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Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process¹

This standard is issued under the fixed designation E2018; the number immediately following the designation indicates the year of original adoption or, in the case of revision, the year of last revision. A number in parentheses indicates the year of last reapproval. A superscript epsilon (ε) indicates an editorial change since the last revision or reapproval.

1. Scope*

1.1 *Purpose*—The purpose of this guide is to provide a framework for conducting a *property condition assessment* (PCA) of the *primary improvements at commercial real estate* properties by performing a *walk-through survey* and conducting research as outlined within this guide.

1.1.1 *Physical Deficiencies*—The goal of the *baseline* process for *property condition assessments* is to identify and communicate *material physical deficiencies* to a *user*.

1.1.2 *Walk-Through Survey*—This guide outlines procedures for conducting a *walk-through survey* to identify *physical deficiencies*, and recommends various *building systems* and *building components* that should be *observed* by the *field observer*.

1.1.3 *Document Reviews and Interviews*—The scope of this guide includes document reviews, research, and *interviews* to augment the *walk-through survey* to assist with understanding the *subject property* and identification of *physical deficiencies*.

1.1.4 *Property Condition Report*—The work product resulting from completing a PCA in accordance with this guide is a *property condition report* (PCR). The PCR incorporates the information obtained during the Walk-Through Survey, the Document Review and Interviews sections of this guide and includes *opinions of costs* for *suggested remedies* of *observed physical deficiencies*.

1.2 *Objectives*—Objectives in the development of this guide are to: (1) provide a framework for conducting a *property condition assessment* (PCA) of the *primary improvements* located on a parcel of *commercial real estate*; (2) facilitate consistent and pertinent content in PCRs; (3) develop pragmatic and reasonable recommendations and expectations for site *observations*, document reviews and research associated with conducting PCAs and preparing PCRs; (4) establish reasonable expectations for PCRs; (5) assist in developing an industry standard of care for appropriate *baseline observations*

and research; and (6) recommend protocols for the *consultants* for communicating *observations*, opinions, and recommendations in a manner meaningful to the *user*.

1.3 *Out of Scope Considerations and Excluded Activities*—The use of this guide is strictly limited to the scope set forth herein. Section 12 and Appendix X1 of this guide identify, for informational purposes, certain considerations and physical conditions that may exist on the *subject property*, and certain activities or procedures (not an all-inclusive list) that are beyond the scope of this guide but may warrant consideration by parties to a *commercial real estate transaction* to enhance the PCA. *Users* should work with a knowledgeable *consultant* to identify additional considerations and concerns to be evaluated. The decision to inquire into out-of-scope considerations or extend the assessment to include excluded activities is to be made by the *user*. No assessment of out-of-scope considerations is required for a PCA to be conducted in conformance with this guide.

1.4 *Organization of This guide*—This guide consists of several sections, an Annex and two (2) Appendixes. Section 1 is the Scope. Section 3 on Terminology contains definitions of terms both unique to this guide and not unique to this guide, and acronyms. Section 4 sets out the Significance and Use of this guide, and Section 5 describes the User’s Responsibilities. Sections 6 through 11 provide guidelines for the main body of the PCR, including the scope of the *walk-through survey*, preparation of the *opinions of costs* to address *physical deficiencies*, and preparation of the PCR. Section 12 provides additional information regarding out-of-scope considerations, activities, and procedures (see section 1.3). Annex A1 provides guidance relating to specific asset types that are considered as integral to this guide. Appendix X1 describes additional concerns a *user* may consider in modification of the scope of the PCR. Appendix X2 and Appendix X3 outline an approach to limited accessibility screenings.

¹ This guide is under the jurisdiction of ASTM Committee E50 on Environmental Assessment, Risk Management and Corrective Action and is the direct responsibility of Subcommittee E50.02 on Real Estate Assessment and Management.

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Appendix X1 GUIDANCE AND ENHANCED DUE DILIGENCE SERVICES

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1.5 *Multiple Buildings*—If the *subject property* is comprised of multiple buildings, it is the intent of this guide that all of the *primary improvements* are discussed in one PCR.

1.6 *This standard does not purport to address all of the safety concerns, if any, associated with its use. It is the responsibility of the user of this standard to establish appropriate safety, health, and environmental practices and determine the applicability of regulatory limitations prior to use.*

1.7 *This international standard was developed in accordance with internationally recognized principles on standardization established in the Decision on Principles for the Development of International Standards, Guides and Recommendations issued by the World Trade Organization Technical Barriers to Trade (TBT) Committee.*

2. Referenced Documents

2.1 ASTM Standards:²

E1527 Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process

E1528 Practice for Limited Environmental Due Diligence: Transaction Screen Process

E2026 Guide for Seismic Risk Assessment of Buildings

E2557 Practice for Probable Maximum Loss (PML) Evaluations for Earthquake Due-Diligence Assessments

E2797 Practice for Building Energy Performance Assessment for a Building Involved in a Real Estate Transaction

E3026 Guide for Readily Observable Moisture Affected Materials and Conditions Conducive to Elevated Moisture in Commercial Buildings: Limited Moisture Assessment Process

E3224 Guide for Building Energy Performance and Improvement Evaluation in the Assessment of Property Condition

2.2 Other Publications:

Fair Housing Act³

The Fair Housing Act Design Manual⁴

28 CFR Part 36 Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities⁵

ADA Accessibility Guidelines (ADAAG)⁶

ADA Standards for Accessible Design⁷

3. Terminology

3.1 This section provides definitions, descriptions of terms, and a list of acronyms, where applicable, for the words used in

² For referenced ASTM standards, visit the ASTM website, www.astm.org, or contact ASTM Customer Service at service@astm.org. For *Annual Book of ASTM Standards* volume information, refer to the standard's Document Summary page on the ASTM website.

³ Department of Justice/Civil Rights Division, <https://www.justice.gov/crt/fair-housing-act-1>.

⁴ <https://www.hudexchange.info/resource/5933/fair-housing-act-design-manual/>

⁵ Available from U.S. Government Publishing Office (GPO), 732 N. Capitol St., NW, Washington, DC 20401, <http://www.gpo.gov>.

⁶ <https://www.access-board.gov/ada/>

⁷ <https://www.ada.gov/law-and-regs/design-standards/>