

PHYSICAL CONDITION REVIEW

Policy and Database Manual



CMHC Assisted Housing

67255 02-06-11

Canada 


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HOME TO CANADIANS

Preface

This manual is intended as a guide for users of CMHC's Physical Condition Review Database. Originally written in 2003, it has been converted for digital print on demand in 2011 without significant revisions to content.

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I. Physical Condition Reviews

I.1 Background

I.1.1 CMHC Portfolio Management

Canada Mortgage and Housing Corporation Portfolio Management involves administering long term operating agreements with project owners such as Non-Profit Housing Corporations, Housing Co-operatives and First Nations. Under these operating agreements the project owners have agreed to furnish efficient management of the projects and maintain the projects in a **satisfactory state of repair**.

CMHC monitors the projects by performing:

- **Annual Financial Statement Reviews** to monitor financial health,
- **Client Visits** to monitor management practices, and
- **Physical Condition Reviews** to monitor the physical condition of the projects.

Together these monitoring activities allow CMHC to ensure that the projects are meeting the overall social objectives of the programs through adequate maintenance of project viability, effective management practices and ongoing physical maintenance.

I.1.2 Physical Condition Reviews - What to report?

Physical Condition Reviews, PCRs, are not intended to report on every component of a building. First, CMHC only performs PCRs on a representative sample of units, not on every unit in a project. In providing effective property management, **it is the project owners' responsibility to annually inspect every unit.**

Second, in conducting PCRs, CMHC wants Inspectors to identify only those components that are not in a satisfactory state of repair (or those components that are anticipated to **not be in a satisfactory state of repair within 5 years**, before the next PCR).

Satisfactory State of Repair - The term “satisfactory state of repair” therefore takes on great importance. CMHC has developed the following definition.

In the context of portfolio management “**satisfactory state of repair**” means:

- “major building components (structural components including the building envelope, fire safety, heating, electrical, and plumbing systems) are performing and receiving regular maintenance as required by design and the authority having jurisdiction; and have not exceeded their useful lives
- building finishes and components of a cosmetic/aesthetic nature exhibit the normal wear and tear that is expected in their designed use, and have not exceeded their useful lives
- building components do not pose a threat to the health or safety of occupants”

For example, a furnace that is 20 years old and was intended to last only 15 years would be reported since it has likely exceeded its useful life. A fire alarm system that, even though it was acceptable when installed, is not in compliance with a Fire Marshal's current requirements, would also be reported since it does not meet the requirements of the authority having jurisdiction.

1.2 Objectives of Physical Condition Reviews

CMHC has identified three basic objectives that it wants PCRs to accomplish. They are as follows:

1.2.1 Objective 1 - Assess and record the condition of projects

PCRs should report on the condition of projects in a consistent manner, assessing their condition in comparison to the "satisfactory state of repair" definition.

Where building components are not found to meet the definition, the Inspector will:

- identify the deficiency,
- assess the priority level of the deficiency,
- describe the cause (if not apparent),
- briefly identify the most cost-effective means to correct,
- provide a cost estimate to correct, and
- identify whether the work is considered maintenance or capital replacement.

In some cases where the Inspector does not have the specialized knowledge, instead of specifically describing a deficiency or how to correct it, an Inspector may have to indicate that further investigation is required by a qualified consultant (ex. Fire Marshal, Professional Engineer or Licensed Electrical Contractor).

When no deficiency is indicated, the building component will be assumed to be in a satisfactory state of repair.

1.2.2 Identify potential improvements to maintenance and capital replacement practices

When reviewing the condition of projects, Inspectors see the results of the project owner's maintenance and capital replacement practices. In addition the inspector, through the review of selected units and conversations with the owners' representatives, is often able to identify areas where the owners can obtain better "value for money" or other types of improvements.

Inspectors may also identify areas where client training or capacity development initiatives could assist.

These observations should be recorded and communicated to CMHC to allow for subsequent follow-up with the project owner. When recorded consistently in a database, such information will also help identify opportunities for client training on a regional and national basis.

1.2.3 Assist in capital replacement planning

The responsibility to perform capital replacement planning rests with the project owner, i.e. the Co-operative, NP Corporation or First Nation. Physical condition reviews help CMHC monitor project managers' capital replacement planning by identifying priorities for capital spending over the next 5 years. The observations from the PCR are compared to a project's submitted capital replacement plan.

The other aspect to capital replacement planning is replacement reserve allocations. Annual allocations are determined at project commitment but should be reviewed and updated regularly. For CMHC this means at least every 3 years. Such allocations are important; first because they undertake to ensure that owners have set aside adequate funds to replace deteriorating assets, and second because (under some programs) they help determine the amounts that CMHC recognizes as "eligible operating expenses" for subsidy purposes.

Allocation reviews generally include completing replacement reserve worksheets (or using capital replacement software) to verify that annual allocations are adequate given the size and condition of the projects and the anticipated costs of replacements.

PCRs are generally not expected to provide all of the information that is required for CMHC to prepare a replacement reserve worksheet. The usual process for reviewing replacement reserve allocations is for CMHC to ask the owner to submit the information to input to the worksheet. Reports from PCRs are used to validate what the owner has submitted.

In some cases however, the CMHC Assisted Housing or Portfolio Officer may make a special request that the Inspector record additional information about the project in order that a replacement reserve allocation review can be completed. A replacement reserve allocation review is a separate exercise from a PCR.

1.3 Maintenance Versus Replacement Reserve Items

In identifying project deficiencies, CMHC needs to know whether correction costs will be paid from projects' maintenance budgets or replacement reserves.

Maintenance refers to annual repairs and servicing that should be reasonably accommodated in an annual housing budget (ex. furnace servicing, cleaning eaves troughs, carpet cleaning, basic plumbing repairs). Best practices suggest that project owners inspect their homes annually in order to identify maintenance priorities and set annual budgets.

Replacement Reserve refers to the replacement of building elements that wear out over the life of the housing unit (for example: roofing, carpets, hot water heaters). The Operating Agreement requires that annual allocations to the replacement reserve be set aside so that adequate funds are available when such replacements are required.

When identifying deficiencies, Inspectors are asked to decide whether the item would be corrected using maintenance dollars or replacement reserve dollars.

I.4 Threats to Health and Safety

Discovering potential immediate threats to the health or safety of occupants is not one of the objectives of performing physical condition reviews. Nevertheless, Inspectors who observe deficiencies in building components that pose a potential threat to the health or safety of occupants need to communicate the existence of such deficiencies to the project owners' representatives and to CMHC.

The initial communication will be verbal from the Inspector to the owners' representative. When completing reports, such deficiencies will be identified as "Urgent". Written communication will be provided by the CMHC portfolio management or assisted housing officer. It will be the responsibility of the project owner to follow up to ensure that corrective action is taken.

I.5 Identifying Priorities

Building component deficiencies that fail to meet "satisfactory state of repair" are classed as either:

Urgent - to be addressed immediately;

Short Term (ST) - to be addressed within 1 year;

Medium Term (MT) - to be addressed within 1 to 3 years;

Long Term (LT) - to be addressed within 3 to 5 or 5+ years.

I.6 Creating a Review Sample

Reviews occur on each account on a cyclical basis every five years. Each review should include a representative sample of the units listed under the project owner's 8 digit CMHC account number.

Some project owners have a number of projects that were developed over a number of years. Each project is referred to as a "phase". Review samples should include a representative cross section of unit types and ages that includes units from each phase. As a general rule, the sample should include a minimum of 20% of the units in each project (phase) for scattered single family unit projects and a minimum 10% of the units in multiple projects. Where a project (phase) has less than 5 units there shall be at least one unit included from each phase.

Very large projects may need fewer than the minimum while small projects may require more than the minimum.

CMHC will determine the size and composition of the sample, in consultation with the Inspector. Care should be taken not to select the same units on successive reviews.

An example is provided as follows:

ABC First Nation has 5 Section 95 projects (phases) built between 1980 and 1994. They are listed under CMHC account number 12 345 678 and are referred to as Phase 001, Phase 002 and so on. In total the projects include 50 scattered single family dwellings.

