

ASTM E 2018-15: Changes to the Property Condition Assessment Standard

INTRODUCTION

As part of its continuing efforts to keep their standards relevant and up to date with ever changing market and regulatory requirements, the latest edition of ASTM E2018-15, the *Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process* (the PCA standard) was released. EBI Consulting has several practices already in place that address some of the changes implemented in the new document and is working to implement the remaining new changes so that all PCAs engaged on or after January 1, 2016 will comply with the new standard.

CHANGES IN ASTM E2018-15

The intent of the changes is to reflect what the majority of consultants are currently doing in the marketplace, changes that have occurred with associated regulatory standards, and client needs dictated by those entities engaging consultants in the completion of Property Condition Assessments. As such, the revisions by no means signify a radical departure from the current practice of conducting Property Condition Assessments (PCA). Editorial changes include corrections related to grammar and punctuation, rewording, limited reorganization of several subsections, revisions to the accessibility section, and the expansion of some definitions that were not covered under previous editions of the standard.

Specifically, changes include the following:

Revised Accessibility Review Requirements, including Adoption of the 2010 Changes to the Americans with Disabilities Act (ADA) and the Introduction of a Screening Checklist for the Fair Housing Act (FHA): Perhaps the most significant change found within the 2015 ASTM standard is the expansion of accessibility issues and their evaluation. Since the last edition of the standard, the United States Department of Justice (USDOJ) released the 2010 changes to the Americans with Disabilities Act, the document which previously had provided all basis for accessibility assessment within the PCA standard. The new standard adopts the changes made within the ADA and incorporates them into the new checklist for property evaluation. Changes include: increasing the number of accessible parking spaces and alterations to their definitions, dimensions; increases to the numbers of accessible guestrooms required in hospitality properties; and changes to many minimal required measurements to various parts of each property in order to provide adequate clearance and access to properties.

In addition to the changes to the ADA criteria, the increasing attention to accessibility in resident and guest areas of multi-family properties by the users engaging consultants for PCAs on these property types has led to the

inclusion of a screening checklist for FHA accessibility compliance. While Title III of ADA applied to the areas of public accommodation at multi-family properties, such as a leasing office and its associated parking areas, access to the apartment units and amenities at a property are not covered by Title III, and by extension, the prior editions of the ASTM standard. The introduction of the FHA screening checklist extends accessibility screening to residential units and the amenities provided for residents and guests at multi-family properties. This has become an increasingly important part of evaluation of multi-family properties under guidelines set forth by Fannie Mae and Freddie Mac and this introduction begins the alignment of the ASTM standard with other prevalent multi-family property standards.

- ▶ **Outcome:** Expanded evaluation of accessibility issues at multi-family properties and expected increases in number and cost of noted deficiencies.

Modification of Several Definitions and the Introduction of Definitions for Good, Fair, and Poor Physical Condition: Many of the previous definitions set forth in the standard have been modified and rethought as a result of changes in the way PCAs are used throughout the industry and provided by consultants. Most are modifications to prior definitions and simply memorialize what has become their intended definition among users and consultants. One significant addition includes the introduction of definitions for good, fair, and poor condition. The definitions, seek to lend consistency in how these conditions are defined across the industry. While this is a positive step in developing more consistency within the industry, it will have minimal effect on what you will typically find included in an EBI PCA, since these new definitions essentially confirm what EBI's practice has been for several years.

- ▶ **Outcome:** Little impact

Consolidation of Out of Scope Items: The ASTM standard defines the necessary assessment components and level of effort required during the PCA and in turn places

limits on the baseline scope of work in order to insure a cost effective and useful product. Historically, limits to the baseline scope have been located in various paragraphs throughout the standard which highlights the limits of each appropriate section. Recognizing that perhaps these are better presented together as a collection of all scope limitations, the individual references throughout the standard have been moved to a single section, Section 11: Out of Scope Considerations.

- ▶ **Outcome:** Little impact

THE BOTTOM LINE

EBI will continue to provide users with PCAs that meet and exceed this latest revision to the ASTM standard. The changes to the standard affirm current practice and not a radical departure from the approach to conducting PCAs. Aside from some revised terminology, there is an incremental increase in the need for accessibility reviews and associated cost. For this limited number of sites, the additional information will provide a greater degree of certainty to allow the transaction to proceed more quickly.

EBI has always provided PCAs that meet this standard and has also included information within our PCAs that exceed this standard. Some items widely required by users as part of their own modified standards, such as reporting on any obvious visual evidence of the presence of wood damaging organisms, rodents, or insects, although specifically noted as out of scope by the standard, will continue to be part of the PCAs regularly completed by EBI.

If you have any questions or concerns regarding the new standard and its contents, please contact your client representative, or EBI's PCA Director, Mr. Dirk Griffin at 301.639.5995 or dgriffin@ebiconsulting.com