



## ***PROPERTY CONDITION REPORT***



**McLaurin Apartments**  
1234 Apartment Drive, Hillsboro, Virginia

***Prepared For:***

**Mr. Bill Comment**  
Commercial Enterprises  
1000 Commercial Blvd  
Greenville, North Dakota

***Prepared By:***

**Robert E McCoy Jr., PE**  
Armco Inspections, LLC  
Date of Site Review: July 4, 2008  
Date of Report: July 10, 2008  
**ARMCO Project Number 09-015.1**

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## PROJECT SUMMARY

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Property Name:	<b>McLaurin Apartments</b>
Street Address:	<b>1234 Apartment Drive</b>
City, State Zip:	<b>Hillsboro, VA 60606</b>
Primary Use:	<b>Multi-family</b>
Year Built & Age:	<b>1999 10 years old)</b>
Reported Occupancy:	<b>95.3%</b>
Number of Residential Units:	<b>150 Units</b>
Number of Commercial Units:	<b>0 Units</b>
Number of Buildings:	<b>6 Buildings</b>
Number of Stories:	<b>1-2 Stories</b>
Total Building Area:	<b>Approximately 155,000SF</b>
Net Rentable Area (NRA):	<b>150,000 SF</b>
Site Area:	<b>15 Acres</b>
No. of On-Site Parking Spaces:	<b>225 Spaces</b>
No. of On-Site Handicap Parking Spaces:	<b>6 Spaces</b>
Superstructure:	<b>Conventional Wood Framing</b>
Cellar/Basement/Crawl Space:	<b>Slab-on-grade</b>
Exterior Façade(s) :	<b>Brick with vinyl trim</b>
Roof(s):	<b>Asphalt Shingles</b>
Heating:	<b>Heat Pumps</b>
Air-conditioning:	<b>Heat Pumps</b>
Electrical Wiring:	<b>Copper</b>
Number of Elevators:	<b>None</b>
Fire Sprinkler:	<b>100% in apartment buildings only</b>

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## 1.0 EXECUTIVE SUMMARY

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### 1.1 General Description

The Subject Property, known as the McLaurin Apartments, is located at 1234 Apartment Drive, Hillsboro, VA 60606. The Property consists of a 15-acre, irregular shaped parcel of land improved with 6 one to two-story buildings that include 150 residential units and a leasing office/clubhouse. Amenities include an un-heated swimming pool and fitness center integral with the on-site leasing office. The site also features a playground and detached tenant laundry facility. On-site parking includes 225 spaces 6 of which are ADA designated. The Subject Property was developed with the existing improvements in 1999.

The buildings are of conventional wood-framed construction. The building exteriors are finished with masonry brick veneer and vinyl siding. Access to the units is provided via exterior stairs in open breezeways. Balconies are provided in all upper level apartments. The gable roofs are covered with asphalt fiberglass composition shingles. The interior walls are constructed of painted wallboard and the ceilings include a textured finish. Floors are covered with a combination of resilient floor tile, and carpet. Each unit is equipped with refrigerator, electric-fired freestanding range with exhaust hood, dishwasher, and garbage disposal.

The site is extensively landscaped. Vehicular access to the Property is provided from Wilbur Drive by means of a single paved driveway located along the eastern border of the Property. Wilbur Drive tracks in an approximate north-south direction. Interstate Highway 285 tracks in an approximate north-south direction parallel to and approximately 1 mile from the western border of the Property. Asphalt paved parking and paved vehicular access areas are located throughout the Property.

### 1.2 General Physical Condition

The Subject Property was observed to be good condition. Maintenance appeared to be proactive. However, ARMCO identified items considered immediate repair or deferred maintenance as defined and itemized below:

#### 1.2.1 Recent Capital Improvements

None reported.

#### 1.2.2 Planned Capital Improvements

None reported.

### 1.3 Opinions of Probable Costs

Replacement and Repair Cost estimates are based on approximate quantities. A detailed inventory of quantities for cost estimating is not a part of the scope of this Report.