In 2002 CMHC is planning a visit to the First Nation to conduct Physical Condition Reviews. The last visit was in 1997. The suggested sample of units to review is as follows:

ABC First Nation CMHC Account 12 345 678	No. of Units In Each Project	Physical Condition Review Sample Composition (Based on min. 20% of each project)
Phase 1	10	2
Phase 2	12	3
Phase 3	15	3
Phase 4	3	1
Phase 5	10	2
Total	50	11

The Inspector would review the suggested number of units from each project in order to provide a representative sample of units from the First Nation's Section 95 portfolio.

CMHC has discretion to increase or decrease the sample size depending upon the circumstances.

1.7 Identification of Units

The lack of civic addresses in some locations can make identification and location of specific units difficult.

In order to facilitate identification of units on-reserve, CMHC will maintain documentation (e.g., location maps / subdivision plans) for each account showing the unit locations corresponding to each CMHC assisted unit.

Where practical, CMHC should adopt the same identification system (number or letter system) as the project manager. Each unit must be given a unique identifier that is different from the occupant's name. The unit identifier (preferably a street address or legal description) should remain the same over successive reviews.

1.8 Completing Report Forms

Physical Condition Review Reports shall be completed in the Physical Condition Review database.

When conducting the review an inspector may elect to use the blank forms that are available from the database system or they may use their own forms. The permanent record of the PCR results

will be the one that is recorded in the database. Ensure that the forms that are used include spaces for the information required in the database.

Account Summary Form - One form is to be used for each account's review.

Building Features Form - One form is to be completed for each building (Single Detached Dwelling or Multiple Unit Building). A building may have one or more units. Where a number of single detached dwellings have the same features, one form will suffice.

Single Family Dwelling Form - To be used for projects composed of scattered single family dwellings (single detached dwellings). Complete one form for each unit in the sample.

Multiples: Building Form and Unit Form - These forms are to be used in combination to describe the condition of the common elements of each project and the individual units (one form per unit) in multiple unit projects.

Examples -

1. Sponsor is an Urban Native Non-Profit with 25 single family units scattered throughout a community.

- Select a 20% sample of units ($25 \times 20\% = 5$ units).
- Use an **Account Summary Form** to summarize the findings of the review.
- Use **Building Features Forms** to describe the features of each single family dwelling (one for each of the 5 units to be reviewed).
- Use the **Single Family Dwelling Form** to describe the condition of each unit (one form for each of the 5 units).

2. Co-operative has a 40 unit high rise and 30 more units in 5 row house clusters of 6 units each.

- Select a 10% sample that includes 4 units in the high rise and 3 units from among the row units.
- Use an **Account Summary Form** to summarize the findings of the review.
- Use the **Building Features Forms** to describe the features of the high rise building and the row house clusters selected (one form for each of the buildings).
- Use the **Multiples - Building Forms** to describe the condition of the common elements of the project (both high rise and row style).
- Use the **Multiples - Unit Forms** to describe the condition of each unit selected.

I.9 Assessing Maintenance and Capital Replacement Practices

CMHC is asking those who conduct Physical Condition Reviews to make an overall assessment of the project owner's maintenance and capital replacement practices on the account summary form.

The assessment choices are:

- ☐ SIGNIFICANT EVIDENCE OF DEFERRED MAINTENANCE
- ☐ SOME DEFERRED MAINTENANCE
- ☐ OVERALL PROJECT IS IN SATISFACTORY STATE OF REPAIR
- ☐ SPONSOR HAS STRONG MAINTENANCE AND CAPITAL REPLACEMENT PRACTICES

These assessments are for CMHC purposes only and are not shared with the project owners.

Negative assessments (the first two) or very positive assessments (the last one) should be supported by comments that give the reasons for the assessments given.

I.10 Identifying Common Causes of Deficiencies

Some accounts exhibit the same kinds of deficiencies in most if not all of their units. The causes of such deficiencies may be associated with defects in construction or design, local climate or soil conditions that affect all of the units in the owner's portfolio.

Where a common cause of a deficiency exists, CMHC wants it to be identified on the account summary. The report forms provide a number of possible common causes of deficiencies. If you do not see the one that you want to identify listed, write it in the comments section provided on the form.

Any common causes that are noted should include comments to explain the nature of the deficiency, its cause and possible remedy, and the extent to which it was noted in the sample units reviewed.

I.11 Identifying Training Needs

Physical condition reviews offer the opportunity to informally collect information about the training needs of CMHC's clients. This information should be listed on the account summary.

Having this information about our clients will allow CMHC to develop and support more targeted training initiatives.

2. Physical Condition Reviews Database

2.1 Administration

2.1.1 Requirements to Provide Access

The Physical Condition Review Database (PCRD) is a CMHC mainframe application that is accessed through the Internet through a secure web site using an individual's CMHC mainframe logon ID and password.

CMHC Employees:

CMHC employees who wish to use the PCRD must be given access by IT Security. They should contact their office's local IT Representative who will initiate the request through the IT Order Desk. Once access is granted they will simply use their existing mainframe ID and password.

Note that employees who are portfolio management officers will automatically have access to the accounts in their offices. Other employees (for example Technical Resources Officers) will have to be assigned an account in order to have access.

Non-CMHC Employees:

For users who are not CMHC employees (such as Inspectors hired on a fee-for-service basis through NISI), the process involves two steps:

1. Ask the CMHC office's Human Resources representative to issue a CMHC casual employee number. To issue the number, HR will need the following information about the Inspector:

SIN:	Employee Title:
Last Name:	Address:
First Name:	Postal Code:
Phone:	Agency/Consulting Firm:
Birth date:	E-mail Address:

2. Once the employee number has been issued, ask the CMHC office's local IT Representative to initiate a request to IT Order Desk to give the individual access to the PCR Database in the Training, Development and Production environments. IT Security will provide the access and will provide the individual with a password. The individual will then be able to access the database.

2.1.2 Logging On / Logging Out

The Physical Condition Review Database is a centralized database that resides on CMHC's mainframe computer. It is accessed through the Internet using a web browser such as Netscape Communicator or Microsoft Internet Explorer. The database cannot be used "offline", i.e. without being connected to the Internet.

The web site address is: <https://www.cmhc-schl.gc.ca/pcr>

You will want to add this address to your browser's "list of favourites" (bookmarks in Netscape).

This web site is password protected. To use the database you will need a logon ID and password. For CMHC employees the logon ID and password are the same as those that are used to sign onto the mainframe using Reflection.


To **Log on**:

- type in your Logon ID (CMHC employee number preceded by letters CM)
- tab and type in your password
- tab and press **Enter** (you can also use the mouse to move the cursor)

Use "Ouverture de session" to use the application in French.

To **Log out**:

- use the **Log out** button in the application.

Simply using the  at the upper right hand corner of the screen will close the application on the screen but will not log you out. You may be required to log on again to properly close your session.



2.1.3 Main Screen - List of Accounts

The main screen provides the list of accounts. The application recognizes you by your logon ID and will immediately display the list of accounts that apply to you.

CMHC Portfolio Management will see the list of their accounts that are due for a Physical Condition Review in the current year. Each CMHC account has already been assigned to a CMHC Portfolio Management Officer (also known as Assisted Housing Officers or Team Associates).

CMHC Technical Resource Officers will see the line “There are no accounts matching your criteria” since they do not administer accounts directly. Simply select a name from the drop down box of portfolio management officers.

Inspectors who are not CMHC employees will see only those accounts that have been assigned to them to conduct a Physical Condition Review.

