

Findings

Condominium Plans 002 3758 and 002 3760, also known as Devonshire Villas, are a 22-Unit, residential bareland condominium development that was constructed over the period 2000-2002. There are 13 buildings in the development – a mix of duplex and single-family homes - that have similar design and finishes.

The exterior of the buildings, as well as windows, overhead garage doors, deck access doors, driveways, sidewalks, front steps and railings, and landscaping are listed as Managed property in the Condominium's bylaws and form part of the Condominium Corporation's responsibilities.

Front doors, decks, and deck light fixtures are Unit Owner responsibility and no reserve fund allowances are required for these assets.

The property is professionally-managed and appears well-maintained.

As of July 27, 2018, the reserve fund had a balance of \$176,162. Budgeted reserve fund contributions for the 2018-19 fiscal year are \$15,000. The reserve fund balance and budgeted contributions were provided by the Property Manager.

To ensure the reserve fund maintains a positive balance and is sufficient to adequately fund future replacements, the annual reserve fund contributions must increase substantially, and a series of special assessments are required. We recommend annual contributions of \$26,400 in 2019-20, followed by annual increases of 2.50% for the duration of the study. Additionally, special assessments of approximately \$4,000 per Unit are required in 2020, 2021, and 2022. This funding plan is detailed in Cashflow Projection Scenario #1 at the rear of the study and summarized on the following page.

Regardless of the funding strategy adopted by the Corporation, the reserve fund plan should be reviewed every year to ensure that the underlying assumptions are still valid and that the estimates remain current.

At various times over the next 30 years, the Board is going to have significant cash balances under management. To ensure that the maximum return on investment is achieved, we recommend the Corporation seek professional investment advice.

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