



10 Year Maintenance Plan

Foundry Apartments

5 Wallsend Road

Midland WA 6056

Strata Plan 59977



Report details

Inspection date:	19/09/2024
Inspector:	Garth Unger

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



30/09/2024

The Strata Company
Foundry Apartments
5 Wallsend Road
Midland WA 6056

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 to increase its contributions 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)	\$44.00
Total Unit Entitlements	1000
Total Reserve Fund Levy	\$44,000.00

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

Report Index	Page No.
Owners Report Summary	Section 1
Building Details and Report Inputs Page	2
15 Year Cash Flow Tracking & Graph with New Levies	3
15 Year Cash Flow Tracking & Graph with Old Levies	4
Report Detail	Section 2
15 Year Anticipated Expenditure Table	5
Building Data List from Property Inspection	7
Inspector's Building Report & Building Specific Report Notes	15
Report Notes	16

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If you have any questions regarding your report or need our specialised services in Professional Safety Reports, Insurance Valuations, Maintenance Reports, Asbestos Audits or Balustrade Testing call us on 1300 136 036 or email enquiry@solutionsinengineering.com.

Yours sincerely,



The Team at Solutions in Engineering

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Building Details & Report Inputs

Supplied information

Building Name	Foundry Apartments
Building Address	5 Wallsend Road Midland WA 6056
Strata Plan No.	59977
Plan Type	Strata Plan
Registered Plan Date/Year of Construction	Reg2011
Number of Unit Entitlements	1000
Number of Units	43
Estimated Reserve Fund Balance	\$22,553
Starting date of Financial Year for Report	01/07/2025
GST Status	Registered for GST
Current Sinking Fund Levy per Lot Entitlement (Inc. GST)	5.64

Report assumptions & information

Assumed Interest Rate on invested funds (For funds over \$10,000) Years 1 - 3	4.50%
Assumed Interest Rate on invested funds (For funds over \$10,000) Years 4 - 15	3.50%
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	3.38%
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	2.63%
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.	4.50%
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	
		Including GST	GST Component	Including GST	GST Component	Including GST	GST Component
1	30/06/2026	44,000.00	4,000.00	44.00	4.00	11.00	1.00
2	30/06/2027	50,600.00	4,600.00	50.60	4.60	12.65	1.15
3	30/06/2028	58,190.00	5,290.00	58.19	5.29	14.55	1.32
4	30/06/2029	64,009.00	5,819.00	64.01	5.82	16.00	1.45
5	30/06/2030	57,608.10	5,237.10	57.61	5.24	14.40	1.31
6	30/06/2031	59,912.42	5,446.58	59.91	5.45	14.98	1.36
7	30/06/2032	62,308.92	5,664.45	62.31	5.66	15.58	1.42
8	30/06/2033	64,801.28	5,891.03	64.80	5.89	16.20	1.47
9	30/06/2034	67,393.33	6,126.67	67.39	6.13	16.85	1.53
10	30/06/2035	70,089.06	6,371.73	70.09	6.37	17.52	1.59
11	30/06/2036	72,892.62	6,626.60	72.89	6.63	18.22	1.66
12	30/06/2037	75,808.33	6,891.67	75.81	6.89	18.95	1.72
13	30/06/2038	78,840.66	7,167.33	78.84	7.17	19.71	1.79
14	30/06/2039	81,994.29	7,454.03	81.99	7.45	20.50	1.86
15	30/06/2040	85,274.06	7,752.19	85.27	7.75	21.32	1.94

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:

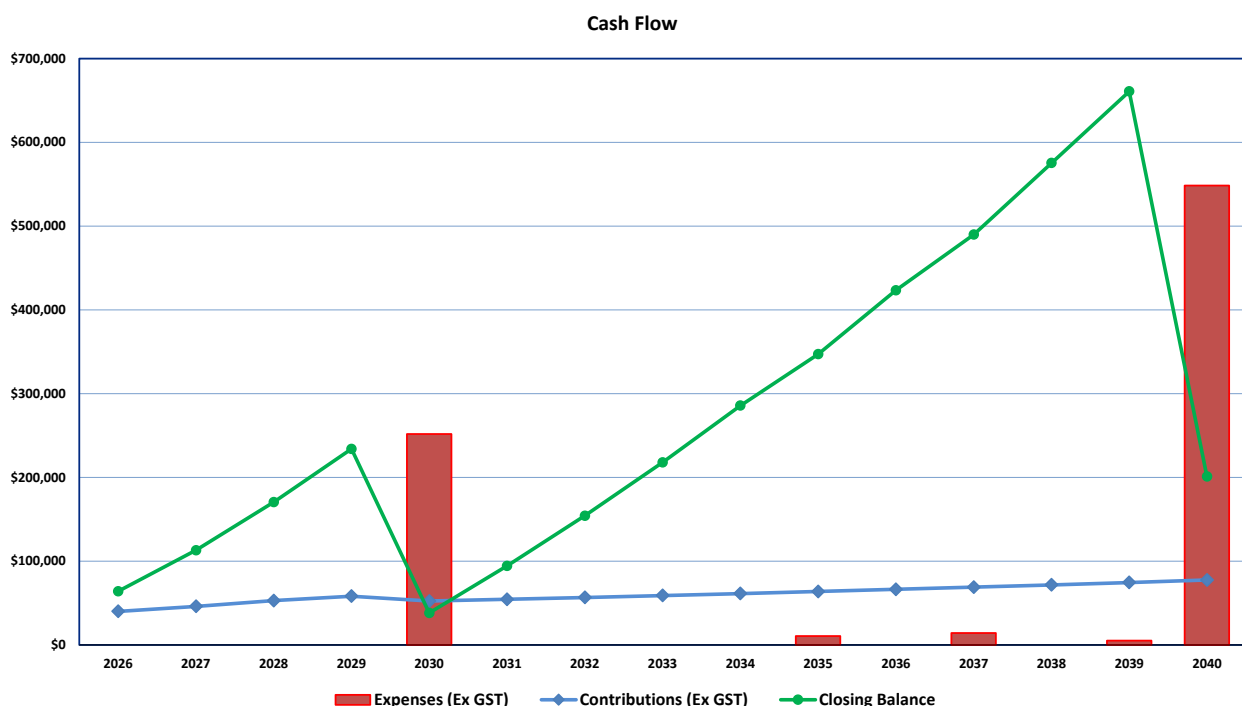
$$\text{Opening Balance} + \text{Total Levy Contributions} + \text{Interest} - \text{Anticipated Expenses} = \text{Closing Balance}$$

Year	Year To	Opening Balance	Total Levy Contributions (Exc. GST)	Interest (After Tax)	Anticipated Expenses (Exc. GST)	Closing Balance
1	30/06/2026	22,553.00	40,000.00	1,438.29	0.00	63,991.29
2	30/06/2027	63,991.29	46,000.00	2,940.31	0.00	112,931.60
3	30/06/2028	112,931.60	52,900.00	4,711.10	0.00	170,542.70
4	30/06/2029	170,542.70	58,190.00	5,250.47	0.00	233,983.17
5	30/06/2030	233,983.17	52,371.00	3,531.74	251,763.64	38,122.27
6	30/06/2031	38,122.27	54,465.84	1,718.84	0.00	94,306.95
7	30/06/2032	94,306.95	56,644.47	3,225.15	0.00	154,176.57
8	30/06/2033	154,176.57	58,910.25	4,829.51	0.00	217,916.33
9	30/06/2034	217,916.33	61,266.66	6,536.86	0.00	285,719.85
10	30/06/2035	285,719.85	63,717.33	8,213.64	10,545.45	347,105.37
11	30/06/2036	347,105.37	66,266.02	10,000.27	0.00	423,371.66
12	30/06/2037	423,371.66	68,916.66	11,853.65	14,241.82	489,900.15
13	30/06/2038	489,900.15	71,673.33	13,826.88	0.00	575,400.36
14	30/06/2039	575,400.36	74,540.26	16,045.94	5,117.27	660,869.29
15	30/06/2040	660,869.29	77,521.87	11,186.58	548,570.00	201,007.74

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.