Physical Condition Review - DEVELOPMENT

[Reports / Forms](#)
[Add Inspector](#)
[Account Search](#)
[Change Password](#)
[Français](#)
[Print](#)
[Logout](#)

PMO:
 Review Year:
 Office:

Total Accounts: 6 Reviews Completed: 0

CMHC Account	Applicant	Officer	Inspector
09 917 287	LA COOPERATIVE PLACE VERCHERES	Angela ROY	<input type="text" value=""/> +
15 975 600	NITAWIN COMMUNITY DEVELOPMENT CORP.	Angela ROY	Aime Arthur DUPUIS <input type="text" value=""/> +
16 130 510	OASIS CO-OPERATIVE HOMES INC.	Angela ROY	<input type="text" value=""/> +
16 130 734	GNEISS HOUSING CO-OPERATIVE INC.	Angela ROY	<input type="text" value=""/> +
16 131 211	HARVEST MOON CO-OPERATIVE HOMES INC	Angela ROY	<input type="text" value=""/> +
16 838 070	NITAWIN COMMUNITY DEVELOPMENT CORP.	Angela ROY	<input type="text" value=""/> +

2.1.4 Adding an Inspector (Available to CMHC Employees Only)

One of the first tasks in completing a Physical Condition Review is assigning the account to an Inspector (also known as Technical Resource Officers but referred to as Inspectors for this exercise).

Beside each account is a drop down box under the **Inspector** column. Clicking on the drop down arrow will display the list of Inspectors who routinely conduct PCRs for accounts in the selected office. If the words “No Inspectors Exist” are listed then no Inspectors have yet been added for the CMHC office.

If you do not see the name of the desired Inspector, it's time to use the **Add Inspector** feature.

- Click on the **Add Inspector** button at the top of the page. The screen below will pop up.
- fill in the 5 digit **Logon ID Number** (without the CM in front)
- **Company** - indicate whether the Inspector is a CMHC employee or other.
- if other, provide the name of the Inspector's company / organization
- click on **Save**

The **Lookup Name** feature allows you to confirm the name of the person attached to the Logon number. The feature will not however, permit you to look up the Logon number if you do not already know it.

Once you have saved the name, that Inspector's name will be added to the list of Inspector names in the drop down box.

Remove an Inspector from the drop down box by selecting their name beside an account to which they have been assigned and following the instructions provided.

2.1.5 Authority Levels / Access

There are two levels of authority within the application:

CMHC Employees - Both Portfolio Management Officers and Technical Resource Officers, have the same level of authority. They may access any account in offices to which they have been assigned.

Other Users - Users who are not CMHC employees will only see those accounts that have been assigned to them.

CMHC employees can access accounts by changing the name of the Portfolio Officer or selecting “All Portfolio Officers”. If you do not find the account that you are looking for, change the Review Year. If you have access to accounts in more than one office, you will have a drop down box that allows you to access accounts in the other offices.

2.1.6 Account Search

Accounts are listed according to the year in which their next review is due. For example, account 07 883 839 had a physical condition review in 2005 and 2010. It is therefore due for another review in 2015 (five years later) and will be listed with other accounts that are due for review in 2015.

If you are searching for a specific account, but do not know the year that it is due for a review, you can use the **Account Search** button on the main screen.

- Input the account number and press **Search**
- Clicking on the **blue** highlighted year will update the screen to the accounts listed for that year.



The screenshot shows a web browser window with the URL https://www.cmhc-schl.gc.ca/pcr/project/project_search. The page title is "Account Search". There is a text input field labeled "CMHC Account:" containing the value "07892839". Below this, it says "CMHC Account: 07 892 839" and "The account is available in the following years:". Underneath, the years "2005", "2010", and "2015" are listed, with "2015" being highlighted in blue. At the bottom of the form are two buttons: "Search" and "Close".

2.1.7 Changing Passwords (Other than CMHC Employees)

You can change your mainframe logon password by using the **Change Password** feature. Click on the button and follow the instructions.

CMHC employees take note: changing your password in the PCR Database will also change your password in Reflection.

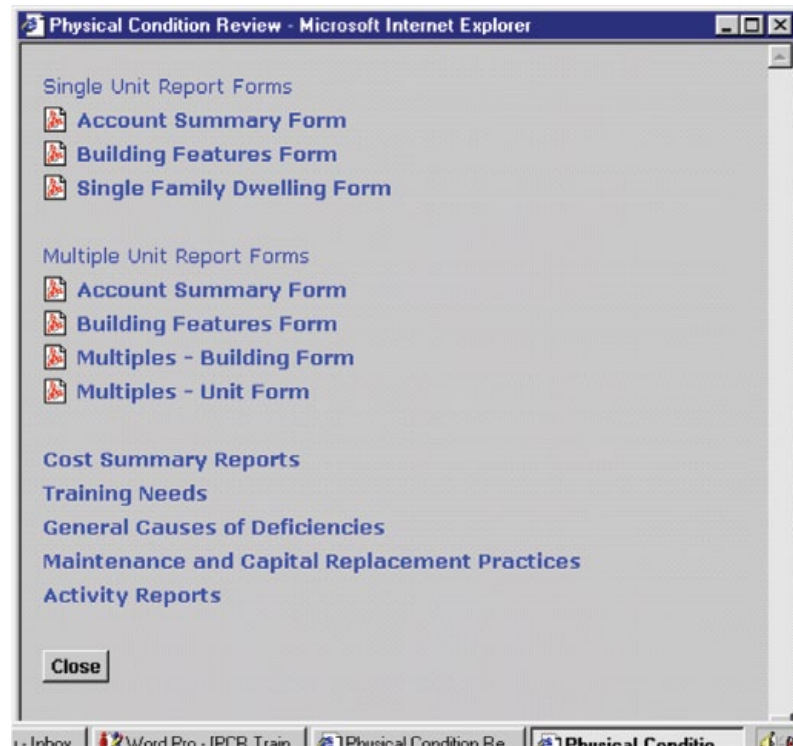


The screenshot shows a web browser window titled "Physical Condition Review - Microsoft Internet Explorer". The page title is "Change Password". It contains three bullet points: "Passwords must be 5-8 characters long", "You cannot use a previous password", and "Passwords can only be changed every 2 days". Below these are three text input fields labeled "Current Password:", "Enter New Password:", and "Verify New Password:". At the bottom are two buttons: "Change" and "Close".

2.1.8 Printing Blank Forms - Use of Adobe Acrobat

Blank PCR forms can be printed using the button at the top of the main screen. The screen below will pop up. The choices are grouped according to whether you are reviewing an account with single family dwellings or an account with Multiples.

Click on the **blue text** to bring up the form.



CMHC does not require that Inspectors use these forms when conducting PCRs in the field. They are however, useful to ensure that all necessary information is collected. Printing and having a supply of these forms on hand is recommended.

If one chooses to use the forms then, for each account to be reviewed, a supply should be printed as follows:

For Accounts with **Single Family Dwellings**:

- 1 **Account Summary Form** for the Account
- 1 **Building Features Form** for each Phase if all units have the same features or one for each unit if the units have different features
- 1 **Single Family Dwelling Form** for each Unit to be reviewed.

For Accounts in **Multiple Dwellings** (e.g.. Apartment or Row):

- 1 **Account Summary Form** for the Account
- 1 **Building Features Form** for each Building
- 1 **Multiples - Building Form** for each Building
- 1 **Multiples - Unit Form** for each Unit to be reviewed

2.1.9 Print - List of Accounts

One can print the list of accounts shown on the screen by using the **Print** button. The list of accounts will open as a PDF file. The list will be a useful reminder of the accounts that are due for, or have had, physical condition reviews.


