



# 10 Year Maintenance Plan

123 Smith Street

Perth City WA 6000

Strata Plan 1000



## Report details

Inspection date:	1/12/2023
Inspector:	John Smith

### NEW SOUTH WALES

Level 5, 115 Pitt St Sydney 2000  
PO Box A72 Sydney South NSW 1235

### QUEENSLAND

9 Gardner Close, Milton 4064  
PO Box 1584 Milton 4064

### VICTORIA

Level 1, 1 Queens Rd Melbourne 3004  
GPO Box 3025 Melbourne 3001



11/12/2023

The Strata Company  
Strata Plan 843  
123 Smith Street  
Perth City WA 6000

Dear Council Members,

**Thank you for appointing our company to conduct your 10 Year Maintenance Plan.**

Based on our survey of your property, we have determined that the Strata Company will need only to allow contributions to increase with inflation in order to cover its forecast reserve fund expenses. We strongly recommend that the levies be set at the level shown in this report.

This forecast should be updated regularly to account for actual changes in construction and maintenance costs, unanticipated changes in the property's condition over time, changes in legal requirements and any discrepancies between the forecast and actual reserve fund balances. Regular updates also create peace of mind and assist the Strata Company to manage the risk of litigation from individual owners (current and future) for breaches of its duty to maintain the common property by providing reasonable, up-to-date estimates of the cost of necessary maintenance work and repairs.

**Key Report Data Levies Summary – First Financial Year**

Levy Per Unit Entitlement (Total reserve fund levy divided by unit entitlements)	\$600.00
Total Unit Entitlements	36
Total Reserve Fund Levy	\$21,600.00

The data used to arrive at the above figures is in the attached report. It is designed for ease of reading. For your convenience here is your Report Index:

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Yours sincerely,



The Team at Solutions in Engineering

### Building Details & Report Inputs Supplied information

Building Address	123 Smith Street Perth City WA 6000
Strata Plan No.	1000
Plan Type	Strata Plan
Registered Plan Date/Year of Construction	
Number of Unit Entitlements	36
Number of Units	36
Estimated Reserve Fund Balance	\$65,913
Starting date of Financial Year for Report	1/07/2023
GST Status	Not Registered for GST
Current Sinking Fund Levy per Lot Entitlement	600.00

### Report assumptions & information

Assumed Interest Rate on invested funds (For funds over \$10,000) Years 1 - 3	1.70%
Assumed Interest Rate on invested funds (For funds over \$10,000) Years 4 - 15	3.00%
Company Taxation Rate	25.00%
Interest on Invested Funds – Based on Assumed Interest Rate minus Company Taxation Rate. Calculated only on Reserve Fund balances over \$10,000 - Years 1 - 3	1.28%
Interest on Invested Funds – Based on Assumed Interest Rate minus Company Taxation Rate. Calculated only on Reserve Fund balances over \$10,000 - Years 4 - 15	2.25%
Contingency Allowance - For minor and/or unforeseen expenses	10%
Assumed Rate of Inflation for Building Maintenance Costs - Based on average annual building cost increase over the past five years.	3.00%
Forecast Period - Number of years the plan forecasts	15 years

### 15 Year Levy Table

Year	Year To	Total Contribution	Contribution per Unit Entitlement	Quarterly Contribution
1	30/06/2024	21,600.00	600.00	150.00
2	30/06/2025	22,248.00	618.00	154.50
3	30/06/2026	22,915.44	636.54	159.14
4	30/06/2027	23,602.90	655.64	163.91
5	30/06/2028	24,310.99	675.31	168.83
6	30/06/2029	25,040.32	695.56	173.89
7	30/06/2030	25,791.53	716.43	179.11
8	30/06/2031	26,565.28	737.92	184.48
9	30/06/2032	27,362.24	760.06	190.02
10	30/06/2033	28,183.11	782.86	195.72
11	30/06/2034	29,028.60	806.35	201.59
12	30/06/2035	29,899.46	830.54	207.64
13	30/06/2036	30,796.44	855.46	213.87
14	30/06/2037	31,720.33	881.12	220.28
15	30/06/2038	32,671.94	907.55	226.89

### 15 Year Cash Flow Tracking Sheet

The table below shows the cash flow starting with the anticipated 'Opening Balance' at the start of the first financial year which you provided to us. We then add the 'Total Levy Contributions' for the year and any 'Interest' on balances greater than \$10,000. Any 'Anticipated Expenses' (including contingency allowance) are then allowed for leaving a 'Closing Balance' for the year which in turn becomes the 'Opening Balance' for the following year. In summary:

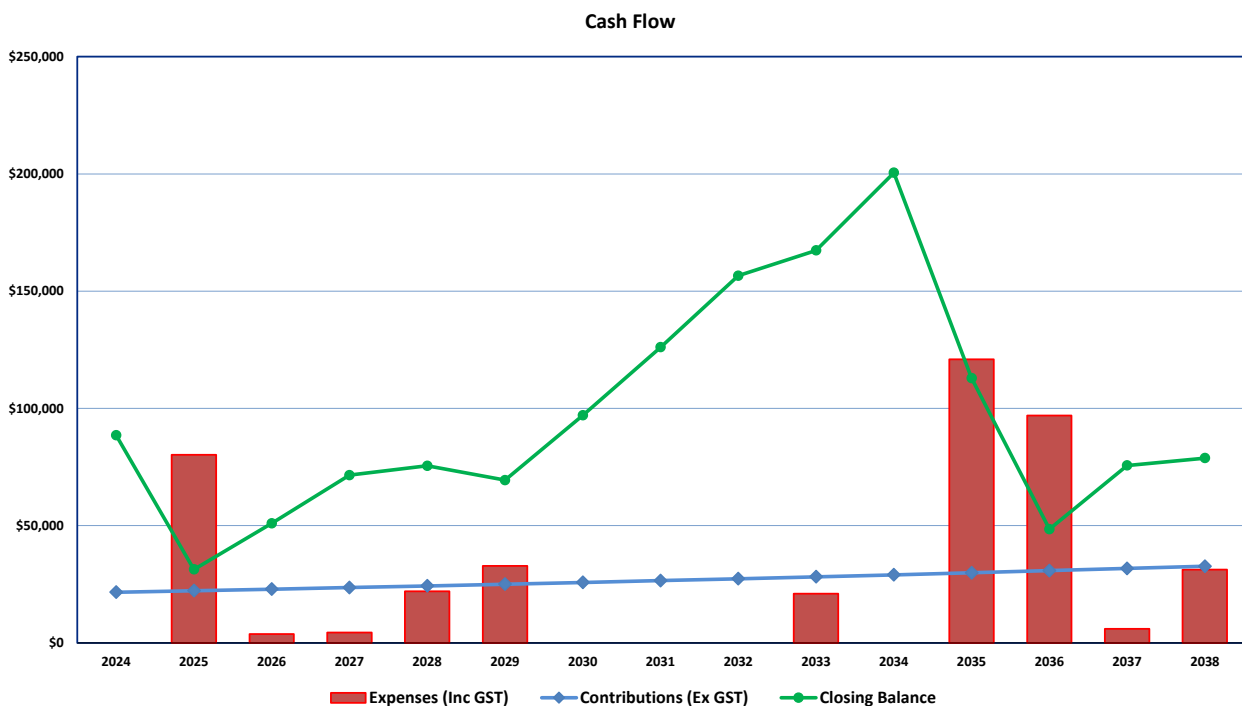
$$\text{Opening Balance} + \text{Total Levy Contributions} + \text{Interest} - \text{Anticipated Expenses} = \text{Closing Balance}$$

Year	Year To	Opening Balance	Total Levy Contributions (Exc. GST)	Interest (After Tax)	Anticipated Expenses (Inc. GST)	Closing Balance
1	30/06/2024	65,913.00	21,600.00	981.93	0.00	88,494.93
2	30/06/2025	88,494.93	22,248.00	762.00	80,175.00	31,329.93
3	30/06/2026	31,329.93	22,915.44	523.60	3,763.00	51,005.97
4	30/06/2027	51,005.97	23,602.90	1,363.21	4,441.00	71,531.08
5	30/06/2028	71,531.08	24,310.99	1,635.92	21,958.00	75,519.99
6	30/06/2029	75,519.99	25,040.32	1,612.02	32,790.00	69,382.33
7	30/06/2030	69,382.33	25,791.53	1,851.26	0.00	97,025.12
8	30/06/2031	97,025.12	26,565.28	2,481.92	0.00	126,072.32
9	30/06/2032	126,072.32	27,362.24	3,144.45	0.00	156,579.01
10	30/06/2033	156,579.01	28,183.11	3,603.85	20,999.00	167,366.97
11	30/06/2034	167,366.97	29,028.60	4,092.33	0.00	200,487.90
12	30/06/2035	200,487.90	29,899.46	3,486.51	120,963.00	112,910.87
13	30/06/2036	112,910.87	30,796.44	1,795.70	97,000.00	48,503.01
14	30/06/2037	48,503.01	31,720.33	1,381.03	5,968.00	75,636.37
15	30/06/2038	75,636.37	32,671.94	1,718.23	31,213.00	78,813.54

### 15 Year Cash Flow Graph

The graph below tracks the 'Contributions' (the amount collected in levies), the projected 'Closing balance' of the reserve fund and the likely 'Expenses' for each year of this forecast. The three lines in the graph are:

- Contributions line - Total reserve fund contributions per year.
- Expenses line – Total anticipated expenses in each year.
- Closing balance line – Shows the amount left in the fund bank account at the end of the year after all anticipated expenses have been allowed for.



