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ABN 60 508 188 246

10 YEAR CAPITAL WORKS FUND PLAN

MARCH 2017



1-15 FONTENOY ROAD, NORTH RYDE :: SP52948



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10 Year Capital Works Fund Forecast – Costs Estimates (includes GST)

Capital Works Fund Forecast for:		1-15 Fontenoy Road, North Ryde				Date commencing:				31 August 2017				Strata Plan:			SP52948	
Serial	Item	Current Cost Estimate	Approx year required	Escalated amount	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	End of Year 6	End of Year 7	End of Year 8	End of Year 9	End of Year 10	End of Year 10	End of Year 10		
					Aug-18	Aug-19	Aug-20	Aug-21	Aug-22	Aug-23	Aug-24	Aug-25	Aug-26	Aug-27				
1	Structure																	
2	Roof	\$360,000	6	\$571,275						\$571,275								
3	Long term capital items	\$109,500	10	\$236,402												\$236,402		
4	Appendages																	
5	Child Window Safety Locks	\$43,800	1	\$45,990	\$45,990													
6	Common prop. lighting	\$20,000	4	\$24,310				\$24,310										
7	Garage doors	\$27,000	8	\$49,975								\$49,975						
8	Central HWS	\$64,000	2	\$70,560		\$70,560												
9	Elevators & equipment	\$170,000	9	\$339,831											\$339,831			
10	Guttering & downpipes	\$18,000	6	\$28,564						\$28,564								
11	Common prop. doors	\$16,500	5	\$21,059					\$21,059									
12	Garage shutter	\$5,000	8	\$9,255								\$9,255						
13	BBQ area	\$3,000	2	\$3,308		\$3,308												
14	Tennis court area	\$25,000	7	\$42,846							\$42,846							
15	Internal painting	\$200,000	4	\$243,101				\$243,101										
16	Carpet	\$48,000	9	\$95,952									\$95,952					
17	Security system	\$45,000	7	\$77,122							\$77,122							
18	Pool & sauna area & facilities	\$116,000	9	\$231,885									\$231,885					
19	Gym area & facilities	\$65,000	5	\$82,958					\$82,958									
20	External painting	\$760,000	10	\$1,640,783												\$1,640,783		
21	Landscaping	\$22,000	3	\$25,468			\$25,468											
22	Fences	\$65,000	8	\$120,310									\$120,310					
23	Retaining walls																	
24	Sealing concrete areas (1)																	
25	Sealing concrete areas (2)																	
26	Trip hazards	\$1,500	1	\$1,575	\$1,575													
27	Stormwater drain & irrigation	\$40,000	3	\$46,305			\$46,305											
28	Common prop. signage																	
29	Driveway	\$20,000	5	\$25,526					\$25,526									
30	Line marking	\$5,000	3	\$5,788			\$5,788											
31	Speed bumps	\$6,000	7	\$10,283							\$10,283							
	Total Estimate (rounded)	\$2,255,300		\$4,050,430	\$47,565	\$73,868	\$77,561	\$267,411	\$129,543	\$599,838	\$130,251	\$179,540	\$667,668	\$1,877,185				