What will happen if you stay with your current levy amount?

The table and graph below use the same information as on the previous page except they show the cash flow for the scheme if you do not vary your current levy amount.

15 Year Cash Flow Tracking Sheet

The table below shows the cash flow for the entirety of the forecast. In summary:

Opening Balance + Total Levy Contributions + Interest – Anticipated Expenses = Closing Balance

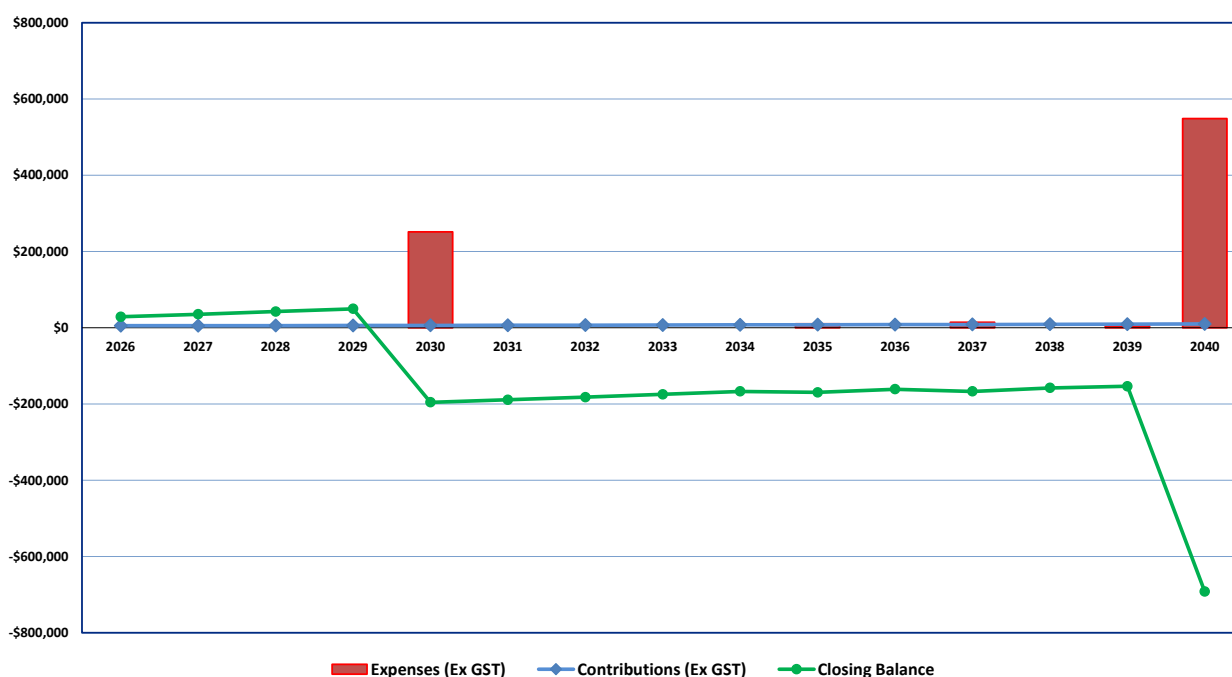
Year	Year To	Opening Balance	Total Levy Contributions (Exc. GST)	Interest (After Tax)	Anticipated Expenses (Exc. GST)	Closing Balance
1	30/06/2026	22,553.00	5,358.00	852.84	0.00	28,763.84
2	30/06/2027	28,763.84	5,599.11	1,066.84	0.00	35,429.79
3	30/06/2028	35,429.79	5,851.07	1,296.41	0.00	42,577.27
4	30/06/2029	42,577.27	6,114.37	1,200.19	0.00	49,891.83
5	30/06/2030	49,891.83	6,389.52	0.00	251,763.64	-195,482.29
6	30/06/2031	-195,482.29	6,677.05	0.00	0.00	-188,805.24
7	30/06/2032	-188,805.24	6,977.52	0.00	0.00	-181,827.72
8	30/06/2033	-181,827.72	7,291.51	0.00	0.00	-174,536.21
9	30/06/2034	-174,536.21	7,619.63	0.00	0.00	-166,916.58
10	30/06/2035	-166,916.58	7,962.51	0.00	10,545.45	-169,499.52
11	30/06/2036	-169,499.52	8,320.82	0.00	0.00	-161,178.70
12	30/06/2037	-161,178.70	8,695.26	0.00	14,241.82	-166,725.26
13	30/06/2038	-166,725.26	9,086.55	0.00	0.00	-157,638.71
14	30/06/2039	-157,638.71	9,495.44	0.00	5,117.27	-153,260.54
15	30/06/2040	-153,260.54	9,922.73	0.00	548,570.00	-691,907.81