### Anticipated Expenditures Table Year 1 - 15

This table shows when expenses will occur in the next 15 years. From left to right the columns are:

‘**Expenditure Items**’ - lists the different areas and items of expenditure.

‘**Current Cost**’ - shows the current maintenance expenditure costs in today’s dollars.

Year 1 to 15 - shows the costs in the year in which they occur including the 'Assumed Rate of Inflation' compounded annually until the cost is due.

At the bottom on each column, there are three lines. Firstly, a ‘**Grand Total (Inc. GST)**’ followed by a line calculating the ‘**Contingency Allowance (Inc. GST)**’ for unforeseen and minor expenses and finally ‘**Total Expenses (Inc. GST)**’ for that year. Please note: This page rounds figures to the nearest whole dollar.

Expenditure Item	Current Cost	Year 1 (2024)	Year 2 (2025)	Year 3 (2026)	Year 4 (2027)	Year 5 (2028)	Year 6 (2029)	Year 7 (2030)	Year 8 (2031)	Year 9 (2032)	Year 10 (2033)	Year 11 (2034)	Year 12 (2035)	Year 13 (2036)	Year 14 (2037)	Year 15 (2038)
<b>1. BUILDING EXTERIOR</b>																
Repaint metal balustrades	15,762	-	16,235	-	-	-	-	-	-	-	-	-	21,818	-	-	-
Repaint concrete soffits to balconies	3,168	-	-	-	-	-	-	-	-	-	-	-	4,385	-	-	-
Repaint concrete soffits and columns to pedestrian walkways	10,647	-	10,966	-	-	-	-	-	-	-	-	-	14,738	-	-	-
Repaint eaves guttering	7,185	-	-	-	-	-	-	-	-	-	-	-	9,946	-	-	-
Repaint / seal timber doors	3,930	-	4,048	-	-	-	-	-	-	-	-	-	5,440	-	-	-
Repair metal door frame (Total: 36 ea.) - 30%	2,139	-	2,203	-	-	-	-	-	-	-	-	-	2,961	-	-	-
Repaint metal door frames	3,195	-	3,291	-	-	-	-	-	-	-	-	-	4,423	-	-	-
Repaint downpipes	4,468	-	-	-	-	-	-	-	-	-	-	-	6,185	-	-	-
Repaint arch bars	3,482	-	3,586	-	-	-	-	-	-	-	-	-	4,820	-	-	-
Repair metal balustrades (Total: 223 lm) - 50%	4,460	-	4,594	-	-	-	-	-	-	-	-	-	6,174	-	-	-
Repoint brick wall mortar (Total: 115 m2) - 50%	606	-	624	-	-	-	-	-	-	-	-	-	-	-	-	-
Repair downpipes (Total: 136 lm) - 10%	1,008	-	1,038	-	-	-	-	-	-	-	-	-	1,395	-	-	-
Repair metal fascia	8,754	-	9,017	-	-	-	-	-	-	-	-	-	12,118	-	-	-
Repair guttering (Total: 252 lm) - 10%	1,791	-	1,845	-	-	-	-	-	-	-	-	-	2,479	-	-	-
Replace timber door (Total: 36 ea.) - 15%	2,636	-	-	-	-	-	3,056	-	-	-	-	-	-	-	-	-
Repair window seals (Total: 126 item) - 50%	3,694	-	-	-	4,037	-	-	-	-	-	-	-	-	-	5,425	-
<b>Sub Total (Incl. GST)</b>		<b>0</b>	<b>57,447</b>	<b>0</b>	<b>4,037</b>	<b>0</b>	<b>3,056</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>96,882</b>	<b>0</b>	<b>5,425</b>	<b>0</b>
<b>2. ROOFTOP</b>																
Repair tiled roofing (Total: 1065 m2) - 10%	8,081	-	-	-	-	-	9,368	-	-	-	-	-	-	-	-	-
Repair tiled roof ridge capping (Total: 147 lm) - 10%	611	-	-	-	-	-	708	-	-	-	-	-	-	-	-	-
Hire roof guard rail	7,341	-	-	-	-	-	8,510	-	-	-	-	-	-	-	-	-
<b>Sub Total (Incl. GST)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,586</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3. ACCESS FOR WORK AT HEIGHTS</b>																