2.2 Portfolio Management / Assisted Housing Officer Activities

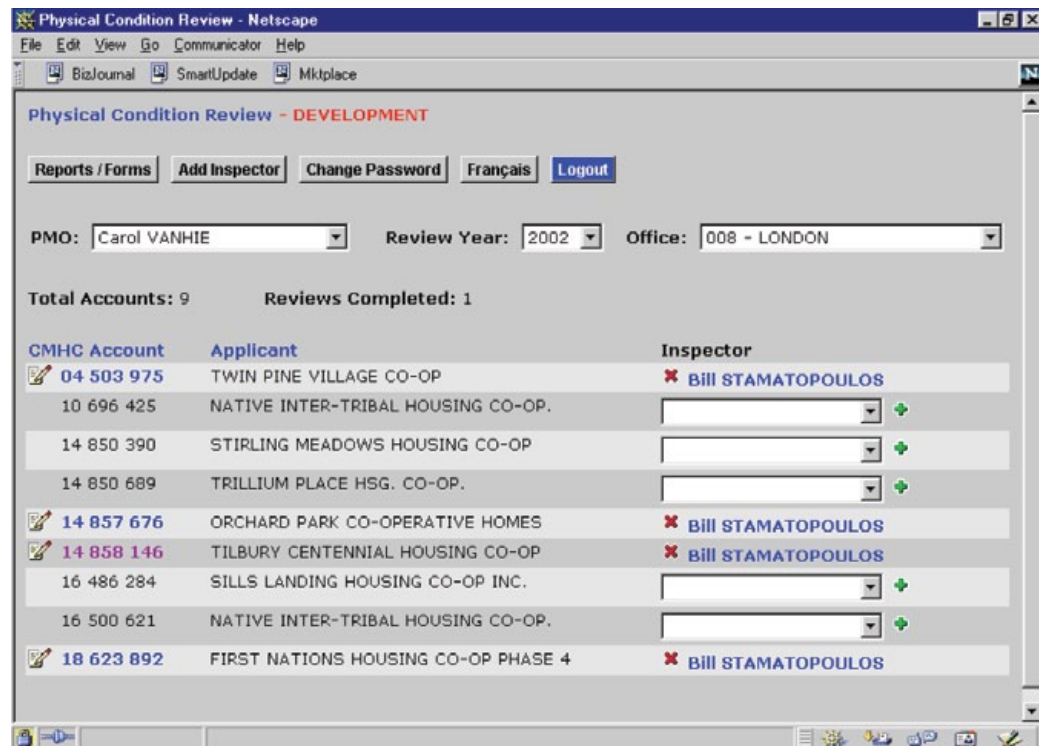
2.2.1 Assigning Account to Inspector / Activating Account

The first step with any account is **assigning the PCR to an Inspector** to complete. Assigning accounts to Inspectors may be done by any CMHC employee with access to the database.

Responsibilities: The responsibility as to who assigns Physical Condition Reviews rests with each CMHC Business Centre. In some offices the Principal of Technical Resources will have responsibility to assign accounts. In other offices the responsibility may lie with the person responsible for contracting with external Inspectors. Some offices may choose to leave the task up to the individual Assisted Housing or Portfolio Management Officer.

To **assign an account** to an Inspector:

- click on the Inspector drop down box opposite the desired account
- select the Inspector
- click on the green  sign to assign the Inspector to the account




CMHC Account	Applicant	Inspector
04 503 975	TWIN PINE VILLAGE CO-OP	✗ Bill STAMATOPOULOS
10 696 425	NATIVE INTER-TRIBAL HOUSING CO-OP.	<input type="text"/> +
14 850 390	STIRLING MEADOWS HOUSING CO-OP	<input type="text"/> +
14 850 689	TRILLIUM PLACE HSG. CO-OP.	<input type="text"/> +
14 857 676	ORCHARD PARK CO-OPERATIVE HOMES	✗ Bill STAMATOPOULOS
14 858 146	TILBURY CENTENNIAL HOUSING CO-OP	✗ Bill STAMATOPOULOS
16 486 284	SILLS LANDING HOUSING CO-OP INC.	<input type="text"/> +
16 500 621	NATIVE INTER-TRIBAL HOUSING CO-OP.	<input type="text"/> +
18 623 892	FIRST NATIONS HOUSING CO-OP PHASE 4	✗ Bill STAMATOPOULOS

Account status: A view of the main screen will show account numbers in plain text (ex. 10 696 425) that are unassigned. Account numbers in bold blue text (ex. **04 503 975**) have been assigned. Account numbers in mauve (ex. *14 858 146*) show accounts where the PCR has been completed.

Accounts cannot be accessed until they have been assigned. Assigning an account activates the account by having the database draw certain data about it from related CMHC databases.

Accounts may be assigned to more than one Inspector. In some cases CMHC may want to assign the account but will not know exactly who will be performing the PCR. In such cases the account may be assigned to more than one Inspector so that any one of them can input to the account.

Accounts can be **unassigned**.

- click on the red  beside the name of the Inspector.


The account will remain activated but no longer assigned.

2.2.2 Account Summary - Before the Review

The account summary is the start point and end point for the PCR report. At the start the Account Summary is the space to:

- communicate instructions to the Inspector
- find the address and contact names for the account
- review the composition of the account's project(s) and units
- review the timing of the most recent review(s)
- determine the number and composition of units to be included in the review sample

To access the **Account Summary** from the main screen:

- click on the paper and pencil icon  beside the account number. You can also click on the **blue** account number then use the **Account Summary** button on the account identification screen.

2.2.2.1 Account Summary - Community

CMHC wants to be able to summarize data by type of community (urban, rural or remote (without road access)). This information is entered near the top of the **Account Summary** screen.

To access the **Community** field on the **Account Summary** from the main screen:

- click on the paper and pencil icon beside the account number. (You can also click on the **blue** account number then use the **Account Summary** button on the account identification screen.)
- select the drop down box beside Community and choose the applicable selection.

2.2.2.2 Account Summary - Special Instructions

The Officer who is responsible for the account can communicate **Special Instructions** about the account to the Inspector. Such instructions can include:

- requests to include specific units,
- requests to follow up on specific concerns, or
- special instructions about who to contact to arrange for the PCR.

Space for **Special Instructions** is provided on Part B of the **Account Summary** Screen.

To access the **Special Instructions** on the **Account Summary** from the main screen:

- click on the paper and pencil icon. You can also click on the **blue** account number then use the **Account Summary** button on the account identification screen.
- scroll to and type in the **Special Instructions**
- click the **Save** button.

Inspectors should review the **Special Instructions** before proceeding with the Physical Condition Review.

Note: Do not complete the review completed date until all information about the review has been input.

2.2.3 Account Summary - Adjusting the Sample

Part C of the **Account Summary** screen provides an **Account Profile** and a **Review Sample Profile**.

The percentage of units in each phase to be reviewed is set by default at the minimum 20% for single family dwelling projects and 10% for multiple projects. CMHC can adjust this figure up or down if required depending on the circumstances.

To adjust the **review sample size**:

- click on the **Percent to be reviewed** for the phase
- delete the existing number
- type in the desired percentage
- click on **Save**

The number of units to be reviewed will adjust automatically.

Account Profile				Review Sample Profile			
Phase	Number of Units	Number of Buildings	Year Added to Portfolio	Last PCR Date	Percent to be Reviewed	Number of Units to be Reviewed	Unit Reviews Completed
001	37	37	1987	2002-09-11	20%	7	0
002	10	10	1989	1995-06-11	20%	2	0
003	10	10	1997		20%	2	0
Totals	57	57			20%	11	0

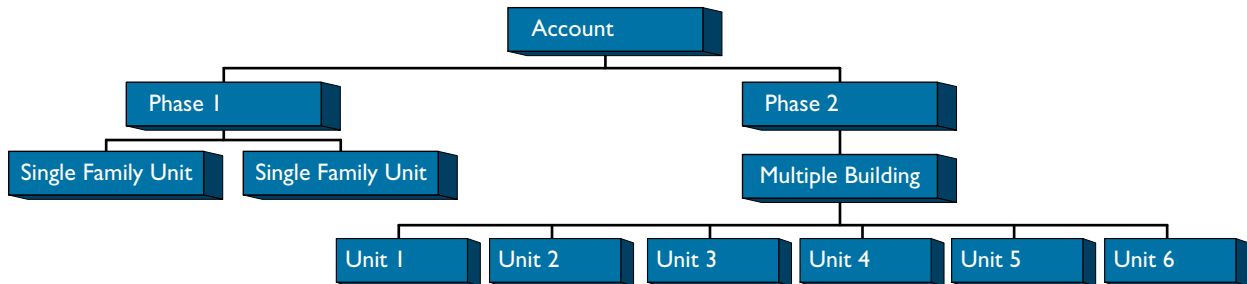
Review sample may be adjusted by Portfolio Management / Assisted Housing Officer or CMHC Inspector.