15 Year Cash Flow Graph

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

- Contributions line - Total sinking 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.

Cash Flow - Projection at Current Rate



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 (2026)	Year 2 (2027)	Year 3 (2028)	Year 4 (2029)	Year 5 (2030)	Year 6 (2031)	Year 7 (2032)	Year 8 (2033)	Year 9 (2034)	Year 10 (2035)	Year 11 (2036)	Year 12 (2037)	Year 13 (2038)	Year 14 (2039)	Year 15 (2040)
1. BUILDING EXTERIOR																
Repaint balustrades	19,030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,828
Repaint soffits	11,322	-	-	-	-	14,109	-	-	-	-	-	-	-	-	-	21,911
Repaint balcony ceilings / undersides	12,136	-	-	-	-	15,124	-	-	-	-	-	-	-	-	-	23,487
Repaint external walls	97,595	-	-	-	-	121,621	-	-	-	-	-	-	-	-	-	188,874
Repaint eaves guttering	6,374	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,335
Repaint fascia	7,193	-	-	-	-	8,964	-	-	-	-	-	-	-	-	-	13,920
Repaint metal posts	6,454	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,490
Repaint metal beam	12,386	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,970
Repaint service door - 2x sides and frame	5,120	-	-	-	-	6,380	-	-	-	-	-	-	-	-	-	9,909
Repaint unit entry door - 1x side and frame	11,743	-	-	-	-	14,634	-	-	-	-	-	-	-	-	-	22,726
Repaint arch bar	6,346	-	-	-	-	7,908	-	-	-	-	-	-	-	-	-	12,281
Repaint metal wall- mini-orb	10,357	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,044
Work at heights access and site setup	38,524	-	-	-	-	48,008	-	-	-	-	-	-	-	-	-	74,555
Repaint timber feature wall panels	4,955	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,589
Repair balustrades (Total: 254 lm) - 2%	4,014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,768
Replace metal louvre	70,137	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace eaves guttering	19,615	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repair eaves guttering (Total: 211 lm) - 10%	1,606	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,108
Repair box guttering (Total: 146 lm) - 10%	2,087	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace timber door	48,887	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		0	0	0	0	236,748	0	0	0	0	0	0	0	0	0	493,795
2. ROOFTOP																
Repair metal roofing (Total: 1787 m2) - 10%	22,463	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace metal roofing	186,902	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hire roof guard rail	7,429	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Expenditure Item	Current Cost	Year 1 (2026)	Year 2 (2027)	Year 3 (2028)	Year 4 (2029)	Year 5 (2030)	Year 6 (2031)	Year 7 (2032)	Year 8 (2033)	Year 9 (2034)	Year 10 (2035)	Year 11 (2036)	Year 12 (2037)	Year 13 (2038)	Year 14 (2039)	Year 15 (2040)
3. STAIRWELLS																
Repaint metal handrail	1,314	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,543
Replace stair tread non-slip edging	6,861	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,278
Sub Total (Incl. GST)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	15,821
4. VEHICLE ACCESSWAYS																
Repaint line marking	6,790	-	-	-	-	-	-	-	-	-	10,545	-	-	-	-	13,141
Replace gate motor	2,763	-	-	-	-	-	-	-	-	-	-	-	-	-	5,117	-
Repaint side hinged gates	471	-	-	-	-	587	-	-	-	-	-	-	-	-	-	912
Replace side hinged gates	1,039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace plastic wheel stop	6,137	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repair bitumen (Total: 1256 m2) - 10%	8,398	-	-	-	-	-	-	-	-	-	-	-	14,242	-	-	-
Repair concrete kerbing (Total: 87 lm) - 10%	1,410	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace canvas shade sail	90,983	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace metal drainage grate	2,508	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		0	0	0	0	587	0	0	0	0	10,545	0	14,242	0	5,117	14,053
5. PEDESTRIAN ACCESSWAYS																
Repaint metal fences and gates	1,288	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,493
Repair concrete walkway (Total: 323 m2) - 10%	2,328	-	-	-	-	2,901	-	-	-	-	-	-	-	-	-	4,505
Repaint concrete walkway	9,251	-	-	-	-	11,528	-	-	-	-	-	-	-	-	-	17,903
Sub Total (Incl. GST)		0	0	0	0	14,429	0	0	0	0	0	0	0	0	0	24,901
6. FIXTURES & FITTINGS																
Replace mailbox	3,815	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7. ELECTRICAL																
Replace electrical switchboard	27,248	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace intercom audio station	34,419	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace lights to common areas	4,728	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace lift motor	31,912	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total (Incl. GST)		0	0	0	0	251,764	0	0	0	0	10,545	0	14,242	0	5,117	548,570
Contingency Allowance (Incl. GST)		0	0	0	0	25,176	0	0	0	0	1,055	0	1,424	0	512	54,857
Grand Total Expenses (Incl. Contingency Allowance and GST)		0	0	0	0	276,940	0	0	0	0	11,600	0	15,666	0	5,629	603,427