Expenditure Item	Current Cost	Year 1 (2024)	Year 2 (2025)	Year 3 (2026)	Year 4 (2027)	Year 5 (2028)	Year 6 (2029)	Year 7 (2030)	Year 8 (2031)	Year 9 (2032)	Year 10 (2033)	Year 11 (2034)	Year 12 (2035)	Year 13 (2036)	Year 14 (2037)	Year 15 (2038)
Hire stationary scaffolding	9,452	-	9,736	-	-	-	-	-	-	-	-	-	13,084	-	-	-
<b>Sub Total (Incl. GST)</b>		<b>0</b>	<b>9,736</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,084</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>4. VEHICLE ACCESSWAYS</b>																
Repaint line marking and speed humps	5,892	-	-	-	-	6,632	-	-	-	-	7,688	-	-	-	-	8,912
Repair bitumen (Total: 1388 m2) - 10%	8,739	-	-	-	-	9,836	-	-	-	-	11,402	-	-	-	-	13,219
Replace bituminous surface treatment	61,849	-	-	-	-	-	-	-	-	-	-	-	-	88,182	-	-
Repair concrete kerbing (Total: 206 lm) - 10%	3,105	-	-	-	-	3,495	-	-	-	-	-	-	-	-	-	-
Replace metal drainage grate (> 0.25 m2)	1,183	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,789
<b>Sub Total (Incl. GST)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,962</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,090</b>	<b>0</b>	<b>0</b>	<b>88,182</b>	<b>0</b>	<b>23,920</b>
<b>5. FENCING AND WALLS</b>																
Replace asbestos fence panels and replace with metal fence (50% shared cost) (Total: 99 lm) - 30%	5,537	-	5,703	-	-	-	-	-	-	-	-	-	-	-	-	-
Repair metal boundary fences (50% shared cost) (Total: 140 lm) - 10%	1,674	-	-	-	-	-	1,941	-	-	-	-	-	-	-	-	-
Repair boundary retaining walls (50% shared cost) (Total: 140 m2) - 10%	2,685	-	-	-	-	-	3,113	-	-	-	-	-	-	-	-	-
Repair central retaining walls (Total: 67 m2) - 10%	2,685	-	-	-	-	-	3,113	-	-	-	-	-	-	-	-	-
<b>Sub Total (Incl. GST)</b>		<b>0</b>	<b>5,703</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,167</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>6. FIXTURES &amp; FITTINGS</b>																
Replace rotary clothesline	3,225	-	-	3,421	-	-	-	-	-	-	-	-	-	-	-	-
Replace mailbox	2,945	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,455
<b>Sub Total (Incl. GST)</b>		<b>0</b>	<b>0</b>	<b>3,421</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,455</b>
<b>7. ELECTRICAL</b>																
Replace electrical switchboard	21,522	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub Total (Incl. GST)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (Incl. GST)</b>		<b>0</b>	<b>72,886</b>	<b>3,421</b>	<b>4,037</b>	<b>19,962</b>	<b>29,809</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,090</b>	<b>0</b>	<b>109,966</b>	<b>88,182</b>	<b>5,425</b>	<b>28,375</b>
<b>Contingency Allowance (Incl. GST)</b>		<b>0</b>	<b>7,289</b>	<b>342</b>	<b>404</b>	<b>1,996</b>	<b>2,981</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,909</b>	<b>0</b>	<b>10,997</b>	<b>8,818</b>	<b>543</b>	<b>2,838</b>
<b>Grand Total Expenses (Incl. Contingency Allowance and GST)</b>		<b>0</b>	<b>80,175</b>	<b>3,763</b>	<b>4,441</b>	<b>21,958</b>	<b>32,790</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,999</b>	<b>0</b>	<b>120,963</b>	<b>97,000</b>	<b>5,968</b>	<b>31,213</b>

## Building Condition / Data List from the Property Inspection for Strata Plan 843

This table has all the data collected by the building inspector while inspecting the complex. The columns from left to right are:

'Items' – identifies and describes the maintenance item

'Qty' – lets you know the quantity of that item in scope

'Unit' – is the unit rate used to measure the quantity

'Rate' – is the cost of each unit in dollars

'Value' – is the quantity (Qty) multiplied by the Rate (\$)

'Next Due' - is the remaining life in years until an item needs money spent on it.

