



A NALU ARCHITECTURE GUIDE · 2026 EDITION

HOA Repair & Reconstruction Roadmap

Investigation, scope, and repair — a plain-English
roadmap for HOA boards and property managers in 2026.

The board's roadmap for balcony investigation, scope, and repair.

The SB 326 or SB 721 report has landed on the board's desk. It found deficiencies. Now the questions get harder: how bad is the concealed damage, what is the actual scope of repair, how much will the special assessment be, and how does the association get from an inspection report to a completed reconstruction without missing the 120-day repair-permit clock.

This roadmap is the sequel to our SB 326 / SB 721 playbook. It is written for HOA boards first and property managers second — the two people who actually have to make the decisions and shepherd the project. It walks through the three phases every serious balcony-law project runs through: forensic investigation, scope development, and reconstruction. And it names the numbers, the timelines, and the risks in plain English.

HOW TO USE THIS ROADMAP

If your inspection report just came back and identified deficiencies, start with Section 1 — the investigation phase — and get on a proposal cycle inside the 120-day permit window. If you already have an investigation report and a repair scope, jump to Section 3 for the reconstruction cost bands and Section 5 for the reserve-study and special-assessment framework.

What the visual inspection did not see.

The SB 326 / SB 721 report is a visual inspection of a statistically significant sample. It tells the board that deficiencies exist. It does not tell the board how bad the concealed damage is, how far it extends beyond the sample, or what an actual repair scope will cost. That is the job of Phase One — forensic investigation.

WHY THE VISUAL INSPECTION IS NOT ENOUGH

Dry rot, delaminated waterproofing membranes, corroded fasteners, and rotted ledger connections are usually concealed. A visual inspection can identify the symptoms — staining, cracking, soft spots — but only investigation confirms the extent. Skipping this phase is the single most common way boards get a \$6,000 inspection turned into a \$150,000-plus surprise once construction starts.

The investigation sequence

Every serious balcony investigation runs the same four-step sequence: symptom assessment, non-destructive testing, targeted destructive openings, and an investigation report. Each step narrows the scope of the next so the destructive work is limited to what actually needs to be opened.

Step	Method	What it produces
1. Symptom assessment	Walkthrough with the SB 326 / SB 721 report in hand	Identify likely failure zones — stains, cracking, soft decking, corrosion
2. Non-destructive testing	Moisture meters, infrared thermography, spray testing (AAMA 501.2)	Map wet zones and hidden moisture without opening finishes
3. Exploratory openings	2 ft × 2 ft targeted openings at probable failure zones	Visually confirm concealed waterproofing, flashing, and framing conditions
4. Investigation report	Written report with photos, extent, and repair strategy	Basis for the repair permit set and the reserve-study line item

Sources: Benson Construction Group, Investigation Process (2026); AAMA 501.2 water-test protocol; AGGCG SB 721 Financial Guide (2026).

What Phase One actually costs — and why boards should not skip it.

Investigation is a small line item compared to reconstruction, and every dollar spent on investigation typically saves five to ten dollars in avoided change orders during construction. The numbers below reflect current 2026 California ranges for a mid-sized condominium association or apartment property.

Investigation line item	2026 range	Notes
Independent waterproofing / envelope investigation	\$3,000 – \$15,000	Full non-destructive testing plus report
Destructive openings, per element	\$1,500 – \$3,000	Includes patching, painting, and restoration
Typical opening budget (4 elements)	\$6,000 – \$12,000	Sample budget for a mid-sized association
Additional line items	Varies	Lifts / scaffolding, resident notifications, reinspections, permits
Structural engineer peer review	\$2,500 – \$7,500	Recommended for load-path or connection concerns
Investigation report and repair strategy	Included in the above	The document the board uses to price the repair

Sources: Benson Construction Group (2026), AGGCG SB 721 Financial Guide (2026), US Made Supply SB 326 HOA Board Compliance Guide (2026).