2.3 Inspector Activities - Before the Review

2.3.1 The Account Pyramid

A CMHC account may stand on its own or it may have 2 or more phases. Accounts with more than one phase (serialized accounts) are combined for the purposes of doing financial statement reviews and client visits.

The diagram that follows has 2 phases. Phase 1 has 2 single family units. Phase 2 has one multiple unit building with 6 units.



Note that the project with single family units is simpler since each unit is a building. Phase 2, the multiple project, has just one building with six units. In the database this type of building involve two steps, first to add the building and second to add the unit.

2.3.2 Review the Account Summary

Bring up the **Account Summary** by:

- click on the **blue** account number on the main screen then clicking on the **Account Summary** button, or
- click on the paper and pencil graphic beside the account number.

The **Account Summary** lists important information from CMHC's other databases (PMSH and PDS) about the account.

The **Account Profile** (Part C of the **Account Summary**) lists the phases, when they were added to the portfolio, and how many units and buildings are in each phase. Where the number of units is the same as the number of buildings, the project is most likely made up of single family dwellings. The account profile also lists the date of each phase's last Physical Condition Review. This is important information for planning your review.

2.3.3 Review the Special Instructions

Before proceeding to conduct the review the Inspector should review the **Special Instructions** listed in the **Account Summary**. See section 2.2.2 above.

2.3.4 Select Sample Units to Review

The **Sample Profile** (Part C of the **Account Summary**) lists the number of units in each phase to review. It does not list which units to review.

Obtain in advance a listing of the units in each phase. Select the desired number of sample units in each phase in a manner to get a representative cross section of all of the units in the project owner's portfolio. Follow any **Special Instructions** that have been provided.

Ensure the project owner has been given adequate advance notice of the review so that the occupants can receive the required advance notice.

2.3.5 Print blank report forms

If you are using the blank forms provided by the system, print an adequate supply to take with you plus a few spares. See section 2.1.8 above for the instructions.

2.4 After the Review - Inspector Activities - Completing the Report in the Database

2.4.1 Work with an account

To work with an account, it first has to be activated (with its account number **blue**).

To activate an account, see section 2.2.1. Activating an account is normally the responsibility of the Portfolio Management or Assisted Housing Officer.

To work with an account, click on the blue account number (ex. **13 403 936**).

The system will take you to the **Account Identification** screen.

2.4.2 Work with a phase

The account illustrated below includes 3 phases, 001, 002 and 003. To start to input results, one must choose a phase to work with by clicking on the required phase.

In the illustration, Phase 001 has already been selected.

Accounts with just one phase will simply list Phase 000. No choice of phase is required.

Physical Condition Review - Microsoft Internet Explorer

Account Identification

CMHC Account: 09 917 733

Applicant: WEENUSK FIRST NATION

Phase: 001

Location: 001 WANUCK, ONTARIO

PMO / 002 TIM YOUNG (705) 523-2924

003

Account Summary Reports Close

Phase: 001

Number of Buildings: 37

No. of Units: 37

Number of Units to be Reviewed: 7

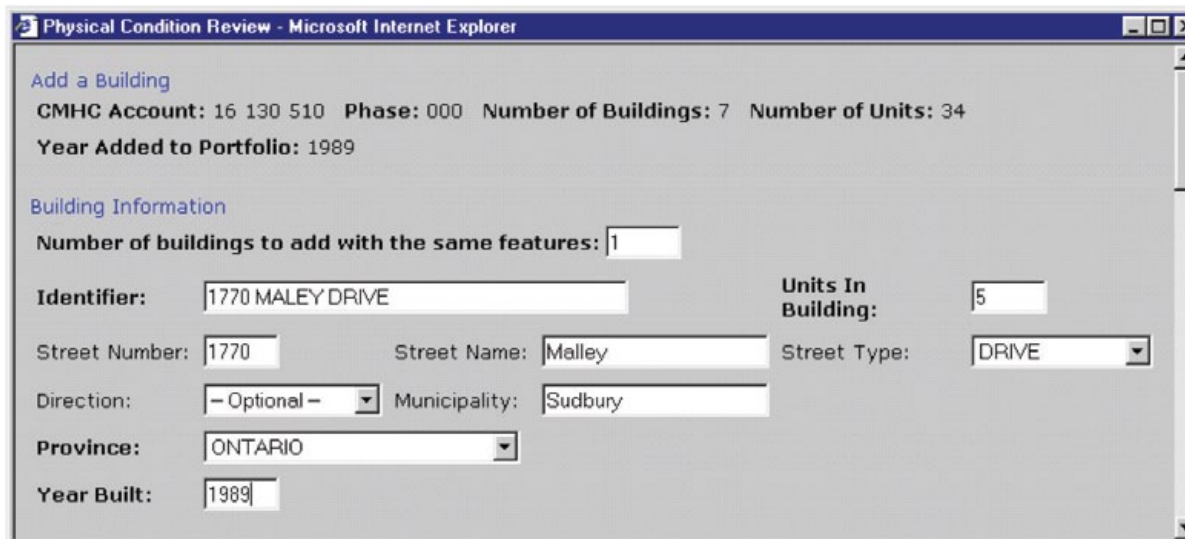
Unit Reviews Completed: 0

No buildings have been added.

Add a Building

2.4.3 Add a building

Now that Phase 001 has been selected, it is time to add a building and describe its features.



Physical Condition Review - Microsoft Internet Explorer

Add a Building

CMHC Account: 16 130 510 Phase: 000 Number of Buildings: 7 Number of Units: 34
Year Added to Portfolio: 1989

Building Information

Number of buildings to add with the same features: 1

Identifier: 1770 MALEY DRIVE Units In Building: 5

Street Number: 1770 Street Name: Malley Street Type: DRIVE

Direction: - Optional - Municipality: Sudbury

Province: ONTARIO

Year Built: 1989

To **Add a Building**:

- click on the **Add a Building** button to bring up the **Add a Building** screen.

The **Add a Building** screen provides space for information from the paper **Building Features Form**. The top part lists the number of buildings and units in the phase and lists the year that the project was added to the portfolio.

- Complete the **Identifier** field with the label by which the project owner identifies the building (usually the address but sometimes the building has a name).
- Confirm the number of units in the building and complete the street address.
- Scroll down the screen and complete the Building Features section.
- When finished, click the **Save**

The fields “Neighborhood Rating”, “Relationship to Surrounding Use”, and “Adjacent Land Use” are meant to collect data for urban projects. If the project is rural simply select the neutral choices, i.e. Stable, Similar and Residential.

With the information saved the building information can be printed to a paper form using the **Print Completed Form** button. Normally this information would not be printed unless there was a specific need. The information will remain available on the database.

Dwelling Type:	Row
Exterior Finish:	<input type="checkbox"/> Brick <input checked="" type="checkbox"/> Vinyl <input type="checkbox"/> Aluminum <input type="checkbox"/> Stucco <input type="checkbox"/> Wood <input type="checkbox"/> Stone <input type="checkbox"/> Log Home
Roofing:	<input checked="" type="checkbox"/> Asphalt Shingle <input type="checkbox"/> Metal <input type="checkbox"/> Tar & Gravel <input type="checkbox"/> Wood Shingles / Shakes <input type="checkbox"/> Single Membrane
Heating System:	FORCED AIR
Fuel Type:	GAS
Utilities:	Fully Serviced (water, sewer, hydro)
Number of Stories:	2 (excluding basement)
Foundation:	Concrete
Windows:	<input checked="" type="checkbox"/> Sealed Units <input type="checkbox"/> Wood <input type="checkbox"/> Aluminum <input type="checkbox"/> Vinyl <input type="checkbox"/> Sliding <input checked="" type="checkbox"/> Casement <input type="checkbox"/> Awning
Heat Recovery Ventilator:	<input type="radio"/> Yes <input checked="" type="radio"/> No
Neighbourhood Rating:	Stable
Relationship to Surrounding Use:	Similar
Adjacent Land Use:	Residential
Comments	

2.4.3.2 Add a building - Single Family Dwelling versus Multiple Projects

The database uses the user's choice of dwelling type to determine whether the project is to be treated as single family or multiple.