'Total Life' - is the total life of the item after it is replaced, repaired or repainted.

'Date' – date the covered item was constructed, acquisitioned and last serviced.

'Comments' – details any useful explanatory notes for the item.

'Condition' - details the current condition or operating state.

'Method Used' - method to estimate costs and assumptions of covered items

Items	Qty	Unit	Rate (\$)	Value (\$)	Next Due	Total Life	Date	Comments	Condition	Method Used
<b>1. BUILDING EXTERIOR</b>										
Repaint metal balustrades	223	lm	70.68	15,762.00	2	10	Unknown	Ongoing painting program	Fair	Estimating Rawlinsons /
Repaint concrete soffits to balconies	108	m2	29.33	3,168.00	12	10	Unknown	Ongoing painting program	Good	Estimating Rawlinsons /
Repaint concrete soffits and columns to pedestrian walkways	363	m2	29.33	10,647.00	2	10	Unknown	Ongoing painting program	Fair	Estimating Rawlinsons /
Repaint eaves guttering	252	lm	28.51	7,185.00	12	20	Unknown	Gutters look to be in good condition and don't require painting in the near future.	Poor	Estimating Rawlinsons /
Repaint / seal timber doors	36	ea.	109.16	3,930.00	2	10	Unknown	Ongoing painting program	Fair	Estimating Rawlinsons /
Repair metal door frame (Total: 36 ea.) - 30%	11	ea.	194.46	2,139.00	2	10	Unknown	Rust was evident on some of the unit entry door frames. Remove rust prior to repainting.	Fair	Estimating Rawlinsons /
Repaint metal door frames	36	ea.	88.76	3,195.00	2	10	Unknown	To unit entry door frames	Fair	Estimating Rawlinsons /
Repaint downpipes	136	lm	32.85	4,468.00	12	10	Unknown	Downpipes look to be in good condition and don't require painting in the near future.	Good	Estimating Rawlinsons /
Repaint arch bars	288	lm	12.09	3,482.00	2	10	Unknown	Ongoing painting program	Good	Estimating Rawlinsons /
Repair metal balustrades (Total: 223 lm) - 50%	112	lm	39.82	4,460.00	2	10	Unknown	An inclusion for rust removal to balustrades is included as some areas (e.g. balustrade connections to slab) display rust. Remove rust prior to painting.	Fair	Estimating Rawlinsons /

Items	Qty	Unit	Rate (\$)	Value (\$)	Next Due	Total Life	Date	Comments	Condition	Method Used
Repoint brick wall mortar (Total: 115 m2) - 50%	58	m2	10.45	606.00	2	50	Unknown	To reinstate sections of loose brickwork located within balconies. Loose brickwork to upper wall section, near roof (within building located closest to Davilak Avenue) is also strongly recommended.	Poor	Estimating Rawlinsons /
Repair downpipes (Total: 136 lm) - 10%	14	lm	72.00	1,008.00	2	10	Unknown	Repair as required	Good	Estimating Rawlinsons /
Repair metal fascia	252	lm	34.74	8,754.00	2	10	Unknown	Fascia was generally in poor condition. Rust was evident from top floor level.	Poor	Estimating Rawlinsons /
Repair guttering (Total: 252 lm) - 10%	26	lm	68.87	1,791.00	2	10	Unknown	Repair as required	Good	Estimating Rawlinsons /
Replace timber door (Total: 36 ea.) - 15%	6	ea.	439.25	2,636.00	6	20	Unknown	Replace as required	Good	Estimating Rawlinsons /
Repair window seals (Total: 126 item) - 50%	63	item	58.63	3,694.00	4	10	Unknown	Some window seals had cracked. Asbestos may have been used in these old window seals and special care should be taken during repair works given the hazardous nature of asbestos.	Fair	Estimating Rawlinsons /
<b>2. ROOFTOP</b>										
Repair tiled roofing (Total: 1065 m2) - 10%	107	m2	75.52	8,081.00	6	10	1971	Repair as required	Area not inspected	Estimating Rawlinsons /
Repair tiled roof ridge capping (Total: 147 lm) - 10%	15	lm	40.72	611.00	6	10	1971	Repair as required	Area not inspected	Estimating Rawlinsons /
Hire roof guard rail	243	lm	30.21	7,341.00	6	10				Estimating Rawlinsons /
<b>3. ACCESS FOR WORK AT HEIGHTS</b>										
Hire stationary scaffolding	203	m2	46.56	9,452.00	2	10		To reinstate loose bricks. Scaffold only required to areas requiring repair.		Estimating Rawlinsons /
<b>4. VEHICLE ACCESSWAYS</b>										
Repaint line marking and speed humps	253	lm	23.29	5,892.00	5	5	Unknown	Ongoing painting program	Good	