The following is a summary of Probable Costs. Refer to Table 1 "Immediate Repair Cost Estimate" and Table 2 "Reserve Table":

- Immediate Repair/Replacement and Deferred Maintenance Expenditures  
**Cost Estimate: Immediate Repair - Deferred Maintenance (\$0)**
- Capital Replacement Reserves Expenditures- Long term costs (uninflated)  
**Cost Estimate (10 + 2 years): \$359,410 or \$199.67/Unit/year**
- Capital Replacement Reserves Expenditures- Long term costs (inflated 3%)  
**Cost Estimate (10 + 2 years): \$427,090 or \$237.27/Unit/year**

#### 1.4 Code Compliance

ARMCO did not note any obvious building or fire code violations for the Subject Property. According to representatives of the City of Hillsboro Building Inspection Department, there are no records of outstanding building permits or other issues. A written request for information was sent to the Hillsboro Fire Department. If any pertinent information is received within the next 30 days, it will be forwarded to the Client.

The Subject Property is zoned R-10 by the City of Hillsboro Zoning Department.

ITEM	CONTACT NAME & ADDRESS/ PHONE	COMMENTS
Fire Department	Cpt. Bill Blivet, 919-333-9999	A written request for information was faxed on 5/5/2002. A follow-up phone call was conducted on 5/10/2002. No information relieved at this time.
Building Department	Mr. George Blivet 919-333-9998	No outstanding violations on file
Zoning	Ms. Jane Blivet 919-333-9997	Residential (10 units per acre)

#### 1.5 Document Review and Interviews

ARMCO was provided the following written documents for review:

- Current Rent Roll
- Site Plan
- Miscellaneous architectural drawings
- Company brochures

The following people or organizations were interviewed by ARMCO staff during the site visit or report preparation:

- Mr. William McLaurin, Property Manager, 919-828-9999
- Mr. George McLaurin, Maintenance Manager, 919-828-0000
- Captain Bill Blivet, City of Hillsboro Fire Marshall, 919-333-9999
- Ms. Jane Blivet, City of Hillsboro Zoning Department, 919-333-9997
- Mr. George Blivet, City of Hillsboro Building Department, 919-333-9998

#### 1.6 ADA Opinion

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## **2.0 PURPOSE AND SCOPE**

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### **2.1 Introduction**

At the request of Mr. Bill Comment, (Client), a property condition assessment was performed by ARMCO Inspections, LLC (ARMCO) on the McLaurin Apartments property located at 1234 Apartment Drive in Hillsboro Virginia (Subject Property). This assessment was performed in accordance with the Client's scope of work for Property Condition Assessments. The site visit occurred on July 4, 2008. This report was prepared and reviewed by Robert E McCoy Jr., PE, ARMCO Principal .

### **2.2 Purpose**

The purpose of the Property Condition Report is to assess the general condition of the buildings, site, and other improvements at the referenced location. The Report will identify those areas that will require remedial repair work and will assign them an associated estimated remedial cost.

### **2.4 Scope**

This Report is based on a site visit, in which ARMCO Inspections, LLC (ARMCO) performed a visual, non-intrusive and non-destructive evaluation of various external and internal building components. These systems included the roof, foundations, structural frame, building envelope, HVAC, electrical, and plumbing. The inspection also includes ancillary items such as; site drainage, pavement, sidewalks and landscaping. The Property Condition Report is not a building code, safety, regulatory or environmental compliance inspection.

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## 3.0 SYSTEM DESCRIPTION AND OBSERVATION

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### 3.1 Overall General Description

The Subject Property, known as the McLaurin Apartments, consists of an 15-acre irregularly shaped parcel of land that is currently developed for multi-family residential use with 6 1to2-story buildings that include a total of 150 units with at net rentable area of 150,000SF and gross floor area of 155,000SF. The apartments are reportedly 95.3% occupied with the unoccupied units actively marketed.. The Subject buildings were initially constructed in 1999.

UNIT MIX		
Size	Number of Units	Area
One-Bedroom/One-Bathroom	50	800 SF
Two-Bedroom/2 Bathroom	110	1000 SF
<b>Total</b>		<b>150,000SF</b>

The site is extensively landscaped. Vehicular access to the Property is provided from Wilbur Drive by means of a single paved driveway located along the eastern border of the Property. Wilbur Drive tracks in an approximate north-south direction. Interstate Highway 285 tracks in an approximate north-south direction parallel to and approximately 1 mile from the western border of the Property. Asphalt paved parking and paved vehicular access areas are located throughout the Property.