If single family (single detached, semidetached, garden suites, duplex, mobile home) is selected the database treats the building as a dwelling unit. The user completes the date that the unit was reviewed and can enter unit deficiencies directly from the Add building screen by using the **Add a Unit Deficiency** button.

If multiple (Apartment, Hostel, Row, Stacked) is selected, the database treats the building as a multiple building. The choices are then to **Add a Building Deficiency** or **Add a Unit**.

2.4.4 Add building deficiencies (Multiple projects Only)

Once a building has been created the system will offer you the option to **Add a Building Deficiency**. Building deficiencies are deficiencies that are concerned with the public areas of a building (as opposed to those within the dwelling units themselves).

For example, deficiencies in roofing, siding, public hallways and fire alarm systems are “building deficiencies”. The paper forms have them listed on the “**Multiples - Building Deficiency Form**” form.

To add a building deficiency:

- On the **Account Identification Screen** verify that the correct identifier is showing under **Building Information**.
- Click on the **Add a Building Deficiency** button and the following screen will pop up.

The **bold blue text** offers you the choices from the subheadings on the **Multiples - Building Deficiency Form** paper form.


- Click on one of the **blue text** headings for your choice.



For example, the building has a faulty retaining wall.

- click on **Site**. The system will bring up another pop up screen with a drop down box for you to further define your choice
- select **Retaining Walls** from about two third's down the drop down list.

The system will then show you a revised Add a Building Deficiency screen.

- complete the Add Building Deficiency screen as follows:

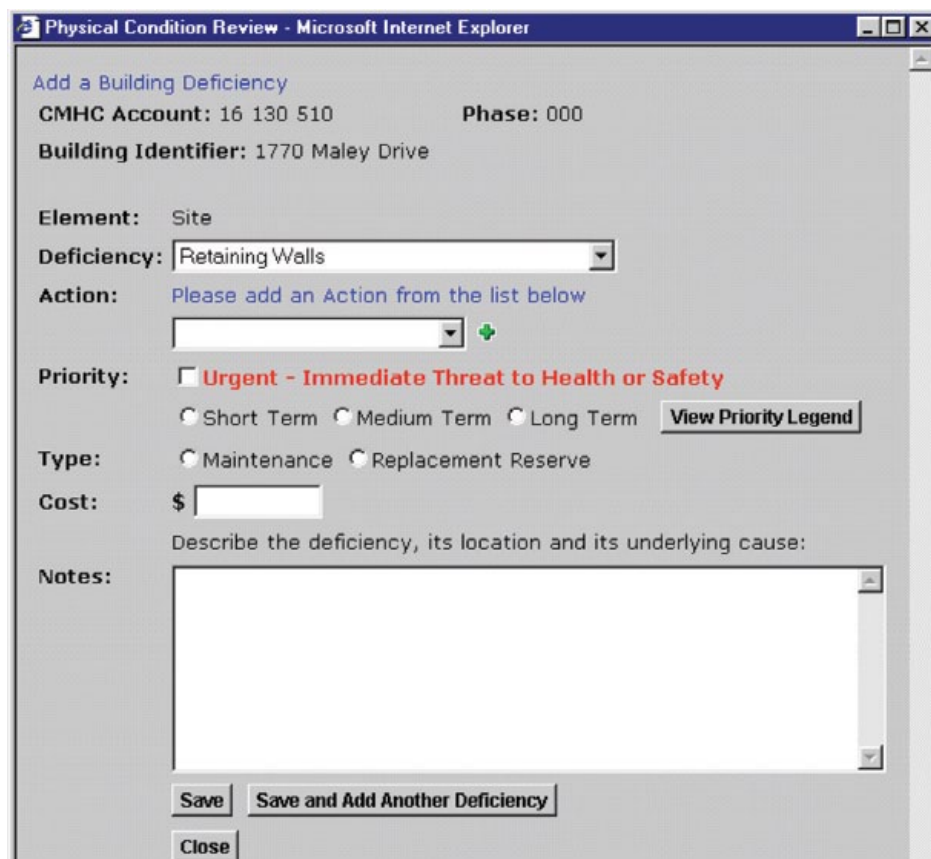
- **Action:** The database has been loaded with a number of standard work descriptions from an application called the *Automated Work Description System*, AWDS. The AWDS may have a work description that is applicable to the deficiency that you are listing.
- select a choice from the list of action items. If you do not see an applicable choice, select **99999 - Other**.
- click on the green  to confirm your choice.

Using standard work descriptions in your notes - If you do see an applicable choice, select it and click on the green  to confirm your choice. You can then click on the paper and pencil graphic  to have the standard work description added to the Notes field.

Note: The work descriptions are generic and do not sufficiently describe the location or cause of the deficiency. This information must be added when you customize the work description.

- **Priority:** Proceed with completing information about the deficiency by indicating its priority. Note that an Urgent - Immediate Threat to Health or Safety will automatically be considered a Short Term item.
- **Type:** Indicate whether the funds to address the deficiency would come from a **Maintenance** or **Replacement Reserve** budget.
- **Cost:** Provide your estimate of the cost to correct that deficiency for the building that you have reviewed.
- **Notes:** Describe the deficiency, its location and its underlying cause in the Notes field. This information is critical to understanding the nature of the problem. This space may also be used to provide a work description if one has been requested. Note that you can paste text from other locations into this field by using the right click button on your mouse.
- click the **Save and Add Another Deficiency** button or simply **Save** and **Close** if you have no more deficiencies to include.

Other building deficiencies may be added in the same manner.



Physical Condition Review - Microsoft Internet Explorer

Add a Building Deficiency

CMHC Account: 16 130 510 Phase: 000

Building Identifier: 1770 Maley Drive

Element: Site

Deficiency: Retaining Walls

Action: Please add an Action from the list below

Priority: ☐ Urgent - Immediate Threat to Health or Safety
☐ Short Term ☐ Medium Term ☐ Long Term [View Priority Legend](#)

Type: ☐ Maintenance ☐ Replacement Reserve

Cost: \$

Notes: Describe the deficiency, its location and its underlying cause:

Save Save and Add Another Deficiency Close

2.4.5 Add a unit

Once you have added a building the system will allow you to add units within that building.

- Click the **Add a Unit** button to add your first unit.

Complete the **Add a Unit** screen:

- **Unit identifier:** This field is critical. The **Unit Identifier** must be unique to that unit and should not be subject to change between the current review date and the next review date. If possible, use the civic address. Alternatively use the same numbering or lettering system that the project manager uses.
- **No. of Bedrooms:** Indicate the number of rooms in the units that are recognized as bedrooms in the building code (i.e. have a window, an interior door and closet space). Do not include basement spaces that are used as bedrooms unless they meet the building code requirements of bedrooms.
- **Review Completed Date:** This is a critical date. The database recognizes that a unit has been reviewed when a date has been entered in this field and has been saved. Use the date when the unit was actually reviewed.
- **Occupant Information:** These fields are optional. Do not complete them unless it is necessary. Some project owners more readily recognize a unit by its occupant's names while others simply use unit numbers.
- **Notes:** Use this field for any comments that you would like to share about this unit that are of a more general nature.

2.4.6 Add unit deficiencies

Once a unit has been added the system will permit you to add one or more unit deficiencies. The **Add a Unit Deficiency** step works the same way as the **Add a Building Deficiency** step listed above in 2.4.4. The only difference is that you will be given a different set of deficiency headings depending on whether you are dealing with a multiple project or a single family dwelling. Again, the headings correspond to those on the applicable paper forms.

2.4.7 Last Step - Completing the Account Summary

After having completed inputting the buildings, units, features and deficiencies, one must return to the **Account Summary** to complete the report.

You will note that the Sample Profile will have been updated to reflect the number of sample units that have been reviewed.