Building Condition / Data List from the Property Inspection for Foundry Apartments

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
1. BUILDING EXTERIOR										
Repaint balustrades	254	lm	74.92	19,030.00	15	10	Original	Ongoing painting program	Good	Rawlinsons
Repaint soffits	408	m2	27.75	11,322.00	5	10	Original	Ongoing painting program	Good	Rawlinsons
Repaint balcony ceilings / undersides	356	m2	34.09	12,136.00	5	10	Original	Ongoing painting program	Good	Rawlinsons
Repaint external walls	2890	m2	33.77	97,595.00	5	10	Original	Ongoing painting program	Good	Rawlinsons
Repaint eaves guttering	211	lm	30.21	6,374.00	15	20	Original	Ongoing painting program	Good	Rawlinsons
Repaint fascia	211	lm	34.09	7,193.00	5	10	Original	Ongoing painting program	Good	Rawlinsons
Repaint metal posts	231	lm	27.94	6,454.00	15	20	Original	Ongoing painting program	Good	Rawlinsons
Repaint metal beam	355	lm	34.89	12,386.00	15	20	Original	Ongoing painting program	Good	Rawlinsons
Repaint service door - 2x sides and frame	18	ea.	284.45	5,120.00	5	10	Original	Ongoing painting program	Good	Rawlinsons
Repaint unit entry door - 1x side and frame	86	ea.	136.55	11,743.00	5	10	Original	Ongoing painting program	Good	Rawlinsons
Repaint arch bar	495	lm	12.82	6,346.00	5	10	Original	Ongoing painting program	Good	Rawlinsons
Repaint metal wall- mini-orb	329	m2	31.48	10,357.00	15	20	Original	Ongoing painting program	Good	Rawlinsons
Work at heights access and site setup	1	ea.	38,523.70	38,524.00	5	10		Method to be determined by contractor		
Repaint timber feature wall panels	63	m2	78.65	4,955.00	15	15	Original	Replace as required	Good	Rawlinsons
Repair balustrades (Total: 254 lm) - 2%	6	lm	668.96	4,014.00	15	10	Original	Repair as required		
Replace metal louvre	203	m2	345.50	70,137.00	30	40	Original	Replace as required	Good	Estimate