10 Year Capital Works Fund Forecast – Reasoning for Costs Estimates (includes GST)

Capital Works Fund Forecast for:		1-15 Fontenoy Road, North Ryde	Date commencing:	31 August 2017	Strata Plan:	SF52948
					Today's date:	31 March 2017
Serial	Item	Current Cost Estimate	Approx year required	Comments (Allowance for)		
1	Structure					
2	Roof	\$360,000	6	Contribution towards the renewal of the roof		
3	Long term capital items	\$109,500	10	Contribution towards the replacement of the long term capital items		
4	Appendages					
5	Child Window Safety Locks	\$43,800	1	Allowance for child window safety locks		
6	Common prop. lighting	\$20,000	4	Contribution towards the replacement of the common prop. lighting		
7	Garage doors	\$27,000	8	Contribution towards the renewal of the garage doors		
8	Central HWS	\$64,000	2	Contribution towards the renewal of the central hws		
9	Elevators & equipment	\$170,000	9	Contribution towards the renewal of the elevators & equipment		
10	Guttering & downpipes	\$18,000	6	Contribution towards the renewal of the guttering & downpipes		
11	Common prop. doors	\$16,500	5	Contribution towards the renewal of the common prop. doors		
12	Garage shutter	\$5,000	8	Contribution towards the renewal of the garage shutter		
13	BBQ area	\$3,000	2	Contribution towards the renewal of the bbq area		
14	Tennis court area	\$25,000	7	Contribution towards the renewal of the tennis court area		
15	Internal painting	\$200,000	4	Contribution towards the renewal of the internal painting		
16	Carpet	\$48,000	9	Contribution towards the replacement of the carpet		
17	Security system	\$45,000	7	Contribution towards the renewal of the security system		
18	Pool & sauna area & facilities	\$116,000	9	Contribution towards the renewal of the pool & sauna area & facilities		
19	Gym area & facilities	\$65,000	5	Contribution towards the renewal of the gym area & facilities		
20	External painting	\$760,000	10	Contribution towards the renewal of the external painting		
21	Landscaping	\$22,000	3	Allowance for the renewal of the landscaping		
22	Fences	\$65,000	8	Contribution towards the renewal of the fences		
23	Retaining walls					
24	Sealing concrete areas (1)					
25	Sealing concrete areas (2)					
26	Trip hazards	\$1,500	1	Removal of any trip hazards		
27	Stormwater drain & irrigation	\$40,000	3	Contribution towards the renewal of the stormwater drain & irrigation		
28	Common prop. signage					
29	Driveway	\$20,000	5	Contribution towards the renewal of the driveway		
30	Line marking	\$5,000	3	Contribution towards the renewal of the line marking		
31	Speed bumps	\$6,000	7	Contribution towards the renewal of the speed bumps		
	Total Estimate (rounded)	\$2,255,300				

Recommended Annual Capital Works Fund Payment

1-15 Fontenoy Road, North Ryde

End of Year	Year Ending	Recommended Capital Works Fund Payment	Annual % change in Capital Works Fund Payment	Adjustm't to Capital Works Fund Payment (increase/decrease)	CW/Fund Balance + Interest + Annual CW/Fund Payment	Costs in each year refer to the table above (page 3)	Capital Works Fund Balance	Interest on the Capital Works Fund Balance
A	B	C	D	E	F	G	H	I
					H+I+C		F-G	2.75%
1	Aug-18	\$275,000			\$1,961,128	\$47,565	\$1,641,000	\$45,128
2	Aug-19	\$283,250	3.00%		\$2,249,436	\$73,868	\$2,175,568	\$59,828
3	Aug-20	\$291,748	3.00%		\$2,527,144	\$77,561	\$2,449,583	\$67,364
4	Aug-21	\$300,500	3.00%		\$2,817,447	\$267,411	\$2,550,035	\$70,126
5	Aug-22	\$309,515	3.00%		\$2,929,676	\$129,543	\$2,800,134	\$77,004
6	Aug-23	\$318,800	3.00%		\$3,195,938	\$599,838	\$2,596,099	\$71,393
7	Aug-24	\$328,365	3.00%		\$2,995,857	\$130,251	\$2,865,606	\$78,804
8	Aug-25	\$338,215	3.00%		\$3,282,626	\$179,540	\$3,103,085	\$85,335
9	Aug-26	\$348,362	3.00%		\$3,536,782	\$667,668	\$2,869,114	\$78,901
10	Aug-27	\$358,813	3.00%		\$3,306,828	\$1,877,185	\$1,429,643	\$39,315
11	Aug-28	\$369,577	3.00%		\$1,838,535		\$1,838,535	\$50,560

Note: some figures may be rounded

Assumptions	
Base Annual Capital Works Fund contribution for Capital Items	\$377,213
Buffer (or adjustment to the base annual contribution)	-\$102,213
Recommended Annual Capital Works Fund Contribution (After Buffer)	\$275,000
Current Annual Capital Works Fund contribution (as instructed)	\$275,000
Current Capital Works Fund Balance (as instructed)	\$1,641,000
Annual Capital Works Fund Payment increase rate	3.00%
Adopted Investment Rate after tax	2.75%

The above table represents our Recommendation of the Annual Capital Works Fund Payments for the next 11 years. Column F includes the Capital Works Fund Balance as at the end of the previous year plus any interest earned plus the Recommended Capital Works Fund Payment for the current year. Column C (Recommended Capital Works Fund Payment) may include Extra Costs Payments (positive adjustment) or reductions in the Recommended Capital Works Fund Payment (negative adjustment) to ensure that the Capital Works Fund Balance remains positive in each year.

Recommendation

We consider that the existing Capital Works Fund Balance is very good, however an additional allowance should be maintained for any unforeseen circumstances. We consider that the current annual payments are sufficient to meet the immediate likely expenditure. However we recommend that the Owners Corporation adopt as a minimum the Capital Works Fund Payments as shown in the table below and for the following ten years.

