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REAL ESTATE JOURNAL

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What is a Condition Survey?

by James A. Kerns, P.E.

Whether you're a developer, property owner, business owner, tenant or landlord, a Condition Survey conducted by a licensed Engineer(s) can prove to be beneficial in your decision making process with respect to purchase, sale, re-financing, avoiding potential claims, renovation and/or maintenance of a property and building(s).

What Does a Condition Survey Provide?

A Condition Survey provides an assessment of physical property conditions. The survey should identify deficiencies, and maintenance issues including, but not limited to structural, mechanical, electrical, plumbing, fire protection, site layout, site utilities, storm water management, soil erosion and life safety systems. To facilitate an informed decision-making process, a Condition Survey should result in a clear understanding of the current condition of operating systems by a Client.

The extent of a Condition Survey can vary depending upon the Client's need for information. Starting with a visual observation of existing conditions to periodic monitoring and testing of building and site systems, the Condition Survey can be summarized in a one-page letter or prepared in a bound report complete with test results, calculations, detailed narrative and photographs.

So that the Engineer(s), Client and other interested parties have a clear understanding of the requested services, the report should state the purpose and scope of the survey. Depending upon the amount of information required by the Client, Condition Surveys can be classified as preliminary or detailed surveys.

A Preliminary Condition Survey

A preliminary Condition Survey entails the review of existing documentation such as construction drawings, specifications, reports and calculations. During a preliminary Condition Survey, the Engineer(s), along with a person such as a Building Supervisor, should visually inspect the site and building system(s). Photographs and video are useful to illustrate deficiencies that may be found during the on-site inspection. After documenting the existing conditions, the

Engineer(s) should analyze the collected data and summarize the findings and recommendations in a brief report. If requested by the Client, an opinion of probable construction cost can be included with the report.

After a preliminary Condition Survey is completed, a detailed Condition Survey may be requested to gather and document additional detail that will be necessary to prepare renovation drawings, upgrade operating systems, and/or negotiate a property purchase or sale.

A Detailed Condition Survey

In a detailed Condition Survey, on-site interviews, maintenance history review, review of local municipal records, code compliance research, testing of operating systems, design and performance criteria definition, load capacity calculations and preparation of schematic drawings are generally areas addressed in the findings and recommendations report. The report should also address immediate, mid-term and long-term needs.

In addition to the obvious benefit of knowing the current condition and potential renovations and/or upgrade costs for a specific property, there are more benefits.

If you are a Property Owner, with a completed Condition Survey, you have a document that clearly defines property conditions at a specific point in time. Should a claim be filed against the property owner as the result of an allegedly defective operating system, the Condition Survey serves as a benchmark to analyze alleged deficiencies. Ambiguity is removed from the investigative process, and that usually results in cost saving for all involved parties.

A Useful Tool to Alleviate Uncertainty

If you are looking to re-finance a property, a Condition Survey is a useful tool that will be greatly appreciated by prospective lenders. The report should alleviate uncertainty on their part.

Finally, the most common benefit derived as a result of a Condition Survey is the clarity

brought to a property purchase and/or sale. Both parties have a document that clearly defines the property condition and can be used to increase or decrease the suggested market value of a property.

The time and costs associated with having a Condition Survey prepared by a licensed Engineer are relatively minimal in comparison with the potential costs of defending a claim, paying too much for a property, or not maximizing your profit on a property sale. Understanding the condition of a property allows a developer, property owner, business owner, tenant or landlord to make informed real estate/business decisions that should yield long-term benefits.

James A. Kerns, P.E. is principal engineer and president of QproQ Engineering, Inc. located in Wilkes-Barre, Pennsylvania. This structural engineering firm specializes in building design, bridge design and structural failure analysis. Mr. Kerns has over twenty-seven years of professional experience as a structural engineer licensed in Arizona, Florida, Pennsylvania, New York, New Jersey and Oklahoma. He is currently a member of The National Society of Professional Engineers, the American Society of Civil Engineers, and the American Arbitration Association. In addition to regularly designing academic, commercial, industrial, institutional and government buildings and bridges; Mr. Kerns has investigated hundreds of structural failures ranging from residential settlement to complete building collapses. Mr. Kerns is a 1981 graduate of the Pennsylvania State University. He can be reached at jamesk@qproq.com or visit QproQ's website at www.qproq.com.



QproQ Engineering, Inc.

Civil/Structural Engineers

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570-823-9935

www.QproQ.com