The subject buildings are conventional wood-framed construction with reinforced concrete foundations. The building exteriors are finished with masonry brick veneer and vinyl siding. The pitched roofs are covered with asphalt shingle composition roofing materials.

### 3.2 Site/Site Improvements

#### 3.2.1 Topography

**Description:**

The general vicinity is moderately hilly. The Property slopes gently north-northwest.

**Observations/Comments:**

No observed or reported deficiencies were noted.

**Observations/Comments:**

No observed or reported deficiencies were noted. Landscaping is maintained by an outside contractor. The landscaping and appurtenances should be maintained as part of routine maintenance.

#### 3.2.11 Utilities

**Description:**

ARMCO did not identify any special utility systems at the Subject Property at the time of the assessment.

### 3.3 Structural Frame and Building Envelope

#### 3.3.1 Foundations

**Description:**

Based upon our observation of the visible portions of the buildings and experience with this type of structure, the foundations appear to consist of reinforced concrete continuous spread perimeter footings. A reinforced concrete slab is present within the perimeter footing(s).



Subject Property architectural plans were unavailable for review to confirm the below ground components.

### 3.3.2 Building Framework

**Description:**

The Subject buildings are one and two-story structures consisting of conventional wood stud load-bearing walls supporting wood joist framed second floors with plywood decking and lightweight concrete. Roof systems reportedly consist of wood trusses with plywood sheathing.

### 3.3.4 Facades or Curtainwall

#### 3.3.4.1 Sidewall System (Building Envelope)

**Description:**

The building exteriors are finished with masonry brick veneer and vinyl siding with vinyl trim.

**Observations/Comments:**

The building envelopes were in good condition at the time of the inspection. The date of the last repaint of the building exterior was not provided at the time of the assessment. ARMCO recommends that the building exteriors be repainted early in the reserve term.

### 3.3.5 Roofing

#### 3.3.5.1 Roof Type

**Description:**

The roofs of the subject buildings are pitched and covered with asphalt fiberglass composition shingles. The roofs were viewed from the ground, are original and appeared to be in good condition at the time of the assessment.

BUILDING	APPROX. SF	EFFECTIVE AGE (YRS.)	TYPE
Clubhouse	6000 SF	10	Asphalt shingles
Buildings 1-5	160,000SF	10	Asphalt shingles

#### 3.3.5.5 General Condition

**Description:**

ROOF	WARRANTY	CONDITION	ACTION REQUIRED*	ERUL Estimated Remaining Useful Life
Clubhouse	Not Provided	Good	RR	10 years
Buildings 1-5	Not Provided	Good	RR	10 years

Action\*: NM=Normal Maintenance, IR=Immediate Repair /Replacement, RR=Replacement Reserves

### **3.4 Mechanical, Electrical & Plumbing**

#### **3.4.1 HVAC Systems**

***Description:***

The HVAC system for each apartment unit consists of a split system heat pump with an interior closet located air-handler and a pad-mounted condenser located at grade. The air handler utilizes a filtered common, single location return.

#### **3.4.2 Electrical Systems**

***Description:***

The site is supplied through distributed utility owned pad-mounted transformers providing 240/120 volt single-phase service to the building meter banks. A 100-ampere main circuit breaker located at the apartment unit utility meter supplies a sub-distribution panel located in each apartment. The distribution wiring was reported and observed to be to be copper. Each apartment is separately metered.

***Observations/Comments:***

#### **3.4.3 Plumbing Systems**

##### **3.4.3.1 Piping Systems**

***Description:***

According to Property maintenance personnel and our observations, potable water supply piping is copper and cross-linked polyethylene (PEX) and waste/waste vent piping is polyvinyl-chloride (PVC).

##### **3.4.3.2 Domestic Hot Water**

***Description:***

Each residential unit is provided with a 40-gallon electric-fired water heater located in the utility/laundry room. Most units were original.