Points of consideration

We have made the following allowances:

- contribution towards the renewal of the roof in year 6, if required.
- contribution towards the replacement of the long term capital items, if required.
- in year 1, allowance for child window safety locks.
- in year 4, contribution towards the replacement of the common prop. lighting, if required.
- contribution towards the renewal of the garage doors in year 8.
- in year 2, contribution towards the renewal of the central hws.
- contribution towards the renewal of the elevators & equipment in year 9.
- in year 6, contribution towards the renewal of the guttering & downpipes, if required.
- in year 5, contribution towards the renewal of the common prop. doors.
- contribution towards the renewal of the garage shutter in year 8, if required.
- contribution towards the renewal of the bbq area in year 2.
- in year 7, contribution towards the renewal of the tennis court area.
- in year 4, contribution towards the renewal of the internal painting, if required. In order to maintain a fresh appearance and provide constant protection. If performed regularly, repainting will prevent excessive preparation costs in the future.
- contribution towards the replacement of the carpet in year 9.
- contribution towards the renewal of the security system in year 7, if required.
- in year 9, contribution towards the renewal of the pool & sauna area & facilities, if required.
- in year 5, contribution towards the renewal of the gym area & facilities.
- contribution towards the renewal of the external painting in year 10, if required.
- allowance for the renewal of the landscaping in year 3. The owners may wish to change the plantings, restore landscaped areas and refresh with new bark chips.
- in year 8, contribution towards the renewal of the fences, if required. Where appropriate, at 50% of the cost in accordance with the Dividing Fences Act, 1991.
- removal of any trip hazards in year 1. (By the use of a concrete grinder or other appropriate means).
- in year 3, contribution towards the renewal of the stormwater drain & irrigation.
- contribution towards the renewal of the driveway in year 5, if required.
- in year 3, contribution towards the renewal of the line marking, if required.
- in year 7, contribution towards the renewal of the speed bumps.

Summary

The following repair or replacement items are recommended at the times scheduled below.

Year	Year Ending	Recommended Capital Works Fund Payment (includes any Extra Costs payment)	Items
1	Aug-18	\$275,000	Trip Hazards Child Window Safety Locks
2	Aug-19	\$283,250	Bbq Area Central Hws
3	Aug-20	\$291,748	Line Marking Stormwater Drain & Irrigation Landscaping
4	Aug-21	\$300,500	Internal Painting Common Prop. Lighting
5	Aug-22	\$309,515	Driveway Gym Area & Facilities Common Prop. Doors
6	Aug-23	\$318,800	Guttering & Downpipes Roof
7	Aug-24	\$328,365	Speed Bumps Security System Tennis Court Area
8	Aug-25	\$338,215	Fences Garage Shutter Garage Doors
9	Aug-26	\$348,362	Pool & Sauna Area & Facilites Carpet Elevators & Equipment
10	Aug-27	\$358,813	External Painting Long Term Capital Items
11	Aug-28	\$369,577	



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Australian Property Institute - Certified Practising Valuer

The above assessment has been calculated in accordance with the Strata Schemes Management Act 2015. The recommendations are calculated from an amalgam of estimates and a single figure is provided for practical purposes from within a range of values and combination of a range of estimates. Areas have been calculated from our on-site measurements of the external parts of the building or the subject Strata Plan. Building plans or building surveys should be provided if the Owners Corporation requires more accurate areas. We have relied upon Rawlinsons and the advice of a quantity surveyor at times to assess the cost of replacement and the repair of items and do not accept responsibility for any errors from the above providers of source data. Our inspection of the building only includes easily accessible areas of the property at the time of inspection. We do not identify or comment on the structural integrity (pest, rot or defect, etc), building compliance, or fire safety items of the improvements.

This report is for the use of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this report. Neither the whole nor any part of this report or any reference thereto may be included in any published document, circular or statement or published in any way without our written approval of the form and context in which it may appear. This Capital Works Fund Plan has been prepared on the basis of instruction being for a 10 year Capital Works Fund Plan only in order to satisfy the requirements of the Act and for no other purpose. A comprehensive report should be commissioned if a party requires a more detailed report or for use in litigation matters. We reserve the right to review or withdraw our report at any time. This report does not cover the property's structural condition or environmental contamination, nor is a quantitative survey. This report does not cover occupational health and safety, fire safety, nor council compliance in any respect (ie. flooding, building, etc) nor should it be construed as such.

Photographs



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