

January 2016



## ALTA Survey Fast Fact

### A Closer Look at the New 2016 ALTA/NSPS Minimum Standard Detail Requirements: Table A Item 11



The new [Minimum Standard Detail Requirements for ALTA/NSPS Surveys](#) have been adopted and will take effect on February 23, 2016. One of the most significant changes is found within the revised definition of Optional Table A Item 11.

In the prior definition, clients and surveyors could negotiate either Item 11(a) or 11(b) if there was a need for utility information to be shown. Item 11(a) required the surveyor to report and show any visual appurtenance observed while conducting the field work that indicated evidence of a utility service, such as manholes, valves, meters, transformers, utility lines, etc. Item 11(b) required the reporting of observed evidence along with additional efforts by the surveyor to report underground utility features citing plans provided by the client from utility companies and/or ground markings provided by utility locator services. The revised 2016 Table A includes only Item 11, essentially defined as the former 2011 Standards Item 11(b). Now, what was formerly Item 11(a) has been incorporated into the Minimum Standard Detail requirements within Section 5.E.iv and will be a mandatory responsibility on the part of the surveyor on all ALTA Surveys and will no longer be negotiated as optional.

Using the previous standards, most Lenders included former 11(a) as a part of their survey requirements. Former Item 11(b), now Item 11, typically added not only additional expense to the survey, but also delayed delivery as surveyors needed time to collect plans and schedule locator services. In most cases Item 11(a) provided the required information needed regarding utilities including whether or not the subject property has the needed utility service for operation, and that those services enter the property either from an adjoining public right-of-way or from an access easement that gets the utility service to the subject property line.

Going forward with the 2016 requirements, it is important to understand that it may be necessary to communicate to transaction parties that there is no need to negotiate Item 11 as in the past. If what they are truly requesting is former Item 11(a), per Section 5.E.iv, it will be addressed on the survey.

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## Environmental Reports Fast Fact

### Property Condition Assessments: Changes in ASTM E2018 Standards



As with other ASTM Standards, there is a timeframe in which the standards must be reviewed by a committee and updated as necessary. The recent changes to the PCA Standard, promulgated on November 5, 2015, were minor, affecting items such as rewording, new definitions and the re-organization of several subsections. However, there are some notable revisions. These include:

**Revised Accessibility Appendices (ADA and FHA)** - The most notable change in the standard is the replacement of the tiered approach pertaining to ADA Accessibility in the 2018-08 standards with new guidance for a limited “Baseline Evaluation”.

The baseline ADA due diligence is a Visual Accessibility Survey consisting of a limited scope visual survey and completion of The Uniform Abbreviated Screening Checklists (2010 ADA and FHA) provided in the Appendix as guidance. It excludes the taking of measurements or counts and is subject to representative sampling. A detailed study of the conformance of properties with the requirements of FHA is beyond the scope of this guide; however, an opinion of conformance is sometimes requested in connection with the Property Condition Assessment. Supplemental assessment may be needed to satisfy the risk tolerance and desired level of due diligence of some users.

**New Definitions** - A Physical Condition is now defined in Sect. 2.3.24 as “the physical state of a property, system component or piece of equipment. Within the context of the assessment, the consultant may offer opinions of the physical condition of the property, or of systems, components and equipment observed. Such opinions commonly employ terms such as good, fair and poor, though additional terms such as excellent, satisfactory and unsatisfactory may also be used.”


**Long Term Cost (Replacement Reserve Tables)** - The long term cost/replacement reserve tables are common to the PCA and an expected service by most PCA users. Previous E2018 versions, excluded referencing reserves/ long term costs, which has now been added to the Additional Scope Consideration, Section 8.5.3, recognizing that most PCAs include some level of assessment of long term costs.

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## Bock & Clark News and Upcoming Events

- Stop by our booth (#410) at the upcoming [MBA CREF Convention](#) and drop in your card for a chance to win a





\$250 Amazon Gift Card. The convention is being held Jan. 31 – Feb. 3 in Orlando, Fla.

- Congratulations to Steve Rinehart – Director, National Business Development – who retired in early January. Thank you for 14 years of dedicated service to Bock & Clark.
  - Jim Brown, Director, has been invited to speak on the topic of the new ALTA Standards at the [2016 ICSC OH, KY, IN, MI & PA Retail Development and Law Conference](#) to be held March 4 at the Polaris Hilton in Columbus, Ohio.
  - Contact Bock & Clark to schedule an educational seminar on the new ALTA/NSPS Survey standards and don't forget to consider our seminars on zoning reports and Phase I ESAs as well. Contact Jim Brown at [jbrown@bockandclark.com](mailto:jbrown@bockandclark.com) for more information.
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