### **3.5 Vertical Transportation/Conveyor Systems**

#### **3.5.1 Elevators**

### **3.6 Fire/ Life Safety**

#### **3.6.1 Fire Sprinklers**

***Description:***

The Subject Property apartment buildings are equipped with a wet pipe sprinkler system in each apartment and in apartment access exterior breezeways. There is one 4" riser per building located in a utility closet beneath the first floor stairs. The sprinkler system is pressurized by the local municipality. A Fire Department Siamese connection is located adjacent to the sidewalk.

***Observations/Comments:***

No observed or reported deficiencies were noted. The sprinkler system is maintained by an outside contractor. The sprinkler system displayed a current inspection tag by Widget Sprinkler Co., dated January 5, 2009.

### 3.6.2 Life Safety/Alarm Systems

#### *Description:*

## 3.7 Interior Elements

### 3.7.1 Common Areas

Common areas are all located at the Leasing office - Clubhouse and include meeting areas, toilet facilities, kitchenette, and exercise area.

#### *Observations/Comments:*

No observed or reported deficiencies were noted. Property maintenance staff appeared to be very proactive with respect to ongoing and preventive maintenance. Based on the expected useful life, replacement of the common area carpeting is included in the reserves.

### 3.7.2 Residential/Tenant Spaces

#### 3.7.2.1 Apartment Units Observed

Typical viewed spaces in each unit consisted of living room, bedroom(s), kitchen, and bathroom(s). Residential tenants occupy the subject buildings.

APARTMENT UNITS OBSERVED OCCUPIED UNITS		
Unit	Type	Comments/Issue
115	1 Bedroom / 1 Bathroom	Good Condition
118	1 Bedroom / 1 Bathroom	Good Condition
215	1 Bedroom / 1 Bathroom	Good Condition
220	1 Bedroom / 1 Bathroom	Good Condition

#### 3.7.2.2 Tenant Space Finishes & and Appliance Condition

ITEM	CONDITION E,G,F,P	DESCRIPTION
Ceilings	G	Spray-applied acoustical ceiling material
Walls	G	Painted drywall/wallboard

#### *Observations/Comments:*

All finishes, floor coverings, and appliances are in various stages of their respective useful lives and reportedly replaced on an as needed basis only. Representative observations indicate the replacement trends reported by management appear generally factual. ARMCO recommends phased replacement of unit carpeting, sheet vinyl, and appliances in the reserve term.

# TABLE 1—IMMEDIATE REPAIRS COST ESTIMATE

TABLE 1  
IMMEDIATE REPAIR AND DEFERRED MAINTENANCE EXPENDITURES

Project No. 04-19878.X

June 28, 2004

Property: McLaurin Apartments  
1234 Apartment Drive  
Hillsboro, VA

ITEM	QUANTITY	UNITS	UNIT COST	IMMEDIATE COST	COMMENTS
Add Van Accessible Parking	1	EA	\$250	\$250	At clubhouse
Full depth asphalt replacement	500	SF	\$5	\$2,500	At front drive lane at Clubhouse
Repair fence	1	EA	\$500	\$500	Retaining wall fence repair - safety issue
Mold investigation and Abatement	2	EA	\$500	\$1,000	At apartment buildings B and C
Roof repairs	1	EA	\$500	\$500	At apartment buildings B and C
				\$0	
				\$0	
				\$0	
<b>TOTAL ESTIMATED COST</b>				<b>\$4,750</b>	

# TABLE 2---RESERVE COST ESTIMATES

TABLE 2

## CAPITAL REPLACEMENT RESERVE SCHEDULE

Project No. 04-19878.X

6/28/2004

**Definitions**

EUL: Expected Useful Life  
 EFF AGE: Effective age  
 RUL: Remaining Useful Life

Property: McLaurin Apartments  
 1234 Apartment Drive  
 Hillsboro, VA

Projected Term: 12  
 Building Age: 13  
 No. of Buildings: 5  
 No. of Units: 100  
 Gross sf: 105,000

