures how well the Reserve Fund has kept pace with the property's ongoing physical deterioration.





$$\% \text{-Funded} = \frac{\$ \text{ in Reserve Fund}}{\$ \text{ of Deterioration}}$$

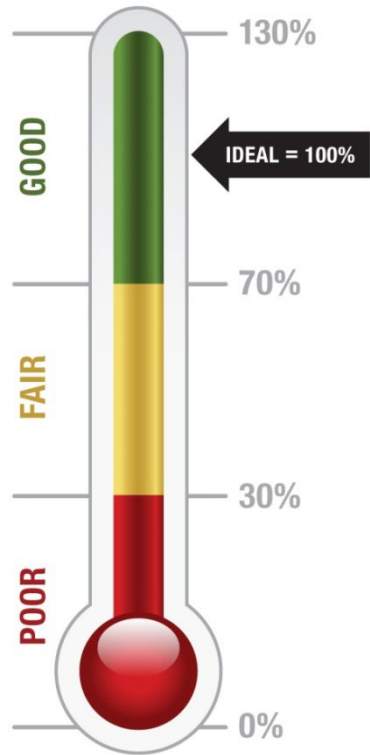
*Physical deterioration can be expressed in monetary terms, based on the **scope & schedule** of all the components on the **Component List**.*



RESERVE FUND STRENGTH

“%-Funded” provides a clear indication of how financially prepared you are to make timely repair and replacements

100%-funded is “Ideal”.