Items	Qty	Unit	Rate (\$)	Value (\$)	Next Due	Total Life	Date	Comments	Condition	Method Used
Replace eaves guttering	211	lm	92.96	19,615.00	25	30	Original	Replace as required	Good	Rawlinsons
Repair eaves guttering (Total: 211 lm) - 10%	22	lm	73.00	1,606.00	15	10	Original	Repair as required		
Repair box guttering (Total: 146 lm) - 10%	15	lm	139.12	2,087.00	20	30	Original	Repair as required	Good	Rawlinsons
Replace timber door	105	ea.	465.59	48,887.00	20	30	Original	Replace as required	Good	Rawlinsons
2. ROOFTOP										
Repair metal roofing (Total: 1787 m2) - 10%	179	m2	125.49	22,463.00	20	10	Original	Repair as required	Good	Rawlinsons
Replace metal roofing	1787	m2	104.59	186,902.00	45	60	Original	Replace as required	Good	Rawlinsons
Hire roof guard rail	232	lm	32.02	7,429.00	20	10				Rawlinsons
3. STAIRWELLS										
Repaint metal handrail	56	lm	23.47	1,314.00	15	20	Original	Ongoing painting program	Good	Rawlinsons
Replace stair tread non-slip edging	198	lm	34.65	6,861.00	15	25	Original	Replace as required	Good	Estimate
4. VEHICLE ACCESSWAYS										
Repaint line marking	275	lm	24.69	6,790.00	10	5	Original	Ongoing painting program	Good	Rawlinsons
Replace gate motor	2	ea.	1,381.65	2,763.00	14	25	Original	Replace as required	Good	Rawlinsons
Repaint side hinged gates	8	lm	58.87	471.00	5	10	Original	Ongoing painting program	Good	Rawlinsons
Replace side hinged gates	2	ea.	519.29	1,039.00	30	40	Original	Replace as required	Good	Rawlinsons
Replace plastic wheel stop	23	ea.	266.81	6,137.00	16	20	Original	Replace as required	Good	Rawlinsons
Repair bitumen (Total: 1256 m2) - 10%	126	m2	66.65	8,398.00	12	15	Original	Repair as required	Good	Rawlinsons
Repair concrete kerbing (Total: 87 lm) - 10%	9	lm	156.72	1,410.00	25	30	Original	Repair as required	Good	Rawlinsons
Replace canvas shade sail	220	m2	413.56	90,983.00	16	20	Original	Replace as required	Good	Rawlinsons
Replace metal drainage grate	8	ea.	313.52	2,508.00	25	30	Original	Replace as required	Good	Rawlinsons
5. PEDESTRIAN ACCESSWAYS										
Repaint metal fences and gates	37	lm	34.81	1,288.00	15	10	Original	Ongoing painting program	Good	Rawlinsons
Repair concrete walkway (Total: 323 m2) - 10%	33	m2	70.56	2,328.00	5	10	Original	Repair as required / Estimate only - quotations required	Good	Rawlinsons
Repaint concrete walkway	323	m2	28.64	9,251.00	5	10	Original	Ongoing painting program	Good	Rawlinsons
6. FIXTURES & FITTINGS										
Replace mailbox	44	ea.	86.71	3,815.00	25	30	Original	Replace as required	Good	Rawlinsons
7. ELECTRICAL										
Replace electrical switchboard	43	Per unit	633.68	27,248.00	30	40	Original	Replace as required	Good	Rawlinsons

Items	Qty	Unit	Rate (\$)	Value (\$)	Next Due	Total Life	Date	Comments	Condition	Method Used
Replace intercom audio station	43	ea.	800.44	34,419.00	20	30	Original	Replace as required	Good	Rawlinsons
Replace lights to common areas	72	ea.	65.67	4,728.00	16	25	Original	Replace as required	Good	Estimate
Replace lift motor	1	ea.	31,912.29	31,912.00	20	25	Original	Estimate only - please obtain a quote	Good	Estimate