Items	Qty	Unit	Rate (\$)	Value (\$)	Next Due	Total Life	Date	Comments	Condition	Method Used
Repair bitumen (Total: 1388 m2) - 10%	139	m2	62.87	8,739.00	5	5	Unknown	Repair as required	Good	Estimating Rawlinsons /
Replace bituminous surface treatment	1388	m2	44.56	61,849.00	13	20	Unknown	Replace as required	Good	Estimating Rawlinsons /
Repair concrete kerbing (Total: 206 lm) - 10%	21	lm	147.86	3,105.00	5	30	Unknown	Repair as required	Good	Estimating Rawlinsons /
Replace metal drainage grate (> 0.25 m2)	4	ea.	295.78	1,183.00	15	30	Unknown	Replace as required		Estimating Rawlinsons /
<b>5. FENCING AND WALLS</b>										
Replace asbestos fence panels and replace with metal fence (50% shared cost) (Total: 99 lm) - 30%	30	lm	184.57	5,537.00	2	40	Unknown	In relation to specific sections of the asbestos fence located on the north end of site. A specialist asbestos removalist contractor should be engaged for this hazardous work.	Poor	Estimating Rawlinsons /
Repair metal boundary fences (50% shared cost) (Total: 140 lm) - 10%	14	lm	119.57	1,674.00	6	10	Unknown	Repair as required	Good	Estimating Rawlinsons /
Repair boundary retaining walls (50% shared cost) (Total: 140 m2) - 10%	14	m2	191.82	2,685.00	6	10	Unknown	Provision towards repair	Good	Estimating Rawlinsons /
Repair central retaining walls (Total: 67 m2) - 10%	7	m2	383.63	2,685.00	6	10	Unknown	Provision towards repair	Good	Estimating Rawlinsons /
<b>6. FIXTURES &amp; FITTINGS</b>										
Replace rotary clothesline	4	ea.	806.17	3,225.00	3	45	Unknown	Three rotary clothes lines were tilted to one side.	Poor	Estimating Rawlinsons /
Replace mailbox	36	ea.	81.81	2,945.00	15	30	Unknown	Replace as required	Good	Estimating Rawlinsons /
<b>7. ELECTRICAL</b>										
Replace electrical switchboard	36	Per unit	597.84	21,522.00	28	40	Unknown	Replace as required	Area not inspected - locked at time of inspection	Estimating Rawlinsons /

# Building Photo Section

## Item Group

### BUILDING EXTERIOR



Overall condition - fair. There was a variety of conditions amongst building elements within this category. Items such as downpipes and gutters appeared to be in good condition, whilst the fascia and metal balustrades were of poor condition.

### ROOFTOP



Inspector was unable to comment on the roof condition as the area was not inspected.

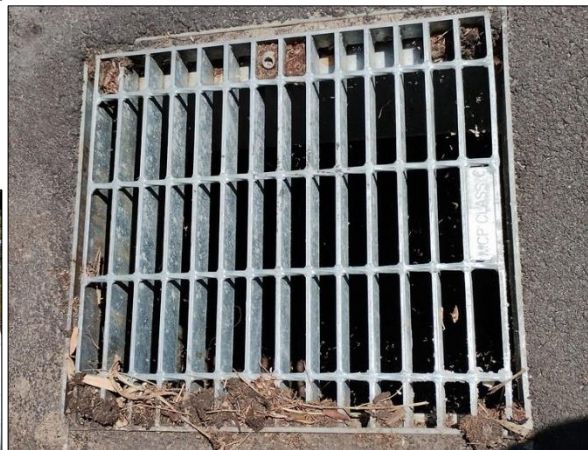
**Item Group**

**ACCESS FOR WORK AT HEIGHTS**



Overall condition - poor. Urgent repointing to sections of brickwork are required (notably the balustrades on upper floor levels). These areas are a safety hazard, and reinstatement of these building components in the near future is recommended.

**VEHICLE ACCESSWAYS**



Overall condition - good. The vehicle accessway surface is in good condition and line markings appear bright. Paint highlighting to the perimeter of the drain grates is recommended as it helps prevent a safety hazard to those wearing high and/or narrow heels.

**Item Group**

**FENCING AND WALLS**



Overall condition - fair. Some areas of the boundary fence were in poor condition (notably the northern end of site), whilst other sections of fence were in good condition.