How the investigation shapes the repair budget

An investigation report converts a vague finding — "waterproofing membrane failure at Building 3" — into a specific scope: how many linear feet of ledger flashing to replace, how many joists show rot, which balconies are sound after all, and whether the deck topping is salvageable. Without that specificity, contractors bid the worst case and the association pays for it.

What repair and reconstruction actually cost.

The 2026 California market data is consistent across sources. What varies is scope — a surface waterproof recoat is a small number, a full balcony replacement with new ledger and structural framing is a large one. The board's job is to make sure the investigation report matches the scope tier the contractor is bidding.

WHERE THE MONEY ACTUALLY GOES

In a full reconstruction, the biggest line items are not the framing lumber — they are waterproofing membrane, flashing details, structural connectors, and the temporary protection and access required to keep residents in place during construction. Every one of those line items is where the architect and the investigation report earn their fee.

Reconstruction scope	2026 cost range	Notes
Surface waterproof recoat	\$4 – \$9 per sf	Sound existing substrate, no structural work
Balcony waterproofing overlay	\$15 – \$35 per sf	New membrane over sound existing membrane
Per-balcony repair (localized)	\$10,000 – \$25,000	Industry estimate for moderate deficiencies
Full balcony replacement, California average	\$40,000 – \$60,000 per balcony	Includes waterproofing, railings, structure
High-cost markets (SF, LA, coastal SD)	\$50,000 – \$60,000+ per balcony	Higher labor rates, coastal exposure
Envelope / multi-elevation remediation	\$100,000 – \$500,000+	Multiple buildings, structural framing replacement
Repair permit drawings and CDs	\$5,000 – \$25,000+	Scoped separately from construction

Sources: Bay Cities Construction (2026), All Coating Building Envelope Cost Guide (2026), Governing Docs SB 326 Analysis (2026), Effortless HOA (2026), Benson Construction Group (2026).

What the schedule actually looks like.

Boards routinely underestimate this schedule. The 120-day repair-permit clock under current California law starts the day the inspection report is delivered, and the reconstruction itself is a multi-month project on top of the permit process. Below is the realistic 2026 schedule for a mid-sized association with deficiencies identified in the report.

Phase	Realistic duration	Notes
Investigation phase	3 – 6 weeks	Non-destructive testing, exploratory openings, report
Scope development and construction documents	4 – 8 weeks	Architect and structural engineer produce permit set
Permit application to the city	Inside the 120-day window	This is the hard deadline
Plan-check corrections	6 – 16 weeks	Two to three correction cycles is typical
Bidding and contractor selection	4 – 6 weeks	Board reviews bids against the same investigation scope
Construction — single building	8 – 16 weeks	Depends on element count and access
Construction — multiple buildings, phased	6 – 18 months	Sequenced by building, funded by phased assessments
Permit close-out and final inspection	2 – 4 weeks	As-builts, warranty certificates, final CO

Sources: California Civil Code §5551, Health & Safety Code §17973, industry averages from AGGCG, Bay Cities Construction, and Apex Balcony (2026).

How boards actually pay for it.

The financial exposure on a balcony-law reconstruction is not evenly distributed. Some associations have decades of reserves; others are 20 percent funded and face a special assessment. Under Civil Code §5551(f), the inspection report — and its cost implications — must be incorporated into the reserve study under §5550. Boards that skip this step blindsides their owners at the assessment vote.

Special-assessment ranges, 2026

Reported California special assessments on balcony-law reconstruction land in a wide range depending on the extent of concealed damage and the association's reserve position:

Scenario	Assessment range	Notes
Moderate deficiencies, well-funded reserves	\$5,000 – \$20,000 per unit	Reserves cover most of the reconstruction
MBK Chapman PC reported average	\$20,000 – \$60,000 per unit	Typical California SB 326 reconstruction assessment
Full reconstruction, high-cost markets	\$40,000 – \$175,000 per unit	Per Beaumont Tashjian, HOA counsel (2026)
Coastal / salt-air exposure	Up to \$100,000 per unit	Corrosion damage often more extensive than visual survey suggests

Sources: Governing Docs SB 326 analysis (2026), Jeff Beaumont / Beaumont Tashjian, MBK Chapman PC, California Civil Code §5551 and §5550.