Quantity: Total Quantity Onsite

ITEM	AVE EUL	EFF AGE	RUL	QUANTITY	UNIT COST	UNIT	SECTION/ PHOTO NO.	COST PER YEAR												SUMMARY TOTAL RESERVES (All Years)								
								YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12									
<b>SITE IMPROVEMENTS</b>																												
Sealcoat and stripe asphalt parking lots	5	1	4	30,000	\$0.10	SF	2.3.3	-	-	-	\$3,000	-	-	-	-	\$3,000	-	-	-	\$6,000								
<b>STRUCTURAL FRAME/FOUNDATION</b>																												
Reveal masonry surfaces and repair stucco and painted CMU facades	10	7	3	5,000	\$2.00	SF	2.4.3	-	-	\$10,000	-	-	-	-	-	-	-	-	-	\$10,000								
<b>FACADE/EXTERIOR WALLS</b>																												
	20	13	7	8	\$7,500	EA	2.5.1	-	-	-	-	-	-	-	-	-	-	-	-	\$0								
<b>ROOFING</b>																												
Replace roof on 3 buildings	25	18	7	25,000	\$2	SF	2.4.4	-	-	-	-	-	-	-	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000							
<b>MECHANICAL, ELECTRICAL &amp; PLUMBING SYSTEMS</b>																												
Replace compressors in heat source	15	8	6	90	\$200	EA	2.5.1	-	-	-	-	-	\$3,572	\$3,572	\$3,572	\$3,571	\$3,571	\$3,571	\$3,571	\$35,700								
Replace common area hot water heaters	12	6	4	2	\$300	EA		-	-	-	\$300	\$300	-	-	-	-	-	-	-	\$900								
Replace apartment unit hot water heaters	12	6	6	40	\$300	EA		-	-	-	-	-	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$12,000								
<b>VERTICAL TRANSPORTATION</b>																												
<b>LIFE SAFETY/FIRE PROTECTION</b>																												
	20	13	7	8	\$7,500	EA	2.5.1	-	-	-	-	-	-	-	-	-	-	-	-	\$0								
<b>INTERIOR ELEMENTS</b>																												
Replace apartment unit carpet	7	5	2	130	\$1,000	SF		\$10,854	\$10,854	\$10,854	\$10,854	\$10,833	\$10,833	\$10,833	\$10,833	\$10,833	\$10,833	\$10,833	\$10,833	\$130,000								
Replace apartment unit microwave ovens	8	5	3	84	\$250	EA		\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$21,000							
Replace apartment unit refrigerators	20	10	10	24	\$950	EA		\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$13,200							
Replace apartment unit ranges/hoods	20	10	10	24	\$900	EA		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000							
Replace apartment unit dishwashers	12	10	2	96	\$250.00	EA		\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000							
<b>TOTAL UNINFLATED</b>															\$16,684	\$16,684	\$26,684	\$19,884	\$16,963	\$30,265	\$27,295	\$27,295	\$30,254	\$27,254	\$27,254	\$22,254	\$22,254	\$278,800
<b>Inflation Factor @ 2.5%</b>															100.00%	102.50%	105.06%	107.69%	110.38%	113.14%	115.97%	118.87%	121.84%	124.89%	128.01%	131.21%	-	
<b>TOTAL INFLATED</b>															\$16,684	\$17,101	\$28,026	\$21,521	\$18,746	\$32,917	\$31,607	\$33,388	\$36,887	\$34,037	\$34,887	\$28,196	\$28,993	\$323,993
<b>CUMULATIVE TOTAL INFLATED</b>															\$16,684	\$33,785	\$61,820	\$83,341	\$102,087	\$125,003	\$156,611	\$188,008	\$225,670	\$259,906	\$294,794	\$323,993	-	

RESERVE SUMMARY		
Total Reserves	Total Uninflated	Total Inflated
	\$278,800	\$323,993
Per Unit Reserves (All Years)	\$2,788	\$3,240
Per Unit (Per Year)	\$232	\$270

## APPENDIX A - SITE PHOTOGRAPHS



Photograph Number 1: Subject Property entrance from Apartment Drive



Photograph Number 2: View of Leasing Office – Clubhouse with ADA designated parking



Photograph Number 3: Typical Subject Property interior view – note asphalt and flatwork in good condition



Photograph Number 6: View of one bedroom apartment kitchen and dinette area