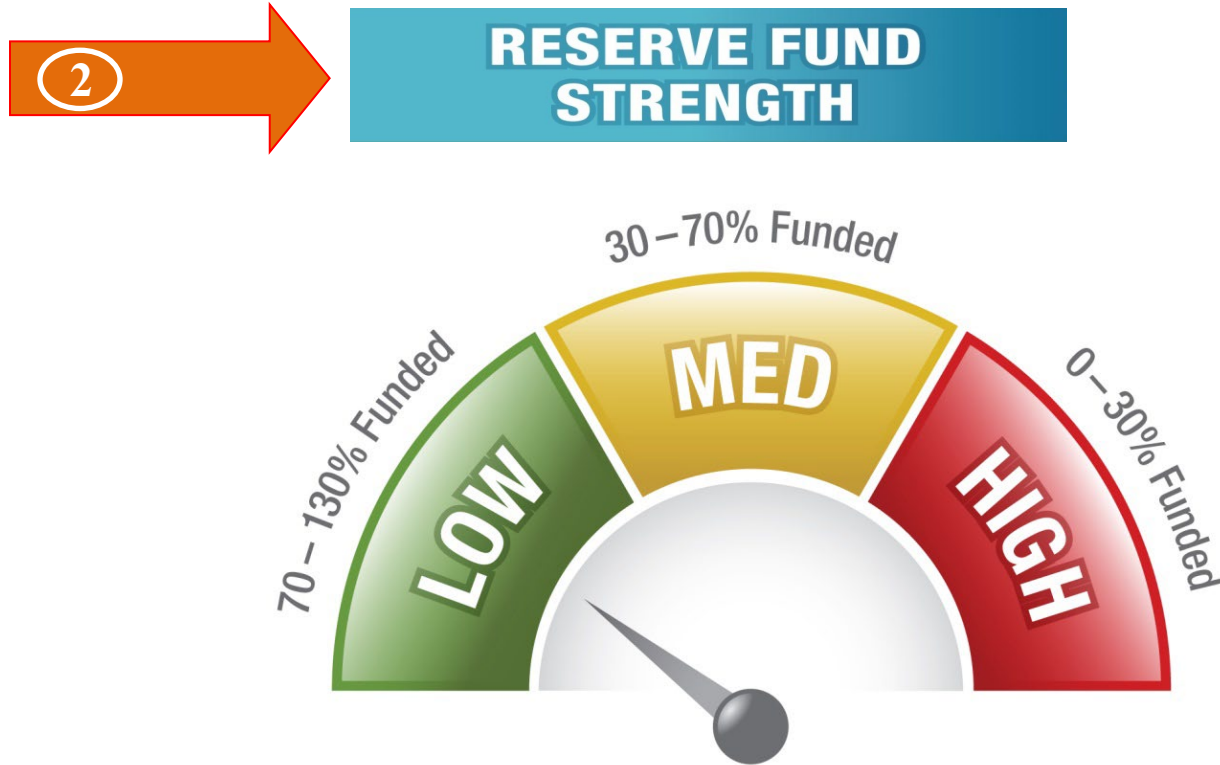


2

RESERVE FUND STRENGTH



*A strongly (**70% - 130%**) funded organization is able to make property repairs & replacements in a timely manner!*

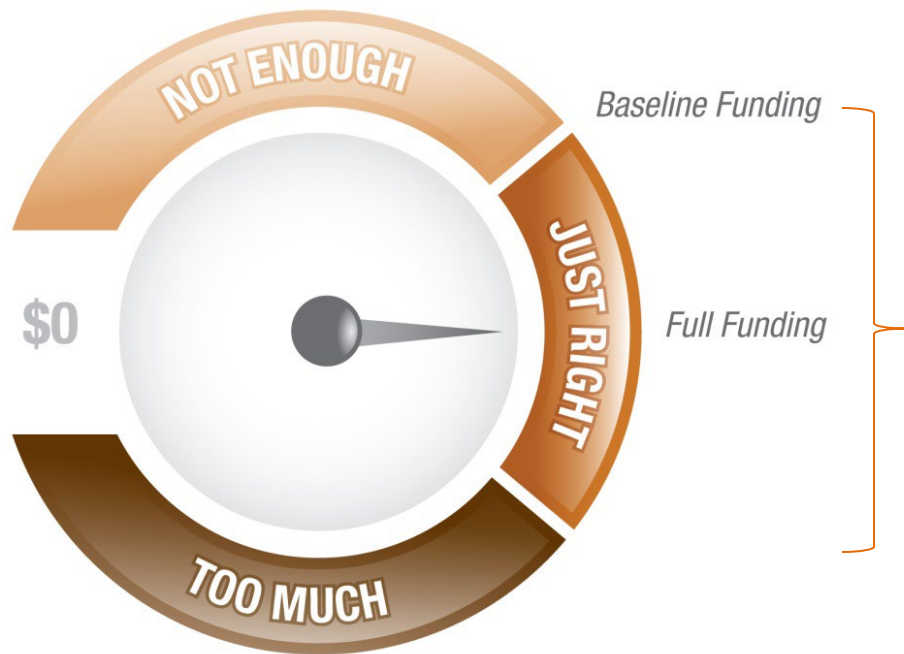


RISK OF NOT HAVING ENOUGH MONEY!





*Can be crafted to meet
the unique needs
of your organization*



*Dependent on your
funding objectives*

③ FUNDING PLAN

***Ideally** funded through
stable, scheduled (\$/year)
reserve contributions...*

***...since the date of initial
construction!***





Realistically funded through stable, scheduled contributions
+ other “catch-up” sources

Who Benefits from a Reserve Study?

✓ Property Owners

- Avoid surprises by staying on top of major repair projects
- Save money by preventing deferred maintenance
- Preserve property values by avoiding a “tired & rundown” appearance
- Enjoy clear communication of repair & replacement priorities with Property Managers & Maintenance Supervisors



Who Benefits from a Reserve Study?

✓ **Property Managers & Maintenance Supervisors**

- Enjoy clear communication of repair & replacement priorities
- Save time & energy by having a pre-determined & manageable schedule of major projects
- Enjoy peace of mind knowing funds are on hand for necessary work to be completed in a timely manner



Who Benefits from a Reserve Study?

✓ Property Users



Do you know the physical & financial health of your property?



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