



Parthenon
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Capital Reserve Studies

certified
WBENC
WOMEN'S BUSINESS ENTERPRISE

Capital Reserve Studies

A **budget planning tool** which identifies the components that the homeowner's association (HOA) is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to **offset the anticipated future major common area expenditures**. The reserve study consists of two parts: the **physical analysis** and the **financial analysis**.

Benefits to Clients

- Helps establish a **long-term budget** intended to aid the HOA board members with making informed decisions on future repairs and replacement costs.
- Identifies and inventories the **life cycle costs** for capital items.

Characteristics

- A **site visit** is conducted to identify any physical deficiencies, gather detailed information on existing systems and components, and establish preliminary life cycle costs.
- An opinion of probable cost is provided, through a replacement schedule, to provide an understanding of estimate cost for identified repairs and replacements over a **30-year timeframe**.
- Recommendations are provided to help the HOA reach their intended goals.

Industry Standards Used

Community Assoc. Institute: National Reserve Study Standards

Assoc. of Professional Reserve Analysts: Standards of Practice

ASTM E2018 Standard Guide for Property Condition Assessments

Customization

Three levels of Reserve Study:

- Full Study
- Update with Site Visit Study
- Update without Site Visit Study

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