**FIXTURES & FITTINGS**



Overall condition - fair. The majority of the rotary clothes lines were off centre and tilted to one side. Replacement is recommended.

**ELECTRICAL**



Inspector was unable to comment on the electrical switchboard condition as the area was inaccessible on the day of inspection.

## Inspector's Report for Strata Plan 843

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1. **INFLATION** - It is necessary to offset the effects of inflation on construction materials and labour costs and to ensure that adequate funds are available to provide for major works. These major works can frequently become necessary as the property ages but cannot be reliably forecast this far in advance. Based on historical data and current trends, we anticipate that construction and maintenance costs will increase by 50% every 15 years. The fund balance will be reviewed in light of current price levels and the state of the property at the time of each update.
2. **UPDATES** - We recommend that this report is updated every 3 years to ensure that it captures market variations and any changes to the property itself.
3. **ADMINISTRATION EXPENSES** - We assume that small repairs & improvements, regular maintenance items are financed via the administration fund and therefore are not included in this report.
4. **FINANCIAL YEAR ALREADY STARTED** - Starting levies in this report have already been set. Any adjustments will be made from the following financial year onwards.
5. **ADEQUATE LEVIES** - Based on our assessment of the property, we believe that the current levies are adequate to cover estimated expenditure.
6. **TREES** - Trees should be maintained below the height of guttering and clear of buildings wherever possible to prevent premature corrosion of the roof, flashings, gutters, and downpipes. Root systems should also be kept away from buildings, driveways and walkways to prevent structural damage. Removal of trees may be required in some cases.
7. **PAINTED METAL** - Some painted metal items show signs of wear and/or damage. Repainting these items is recommended in the short term, but full replacement of these items should be considered and planned for well in advance.
8. **BITUMEN SURFACES** - Bitumen surfaces are more susceptible to environmental factors than other areas of the property. It is important that any deterioration is addressed promptly, as the deterioration of bitumen tends to accelerate when not maintained, significantly increasing overall maintenance costs.
9. **BOUNDARY FENCES OR WALLS** - Maintenance of fences or walls between properties is regulated under the Dividing Fences Act 1961, which states that neighbours have equal responsibility for dividing fences or walls (excluding retaining walls). As such, a 50% rate has been used for all maintenance work on boundary fences or walls.
10. **BOUNDARY RETAINING WALLS** - The law regarding retaining walls dividing properties is not settled and therefore the responsibility for maintaining them varies depending on a range of factors including who built the retaining wall, whose property it is on, and who benefits from its construction. For the purpose of this report we have presumed that the maintenance costs will be shared equally with neighbouring properties. As such, a 50% rate has been used for all maintenance work on boundary retaining walls.
11. **TILED ROOFS** - Tiled roofs may have a service life of 60 years or more with proper care and maintenance.
12. **WINDOW SAFETY DEVICES** - An allowance for the installation of window safety devices was included in this report.
13. **ASBESTOS** - Based on the age of the property, we presume there would be asbestos building materials used in concealed areas of the building. These areas are usually accessed during renovations or building works. Examples: Fibre cement sheeting to bathroom or wet area floors. Sheeting used to line the back of kitchens or bathrooms. Packing materials used under the building or behind door frames or windows. Vinyl flooring under kitchen or laundry floors.
14. **ALUMINIUM** - Aluminium materials and structures may have a service life of 40 years or more with proper care and maintenance.

## Report Notes

### Reserve Fund Forecast (WA)

This forecast satisfies the current requirements of Part 8, Division 1, Subdivision 3, Section 100 of the *Strata Titles Act 1985*. The Act states:

#### **100 Administrative and reserve funds and contributions**

(2) A strata company must, if it is a designated strata company, and may, in any other case —

- (a) establish a fund (a reserve fund) for the purpose of accumulating funds to meet contingent expenses, other than those of a routine nature, and other major expenses of the strata company likely to arise in the future; and
- (b) determine the amounts to be raised for payment into the reserve fund; and
- (c) may raise amounts so determined by levying contributions on the owners in proportion to the unit entitlements of their respective lots.

(2A) A designated strata company must ensure —

- (a) that there is a 10 year plan that sets out —
  - (i) the common property and the personal property of the strata company that is anticipated to require maintenance, repair, renewal or replacement (other than of a routine nature) in the period covered by the plan; and
  - (ii) the estimated costs for the maintenance, repairs, renewal or replacement; and
  - (iii) other information required to be included by the regulations; and
- (b) that the 10 year plan is revised at least once in each 5 years and that, when revised, the plan is extended to cover the 10 years following the revision.