Building Photo Section

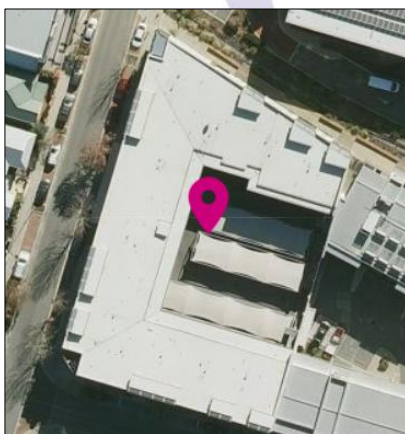
Item Group

BUILDING EXTERIOR

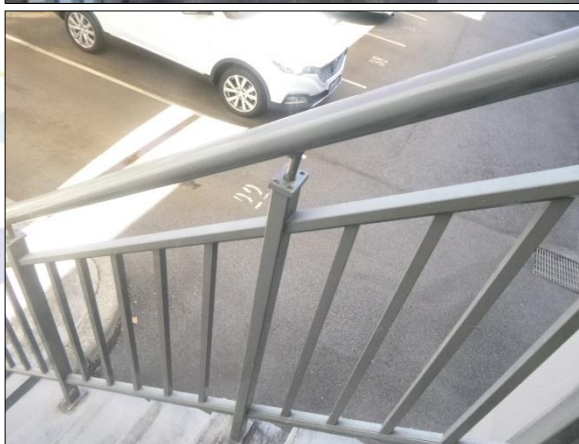
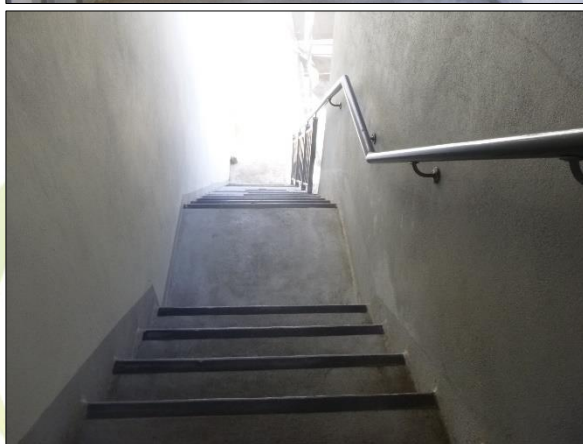
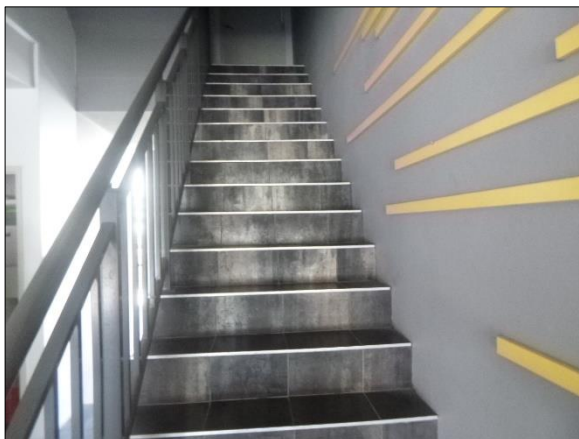


The external finishes were in good condition at the time of inspection. As the property ages repairs will be required and an allowance has been included in the report.

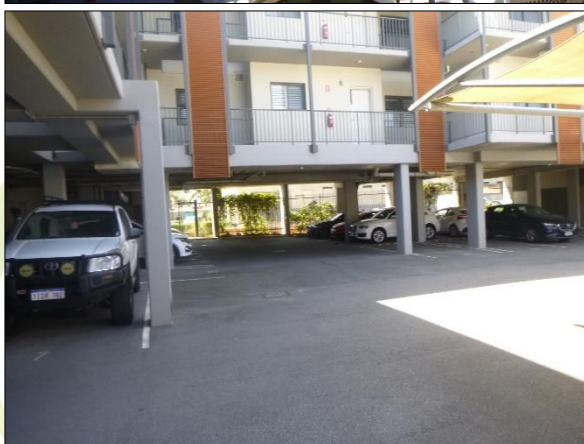
ROOFTOP



The roof was in good condition at the time of inspection. As the property ages repairs will be required and an allowance has been included in the report.