- Recheck the **Special Instructions** to ensure that you can respond to the instructions that were given.
- Check the sample profile to ensure that the number of units to be reviewed has been met.
- **Review Completed Date:** This field should list the date that the actual on-site Physical Condition Reviews took place. Fill in the date or use the calendar feature. **This should be your last step in completing the report.**
- **Narrative Summary:** The narrative summary will be the section that the CMHC Portfolio Management or Assisted Housing Officer will read first. Any information that CMHC needs to know right away should be provided here. Provide a narrative description of the project(s) included in the account and general comments about their condition. This is a summary and should be supported by the specific reports on the buildings and units.
- **Health and Safety Concerns:** Information about any deficiencies that are considered to be a threat to health or safety should be highlighted again here even if they have been already listed as a building or unit deficiency. Having this information in the **Account Summary** will help ensure that it gets swifter attention.
- **Applicant Rep:** The name of the project owner's representative(s) who accompanied the Inspector on the review and their position(s) must be provided including their telephone number. **This is a mandatory field.**
- **Maintenance and Capital Replacement Practices:** An overall assessment of the project owner's Maintenance and Capital Replacement Practices is required and should be supported by comments in the field provided. **This is a mandatory field.**
- **General Causes of Deficiencies:** Some accounts have the same kinds of deficiencies caused by the same kinds of problems throughout many of their units. Where such general causes of deficiencies have been observed they should be indicated and commented upon. This is an optional field.
- **Training Areas:** If upon discussions with the project owner's representatives, or upon reviewing the sample of units, you feel that there are areas where the project owner's staff or unit occupants may benefit from training, please indicate and supply written comments. This is an optional field.

2.4.8 Date Fields

Review Completed: **The Review Completed Date should be the last date that is filled in.**

It should coincide with the last date (if it took more than one day) that the actual on site Physical Condition Review took place.

Next Review Date: This field is automatically filled in when the Review Completed date is filled in and saved. The system default is for the next review to take place in 5 years but this date may be overwritten if another date is required.

Letter Sent Date: This field should be completed by the Portfolio Management / Assisted Housing Officer to coincide with the date that the letter with the Physical Condition Review results is sent to the project owner.

Report Completed Date: This field fills in automatically the first time that the Review Completed Date is saved. It records the date when the report was completed.

2.5 Reports

2.5.1 *Printing your completed report for the applicant*

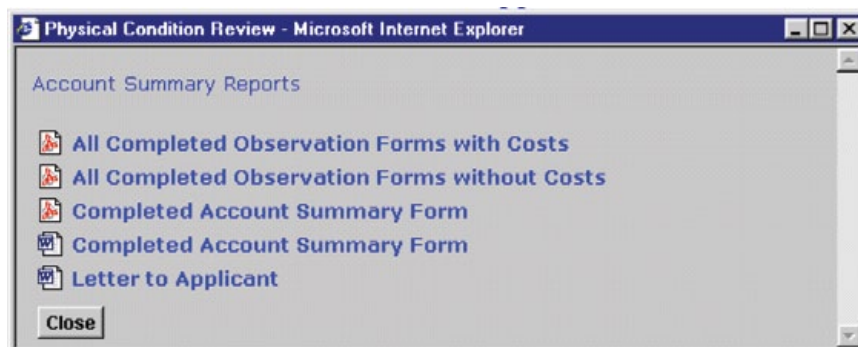
The completed report that is sent to the applicant should consist of:

- the cover **Letter to the Applicant**, as well as
- the completed **Building** and **Unit Observation Forms**.

The **Account Summary** is for CMHC's information only and should not be sent to the applicant.

To print the **Letter to the Applicant**:

- open the account summary
- click on the **Reports** button
- click the **Letter to Applicant** blue text



The system will open up Microsoft Word and will display a cover letter to the applicant. This cover letter is the recommended cover letter to the applicant. It extracts selected information about the account from the database. Carefully review the text to make sure that it includes the information that you want to provide. Since it is in MS Word, the text can be edited.

To print the **Building** and **Unit Observation Forms**:

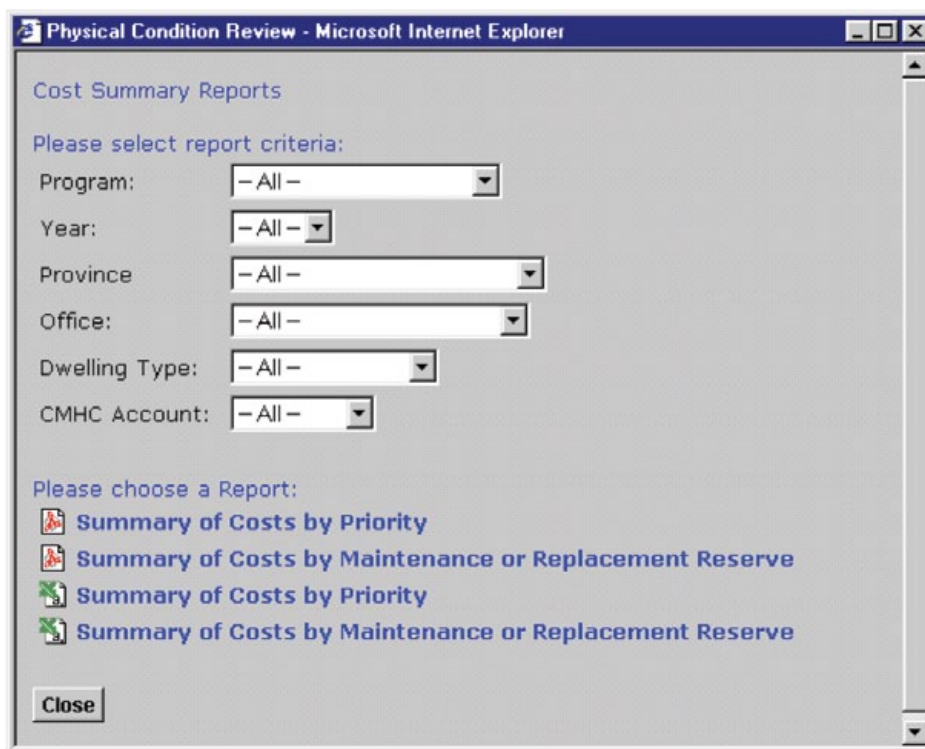
- from the Account Summary Reports screen select **All Completed Observation Forms Without Costs**. Reports from all units and buildings will display in Adobe Acrobat. Use the print feature in Acrobat.

It is not recommended to provide costs data to project owners since they may rely on this data for budgeting purposes.

2.5.2 Account Level Cost Summary Reports

Cost Summary Reports are available only to CMHC users. Reports are available that summarize cost at the account level and by groups of accounts.

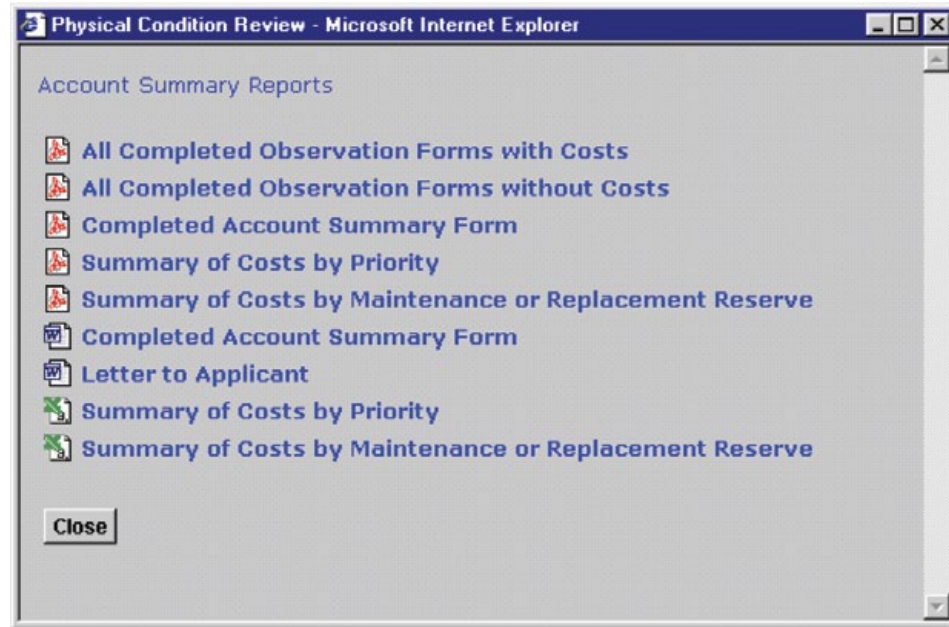
A number of cost summary reports are available once the account's **Review Completed Date** has been entered and saved.