A Designated Strata Company under the Act is one with 10 or more lots.

#### **THIS REPORT DEALS WITH THE RESERVE FUND PLAN.**

**Implementation** - It is the responsibility of the Strata Council and the Strata Company to implement this plan so far as is practicable.

**Figures used and updates** - The figures used in the forecast are typical for this type of building and normal usage. The Strata Council has some flexibility to make minor adjustments to the timing of any proposed work. More major adjustments to the timing of work may require an ordinary resolution of the Strata Council, or complete revision of the Plan. The purpose of this forecast is to ensure monies are available when required to cover foreseeable expenses.

**Contingency** - A contingency has been allowed for any unforeseen expenses. Please refer to the second page of the report.

**Interest, Taxation and Inflation** - The standard interest rate used by Solutions in Engineering is based on the Reserve Bank of Australia's (RBA) historical series for Cash Management and Online Savings Account interest rates for the past previous fifteen years. The company tax rate is applied to interest income unless Solutions in Engineering is advised that the Strata Company is exempt from tax on external income. The standard inflation rate used by Solutions in Engineering is based upon the entire RBA historical series for Construction, Manufacturing and Property Services inflation, commencing March 1999. While historical figures are not an accurate predictor of specific future outcomes, over the life of this report (fifteen years), interest rates and inflation should approach long-term averages. Changes in economic conditions may affect the accuracy of these figures. This report should be updated at regular intervals to ensure that any such changes are taken into account.

**Administrative Fund** - Items of a recurrent nature that are covered by the administration budget such as maintenance contract for lifts, fire protection equipment, air conditioners, cleaning and gardening are not included. Neither are items of a minor recurrent nature with varying life spans such as light bulbs and exit light battery packs.

**Items with Indefinite Lives** - There is no allowance for replacement of items that, if properly maintained, should last indefinitely, (unless otherwise requested by the Strata Council). This forecast deals only with estimating the timing of physical obsolescence.

**Improvements** - The Strata Council may resolve to undertake improvements not related to normal maintenance. No allowance has been made for these items.

**Defects** - No allowance has been made for correction of defects resulting from faulty construction except where nominated in the report. The inspectors report summarises only issues observed during our inspection and is not a structural report.

**Ongoing Maintenance Programs** - The lives of some items overall may have been extended indefinitely due to the use of an ongoing maintenance program. When there is any doubt in our minds about how and when an item may need replacement or maintenance, we give control to the owners and the Strata Council. With allowances for ongoing maintenance programs, allow funds to be available for maintenance, gradual replacement or in some cases accumulation of funds for total replacement in the long term. The lives of some items can vary considerably, especially with issues such as:

- ◆ Usage.
- ◆ Accidental damage to floor tiles, which may or may not be still available or in stock.
- ◆ Fences can be maintained and replaced gradually or all at once.
- ◆ Metal and Aluminium Balustrades can last anywhere between 10 and 50 years, depending on the original quality, coatings (painting) and maintenance.
- ◆ Concrete driveways that have been cracked but are still perfectly sound and serviceable.
- ◆ Pumps and Fans can last indefinitely or wear out relatively quickly. This often depends on the quality of internal construction and finish.

**Safety** - The inspection does not cover safety issues.

**Lifts** - Due to the many types of lift contracts covering varying parts and aspects of lift maintenance, no allowance is made unless instructed by the Strata Council/Representative.

**Fire Maintenance** – We have assumed that the Fire Maintenance Contractor has covered the Fire Maintenance Items; no allowance is made unless instructed by the Strata Council/Representative.

**Other Matters** - Unless otherwise included, this report does not include matters that are not anticipated major expenditures to be met from the reserve fund.

**Updates** - The reserve fund forecast is made with the best available data at this time. The reserve fund forecast should be upgraded at regular intervals. We recommend bi-annual updates.

**Your FREE amendment (conditions)** - In order to ensure that this service is provided to all clients in an efficient and productive manner we ask that you fully review your report and list anything you would like changed in a single email allowing for the requested amendments to be dealt with in one effort. Due to the extra work involved and inefficiency created by an incomplete initial amendment request further amendments requests will be charged for based on the hours and effort required.

**Supply terms and conditions** - All services provided by Solutions in Engineering are supplied on the basis of **Supply Terms and Conditions** which are available from our Office and from our website [www.solutionsinengineering.com](http://www.solutionsinengineering.com)

**Please read the information and the notes on the Inspector's report to gain the most from this report.**