

DON'T PAY MORE THAN YOU HAVE TO FOR A RESERVE STUDY!

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This may seem like strange advice coming from a couple of professional Reserve Study providers, but after almost 25 years in this industry we still find many of our clients confused about which level of service is appropriate for their Association. When we ask a client what type of Reserve Study they want, the most common answer we get is “A good one!” Great answer, but not exactly what we were looking for. The question is an important one, because per National Reserve Study Standards, there are three types of Reserve Studies. If you plan to hire a professional to prepare your Reserve Study, you will find these three levels of service vary significantly in price. You can avoid paying for what you don't need by knowing which of the three most appropriately meets your Reserve Study needs.

All three types of Reserve Studies provide the same three results:

1. Component List (describing the scope and timing of all repair & replacements funded through Reserves)
2. Reserve Fund Strength (a calculated % Funded)
3. Reserve Funding Plan (a calculated multi-year contribution recommendation)

But the way this information is compiled differs greatly. If you're not careful, you could easily pay more than necessary for your Reserve Study. Let us outline the three “Levels of Service” based on [National Reserve Study Standards](#):

FULL Reserve Study

A “Full” Reserve Study is the most comprehensive level of service, designed for associations performing a Reserve Study for the first time or for associations without a reliable Component List. This type of Reserve Study is based on a thorough site inspection where all the major assets of the association are inspected, measured, and

evaluated. It is on the basis of this Component List that Reserve Fund Strength is calculated and a recommended Reserve Funding Plan is developed. For most associations, a "Full" Reserve Study only needs to be done once.

Reserve Study Update - With Site Visit (WSV)

An "Update With Site Visit" Reserve Study is for associations with a prior Reserve Study that are confident in their existing Component List. With Reserve Components and measurements accurately identified, that information can be updated based on a diligent visual on-site inspection. This is a wise choice for associations on an every few years basis, especially when the association has large or complicated Reserve Components or is approaching one or more major projects. In this level of service, some component measurements may be spot-checked for accuracy, but the primary purpose of the site visit is to update Useful Life and Remaining Useful Life estimates based on observed conditions. Some minor changes (additions or deletions) may be made to the Component List and Current Replacement Costs are reviewed and updated. It is on the basis of this updated Component List that Reserve Fund Strength can be calculated and a recommended Reserve Funding Plan developed. An Update WSV should be a recurring event throughout the life of a community association, and typically costs 50% - 80% of a "Full" Reserve Study cost.

Reserve Study Update – No Site Visit (NSV)

An "Update No Site Visit" Reserve Study is also for associations with a prior Reserve Study that are confident in their existing Component List. However, due to mild weather, minimal Reserve projects, or a simple set of Reserve Components, an onsite inspection may not be necessary that particular year to accurately update estimates for Useful Life, Remaining Useful Life, and Current Replacement Cost. In this level of service, the Component List is updated based on phone interviews, email communication, and a review of association information. It is on the basis of this office-updated Component List that Reserve Fund Strength can be calculated and a recommended Reserve Funding Plan developed. An Update NSV should be a recurring event throughout the life of a community association, occurring "in-between" the WSV Update years, and typically costs 25% - 50% of a "Full" Reserve Study cost.

So if your association doesn't have a Reserve Study, you would need a Full Reserve Study conducted. If you've previously had a "Full" Reserve Study, you'll need an Update With-Site-Visit (WSV) or Update No-Site-Visit (NSV). So, save your Association money! Don't ask us to prepare a "Full" Reserve Study if you don't need it, and don't hire us for a WSV Update when you only need an Update NSV!