The 5 percent board-approved cap

Under Civil Code §5605, a board can levy a special assessment of up to 5 percent of the association's budgeted gross expenses for the fiscal year without a member vote. Anything above that threshold requires a membership vote — which is where reconstruction budgets get politically difficult. Sequencing the work over multiple fiscal years is often the difference between a project that passes and a project that stalls.

Six moments where design pays for itself.

1. Scoping the investigation to the report

Not every deficiency in the SB 326 / SB 721 report needs destructive testing. An architect reads the report and scopes the investigation to the elements where concealed damage is most likely — saving destructive-testing dollars and resident disruption on elements that are visually confirmed sound.

2. Producing a repair permit set that plan-check will accept

The 120-day clock is the number that matters. A repair permit set that gets kicked back on the first correction cycle costs weeks. An architect who has run this type of package through the local jurisdiction produces drawings that anticipate the reviewer's questions — waterproofing details, flashing sections, structural connectors, and code-path narratives.

3. Writing a bid-ready scope so contractors bid apples to apples

The most expensive contractor bid is not always the highest number — it is the one with the most change orders. A specification that names the waterproofing system by ICC-ES report number, calls out the connectors, and describes the flashing details gives the board a defensible scope to bid against.

4. Phasing a multi-building reconstruction

Large associations rarely reconstruct everything simultaneously. Phasing the work by building, sequenced against the reserve study and the assessment schedule, is a project-management task that only a design professional with construction-administration experience can do cleanly.

5. Construction administration during reconstruction

Concealed conditions almost always differ from the investigation report. The architect on site during demolition confirms the assumptions, approves substitutions, documents the as-built conditions, and keeps the change orders from becoming a second budget surprise.

6. Closing the permit and integrating the reserve study

The final inspection is not the end. Under Civil Code §5551(f), the inspection results and reconstruction records must be integrated into the reserve study. An architect who manages the close-out — as-builts, warranty certificates, and the reserve-study memo — sets up the next nine-year cycle so the association is not doing this fire-drill again in a decade.

Before you approve the repair proposal.

Every board we work with runs this checklist before signing an investigation or repair proposal. It saves money, prevents scope disputes, and shortens the path from inspection report to compliant reserve study.

- ❑ Confirm the 120-day clock start date. The clock starts when the inspection report is submitted. Put the date in writing and calendar the deadline for permit application.
- ❑ Scope the investigation phase before the repair phase. Get an investigation and repair-strategy report before any contractor bids the actual repair work.
- ❑ Require a written investigation report. Non-destructive testing findings, photos of exploratory openings, moisture-mapping results, and a repair-strategy narrative — all in one document.
- ❑ Separate the architect and the contractor. A contractor who inspects and then bids the repair is a common insurance-dispute finding. Keep the design and construction contracts separate.
- ❑ Get the reserve-study consultant in the room early. Under Civil Code §5551(f) the inspection findings must integrate. Coordinate before, not after, the repair scope is priced.
- ❑ Price the destructive-testing scope explicitly. Ask for it as \$1,500–\$3,000 per element line items, with patching and reinstatement included.
- ❑ Ask for the special-assessment scenarios in writing. Best case, likely case, and worst case — sequenced against the reserve study and the 5 percent §5605 cap.
- ❑ Notify the master-policy insurer and the lender. Both will ask for the report and the repair scope at renewal and at refinance. Loop the broker in early.
- ❑ Plan for resident disruption. Access, parking, and unit-level protection are line items in a serious reconstruction — not overhead.
- ❑ Confirm the permit close-out plan. As-builts, warranty certificates, and a reserve-study memo before final retention is released.

Request your repair-project roadmap.

If your inspection report identified deficiencies, the 120-day clock is already running. Nalu produces the investigation report, the repair permit set, and the phased reconstruction roadmap under one licensed architect. Instead of permitting, we create the road map for permitting — sequenced against your reserve study and your assessment schedule.

BOOK A CONSULTATION

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