The screenshot shows a web browser window titled "Physical Condition Review - Microsoft Internet Explorer". The page content is titled "Cost Summary Reports". Below the title, there is a section "Please select report criteria:" followed by seven dropdown menus: "Program:", "Year:", "Province", "Office:", "Dwelling Type:", and "CMHC Account:". Each dropdown menu currently displays "- All -". Below these menus is a section "Please choose a Report:" followed by four report options, each with a small icon and a blue link text: "Summary of Costs by Priority" (with a red icon), "Summary of Costs by Maintenance or Replacement Reserve" (with a red icon), "Summary of Costs by Priority" (with a green icon), and "Summary of Costs by Maintenance or Replacement Reserve" (with a green icon). At the bottom left of the form is a "Close" button.

Costs may be summarized by priority or by type (maintenance or replacement reserve). The may be output in either the Adobe Acrobat version or in Microsoft Excel spreadsheet.

Use the **Reports** button on the **Account Identification** screen to access the above list of reports for a completed PCR report.



2.5.3 Portfolio Level Reports

The following list of reports are available on a portfolio basis using the **Reports / Forms** button on the main screen:

Cost Summaries

Cost summary reports may be produced using data from completed PCR reports in the database.

Reports can be produced in either Adobe Acrobat or Microsoft Excel.

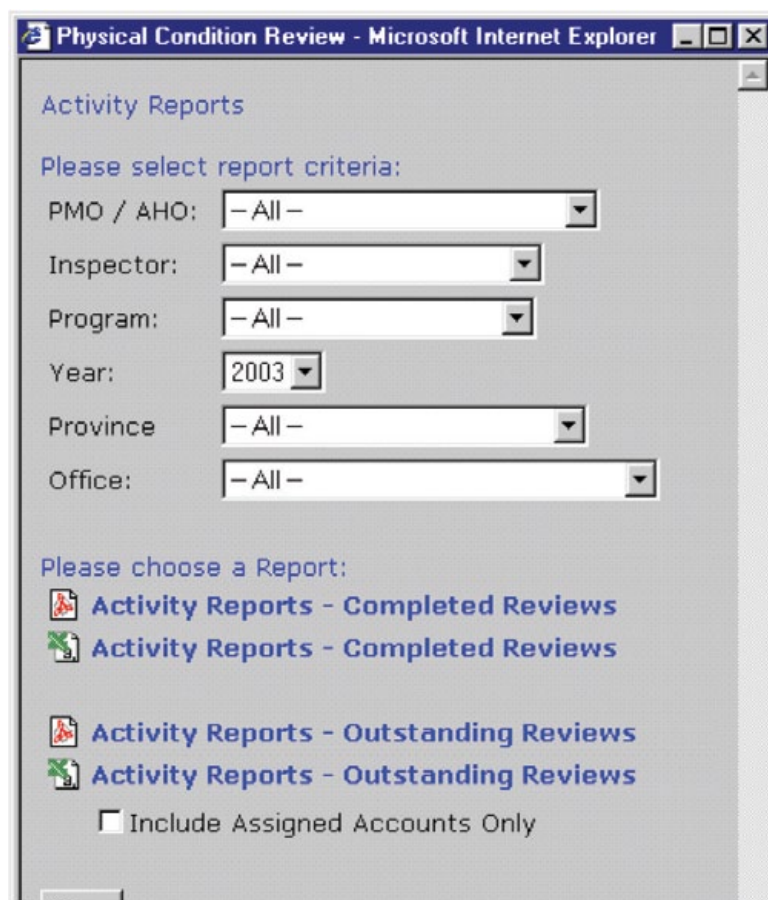
Note that the cost data for each account are drawn from the extrapolated costs for each account.

Training Needs / General Causes of Deficiencies / Maintenance and Capital Replacement Practices

Summaries of Training Needs, General Causes of Deficiencies, and Maintenance and Capital Replacement Practices can be produced on a portfolio basis by Program, by Year, by Province and by Office.

2.5.4 Activity Reports

Activity reports are available on a portfolio basis. Reports can be requested by Inspector (for assigned accounts), by Portfolio Management Officer, by Program, by Office, by Year, and by Province. These reports are designed to track the Reviews completed and the Reviews left to complete.



The screenshot shows a web browser window titled "Physical Condition Review - Microsoft Internet Explorer". The page content is as follows:

Activity Reports

Please select report criteria:

PMO / AHO:

Inspector:


Program:


Year:


Province:


Office:

Please choose a Report:

 **Activity Reports - Completed Reviews**

 **Activity Reports - Completed Reviews**

 **Activity Reports - Outstanding Reviews**

 **Activity Reports - Outstanding Reviews**

☐ Include Assigned Accounts Only

2.6 Photos

2.6.0 Digital Photos

Digital photos can be stored, displayed and printed using the database.

Number of photos: A maximum of five photos can be stored for each building (including single family houses). A maximum of three photos can be stored for each unit in a multiple building.

File Formats: The database will accept digital photos in the following formats: jpg, jpe, jpeg, and pjpeg. Other formats will not be accepted.

File Sizes: File sizes should generally be kept small in order to minimize storage requirements and speed transmission. In addition the database puts images through a filter that removes as many as 80% of the pixels. Images are still quite usable but storage space requirements are decreased and speed is increased when recalling images. Users may

wish to experiment with the resolution settings on their cameras to find a combination of image resolution and speed that meets their purposes.

2.6.1 Storing Photos

To store a photo:

- From the Account Information screen Click on the **Photos** button for the Building or Unit to which you wish to Attach a photo.
- From the Digital Photos screen Click on the **Attach Photo** button.
- From the Attach Photo screen Click on **Browse** to select the file name of the image

Physical Condition Review - Microsoft Internet Explorer

Attach Photo

CMHC Account: 19 042 787 Phase: 001

Building Identifier: Maison Une Unit Identifier: Logement 10A

Filename: Browse...

Description:

(250 characters maximum)

ABC

Attach Photo Close

that you wish to attach.

- Double Click on the image that you wish to attach.
- Add a description for the photo to explain its relevance to the users then Click **Attach Photo** to save the image.

A thumbnail version of the photo should appear on the screen as illustrated below.

Physical Condition Review - Microsoft Internet Explorer

Digital Photos

CMHC Account: 19 042 787 Phase: 001

Building Identifier: Maison Une Unit Identifier: Logement 10A

Photos

Number of Photos allowed: 3 File types allowed: jpg, jpe, jpeg, pjpeg

 x

Photo of shed

Display Full Image

Attach Photo Close


2.6.2 *Editing Descriptions*

To edit the description (caption) under the photo:

- Click on the Paper and Pencil icon beneath the thumbnail image on the Digital Photo screen.
- Edit the text and **Save**

2.6.3 *Removing Digital Images*

To remove the image:

- **Click** on the red  beside the thumbnail version of the image.

2.6.4 *Viewing Digital Photos*

To view the photo on your monitor's full screen:

- **Click** the **Display Full Image** text.

2.6.5 *Printing Digital Photos*

Digital photos can be printed in two ways as follows:

1. To print all photos for the account -
 - **Click** the **Reports** button on the Account Information Screen
 - Click the **All Digital Photos** text. The photos will come up in Adobe Acrobat. Select the print icon.
2. To print one photo at a time -
 - From the **Display Full Image** screen **Click** the **Print** button.

2.6.6 *Saving Digital Photos in Electronic Format*

You can save Digital Photos that are in the database in an Adobe Acrobat Format in order to e-mail them if necessary. Follow the instructions above to print **All Digital Photos**. Save the Adobe Acrobat file to your hard drive then e-mail it as an attachment.