Condominium Home Owners Association of British Columbia
Leadership, Education and Resources for Strata Owners Across BC
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Preparing Documents For Your First Depreciation Report Or Report Renewal

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Prior to a Site Inspection, the Strata Council should collect the following list of Documents for your Depreciation Report provider. Some complexes will not require everything on the list. Most Qualified Persons (as defined in the SPA) will require this information to complete a report compliant with Strata Property Act.

Legal Documents		
	Strata Plan	Depreciation Report ("DR") inspectors use them to determine what is Common Property (CP) or Limited Common Property (LCP), that is the area that the report must cover. Strata plans will also indicate Phases, which can impact a report, and Sections, which can create client issues. In a building, they can also be used for measuring area (they rarely indicate height) for hallways and roof covers, or the exterior area.
	Current Bylaws	Bylaws can set out financial responsibilities to strata lot owners instead of the Strata Corporation, or vice versa. They must be reviewed.
	Easements Air Space Parcel (ASP) Agreements	Easements and Air Space Parcel Agreements allow access of one person or group over another's property. These will show on the Strata Plan and are registered on Title. If there is an easement or ASP, there should be a Reciprocal Cost Sharing Agreement, so all users pay into it.
	Reciprocal Cost Sharing Agreements	This is regarding a Shared Roadway or Amenities Building or Air Parcel Agreement. Usually this shared feature should have its own sub-report, and then the Agreement will tell the DR provider how much money to allocate to the Strata Corporation CRF (Contingency Reserve Fund).
	Alteration Agreements	Has an Owner taken on an expense and responsibility for CP or LCP that affects the report?
	Lawsuits or Arbitration Decisions	Court or CRT decisions where the cost of replacing an asset or maintenance issues, has been decided and there is a legal responsibility for the Strata Corporation to do the work in a period that is recommended in the DR.
	Leases or Licenses for Equipment or Services	Certain costs that are covered here may cover items normally in a DR. This will change contribution requirements until the lease ends.

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	Third Party Use Agreements	Common Areas can be leased out on a long-term basis, like a commercial lobby or parking area to non-owners. These leases need to be reviewed for cost implications.
	Section Agreements	Sections have their own CRF and therefore should have their own DR. Most DR providers will not complete a sectioned building unless they do the whole complex, and then separate out the section values based on the Section Agreements allocation of costs.
	Last Three (3) Years Minutes, AGM/SGM Notices and Results	DR providers need to know what is happening in a complex and the specific areas that need attention.
Financial Documents		
	Last Three (3) Years CRF Contributions and Interest Amounts Accrued	DR providers need to know the pattern of contributions into the CRF so they can incorporate that into the report or recommend a change in funding amounts. Interest in the CRF allows the calculation of Interest Income Rate, the percent of interest being deposited to the CRF. Three (3) years relates to the renewal period, so initial reports or Strata's that have deferred the renewal may be asked for a longer period.
	Last three (3) years complete Fiscal Year-End Financial Statements (Not GL)	We need to get an idea of the past few years of spending. Many times, we find CRF items being spent from the Operating Fund. Three (3) years relates to the renewal period, so initial reports or Strata's that have deferred the renewal may be asked for a longer period. **Every invoice or the General Ledger is not required, as it just wastes the DR writers time.**
Maintenance Documents		
	Operating Guides	Operating Manuals and Guide can provide useful data about operating assets, like boilers and hot water tanks.
	Warranty Documents	Warranty documents regarding new items in a new building, or periodic replacements, provide useful information about building assets and lifespan estimates.
	Dated lists and invoices for repairs or replacements to Common Assets that have already been completed.	DR providers need to know the history of replacement to the Strata Corporation. Strata Councils should have a Maintenance Guide that records maintenance done around the complex. This includes common assets known as chattels: Furniture, Fixtures and Equipment. (The stuff in the Lobby, Laundry Room, Gym, Common Areas and Guest Suite, if you have any)
	List of Common Asset Work Planned in the near future with Estimates/Quotes	This will allow the Strata Council to incorporate planned changes and their projected costs into the report.

Building Plans		
	Architectural (A Series) Mechanical (M Series) Electrical (E Series) Site (S Series) Landscaping (L Series)	Plans allow the most accurate measurement. Some complexes have them, but many older ones do not. For the best result, having a person order them is preferred, as they can be kept for other service providers. Scanning large drawings also allows them to be stored safely with no degradation over time.
Consulting Reports		
	Roofing Reports (If any) Elevator Reports (If any)	Depreciation Report inspectors tend to be generalist, as the goal of a Depreciation Report is to budget properly. Specialists reports can make the DR more reliable.
	Engineer Reports (If any)	Engineers are usually brought in when there is a structural issue, or for Depreciation Reports for complex buildings, like high-rises.
	Prior Depreciation Report (If any)	Many Strata Corporations are doing a “first” DR because the prior firm is out of business or they did not like the report. Old reports can provide useful information. Strata councils that disagree with conclusions in a report can provide a supplementary letter on the issues noting their disagreement.