



Kent Schultz, P.Eng., BSS

RDH Building Science Inc.

Planning for Capital Projects

It takes work to keep our buildings looking their best, performing at a high level, and in good shape for the foreseeable future. A lot of this work falls under routine maintenance; like cleaning underground garages in the spring to remove salts and debris, or cleaning roof drains to ensure proper drainage. While maintenance helps to extend the service life of buildings and their key components, it is inevitable that eventually a capital project will be needed to address outstanding issues, repair broken equipment or components, or for modernization.

These capital projects require pre-planning and preparation to ensure they achieve their intended goals, are cost effective, and cause as little disruption to the building and residents as possible. While all capital projects are different and need to be tailored to the needs of the building and building residents, there are a few common threads that apply generally to these projects.

continued...



“ The assessment can take on many forms but it should be conducted by a qualified person or professional with experience relevant to the issues and building components. ”

Life Cycle Planning and the Reserve Fund Study (RFS)

To help with financial planning and provide a rough estimate of timing, condominium buildings are required to have a reserve fund study prepared and updated every 3 years. Reviewing and understanding the RFS is a great place to start when preparing for capital projects.

The RFS should include a list of the major building components (elevator, windows, roofs, etc.) and:

- Their current age;
- Their remaining expected service life; and,
- An estimated cost for repair or replacement at the end of their service life.

The RFS does not provide strict timing for capital projects, nor does it provide an exact budget for these projects. That said, the RFS does provide a general timeline and broad cost projection for these projects. It also provides a plan for funding these projects through the Reserve Fund. In many cases, the RFS will also include some discussion around the grouping of capital projects to achieve cost efficiencies.

It is important to keep in mind that the Reserve Fund can only be used for common elements and should not be used for betterments. For more information on how the Reserve Fund can be used, refer to the Condominium Act, Section 97 Modification to Common Elements and Assets.

Assessment

The time to complete an assessment is when building components are nearing the end of their service life, issues are becoming more regular, and the RFS is suggesting that repair or replacement may be required. The assessment can take on many forms but it should be conducted by a qualified person or professional with experience relevant to the issues and building components. The assessment should:

- Identify the issues and components that are candidate for repair or replacement;
- Provide conceptual level recommendations for repair, rehabilitation, or replacement;
- Provide an indication of timing for the capital project; and,
- Where possible, provide alternate or phased solutions;

It is critical when completing the assessment to provide as much information as possible. Often, providing the RFS and any available drawings or photographs, is a great starting point for the assessment and will help to provide both clarity and accuracy for the assessor.

Depending on the findings from the assessment, it may be possible to delay the project by completing short term repairs or a trial repair may be recommended as a way to confirm the repair strategy is effective in addressing the issue. Regardless, the assessment should provide greater clarity on the path forward.

Design and Project Timing

After confirming a capital project is the preferred or required path, it is time to start the design and planning. Start with the end in mind: when does the project need to be completed by? Knowing this will help to determine when the work needs to start. The extent and complexity of the project will determine the level of design required. In some cases, the design may require design professionals to prepare full sets of drawings and specifications, but at a minimum, it is wise to develop a clear scope of work to help with consistency and comparability when obtaining pricing from contractors or suppliers. In many cases, the design professionals can assist with tendering the project to qualified contractors. This often includes providing a tender summary to compare the bids received, proposed schedules, and any exclusions the contractor has outlined.

If the capital project is intended to be carried out during the summer, it is recommended the design be completed through the fall or winter so the project can be tendered early in the year. Pricing is typically the most competitive early in the year as contracting companies are looking to secure work for the summer. In addition, having the project tendered early in the year will help to ensure the project gets scheduled for the intended time. Conversely, mid to late summer is a very busy time as contractors are working to complete projects before the winter rolls in, so pricing is typically higher and lead times are much longer.

Material and equipment lead times also have a major impact on the project schedule. During the Covid-19 pandemic these lead times have become less predictable and, in many cases, have been extended. Pre-planning has therefore become even more important when considering capital projects.

Conclusion

Capital projects are an important part of the maintenance and repair of our buildings. When properly planned and designed, these projects can be cost effective, timely, and extend the service life of the building. They may even help to improve the performance of the building as new and modern materials are used to replace the old or deficient materials and equipment. Although capital projects are large undertakings for any condominium, they do not need to be daunting.

Kent Schultz, P.Eng., BSS is a Building Science Engineer, Project Manager and Group Leader at RDH Building Science Inc. He has a strong background in, and continues to focus on building repair, renewal, and rehabilitation, with a special interest in heritage and high-performance buildings. 



**PRECISION
MANAGEMENT
SERVICES INC.**

PROFESSIONAL PROPERTY MANAGEMENT

CONDOMINIUM EXPERTS

“YOUR PROPERTY IS OUR PRIORITY”

**COMPLETE COMPREHENSIVE
MANAGEMENT SERVICE**

**WE PROFESSIONALLY MANAGE CONDOMINIUMS,
INDUSTRIAL/COMMERCIAL, TOWNHOUSES, NEW
CONDOMINIUM DEVELOPMENT, CONDOMINIUM
FINANCIAL PACKAGES**

**SERVING HALTON, HAMILTON,
PEEL & NIAGARA DISTRICTS**

33 King Street East, Suite 9, Dundas, Ontario L9H 1B7
905-544-0077 • 1-866-544-0077
Email: precision@cogeco.net • Visit our website at: www.pmsinc.ca



National Condominium Financial Inc.

www.condominiumfinancial.com

We work for **YOU**
- *not the lenders*

Free Consultations!
Learn about Condo Loans

Personalized Service
- from beginning to end

We access multiple lenders on
your behalf - providing more
loan choices for you

1. We can save you time and expenses. Property Managers, less workload.
Board Members, one resource, cost effective.
2. We will prepare all the loan applications to multiple lenders on your behalf.
No paperwork is filled out by Board Members or Property Managers.
3. We will help prepare the loan information package sent to owners about the Information Meeting, where owners can hear about the loan option. Our expertise for these meetings saves you effort.
4. We will present the loan information to the owners at the Information Meeting and answer all their questions. No need for Board Members to explain.
5. We will help with the loan draw requests during repair. No need to run around, *we handle it.*

Kris Fernandes

647-250-7176

kris@condominiumfinancial.com

Jim Wallace

647-250-7260

jim@condominiumfinancial.com