Item Group**STAIRWELLS**

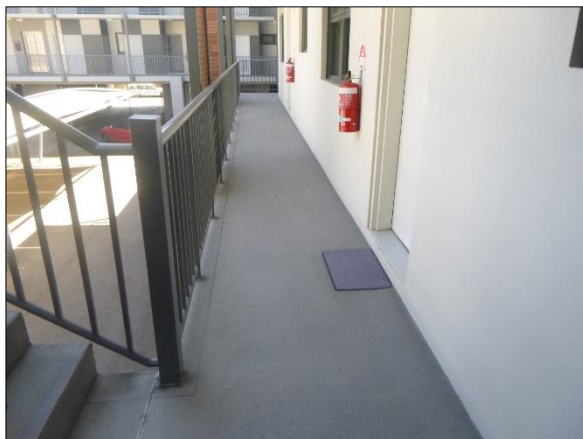
The stair treads and handrail/balustrade were in good condition at the time of inspection. As the property ages repairs will be required and an allowance has been included in the report.

Item Group**VEHICLE ACCESSWAYS**

All elements of the driveway entry and carpark area were in good condition at the time of inspection. As the property ages repairs will be required and an allowance has been included in the report.

Item Group

PEDESTRIAN ACCESSWAYS



The walkways were in good condition at the time of inspection. As the property ages repairs will be required and an allowance has been included in the report.

FIXTURES & FITTINGS



The mailbox was in good condition at the time of inspection. As the property ages repairs will be required and an allowance has been included in the report.

Item Group**ELECTRICAL**

All electrical elements were in good condition at the time of inspection. As the property ages repairs will be required and an allowance has been included in the report.

Inspector's Report for Foundry Apartments

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. **PAINT WITHIN LOT BOUNDARIES** - The measurements and estimated costs for painting include all surfaces identified by the inspector, including those within lot boundaries. While the maintenance costs of some of these surfaces are technically the responsibility of the individual lot owners, it is usual to include the painting of these areas to preserve the appearance of the property and to reduce overall costs for individual lot owners.
5. **PAINT SERVICE-LIFE** - Paint serves to protect a surface as well as improving its appearance. Paint seals the surface from water, salt, or air pollutants. Although paint may hold its appearance for at least ten years before cracking and/or peeling occurs, it may become porous and lose its protective abilities before this point.
6. **POWDER COAT REPAINT** - Powder coated surfaces have a lengthy maintenance-free period when new. After this period, these surfaces may be repainted to maintain their appearance. It is important to note that powder coated surfaces will require special preparation for repainting.
7. **POWDER COAT WARRANTY** - Powder coated surfaces may be subject to a manufacturer's warranty. Therefore, the manufacturer's cleaning and maintenance recommendations should be followed.
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. **LIFTS** - The design of a lift requires continual maintenance. Maintenance is required due to the complexity of the engineering and electronic systems in the structure, external elements and the lift car. We assume the lifts are maintained via a comprehensive lift maintenance contract which, in our professional opinion, all buildings with lifts must have in place.

After 20 to 30 years of service, lifts may reach the end of their cost effective life. From this point lifts may experience decreasing performance along with an increase in required service. We have provisioned for lift replacement based on the age and current visual condition of the lift. In addition we take into account the following factors:

- **Obsolescence (Mechanical, Electrical & Software)**

Even though these elements can be supported at a stretch, it is prohibitively expensive to do so which adds cost and complexity into the maintenance regime. The additional cost in maintenance to facilitate reliability far outweighs the cost of new lift in the long term.

- **Building Code changes from year to year**

What may be relevant today, tends to change over time – hence the requirement to plan for upgrades every 10 years or as required.

- **Unforeseen environment impacts**

Flooding, Electrical surges & Misuse/Vandalism which are not covered by either the maintenance contract or building insurance.

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

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