



LONG-TERM MAINTENANCE PLAN

57 Gladstone Road

Northcote NZ 0627

Unit Title Plan 184638



Report details

Inspection date:	18/12/2020
Inspector:	Steven Fury

22 December 2020

The Body Corporate Committee

57 Gladstone Road
Northcote NZ 0627

Dear Committee Members,

Thank you for appointing our company to conduct your Long-Term Maintenance Plan.

Based on our survey of your property, we have determined that the Body Corporate will need to increase its contributions in order to cover its forecast maintenance 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 long-term maintenance fund balances. Regular updates also create peace of mind and assist the Body Corporate 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 long term maintenance fund levy divided by unit entitlements)	\$2.70
Total Unit Entitlements	10000
Total Long Term Maintenance Fund Levy	\$27,000.00

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

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Building Details & Report Inputs

Supplied information

Building Address	57 Gladstone Road Northcote NZ 0627
Unit Title Plan No	184638
Plan Type	Unit Plan
Registered Plan Date/Year of Construction	Reg. 1997
Number of Utility interests	10000
Number of Units	19
Estimated Starting Long-Term Maintenance Fund Balance	\$94,841
Starting date of Financial Year for Report	1/01/2021
GST Status	Not Registered for GST
Current Long-Term Maintenance Levy per Utility interests	\$1.50

Report assumptions & information

Assumed Interest Rate on invested funds (For funds over \$10,000)	3.35%
Company Taxation Rate	28.00%
Interest on Invested Funds - Based on Assumed Interest Rate minus Company Taxation Rate. Calculated only on long-term maintenance fund balances over \$10,000.	2.41%
Contingency Allowance - For minor and/or unforeseen expenses	8%
Assumed Rate of Inflation for Building Maintenance Costs - Based on average annual building cost increase between 2002 and 2012	3.50%
Forecast Period - Number of years the forecast looks out.	15 years

15 Year Levy Table

Year	Year To	Total Contribution	Contribution per Unit Entitlement	Quarterly Contribution
1	31/12/2021	27,000.00	2.70	0.68
2	31/12/2022	27,945.00	2.79	0.70
3	31/12/2023	28,923.08	2.89	0.72
4	31/12/2024	29,935.39	2.99	0.75
5	31/12/2025	30,983.13	3.10	0.78
6	31/12/2026	32,067.54	3.21	0.80
7	31/12/2027	33,189.90	3.32	0.83
8	31/12/2028	34,351.55	3.44	0.86
9	31/12/2029	35,553.85	3.56	0.89
10	31/12/2030	36,798.23	3.68	0.92
11	31/12/2031	38,086.17	3.81	0.95
12	31/12/2032	39,419.19	3.94	0.99
13	31/12/2033	40,798.86	4.08	1.02
14	31/12/2034	42,226.82	4.22	1.06
15	31/12/2035	43,704.76	4.37	1.09

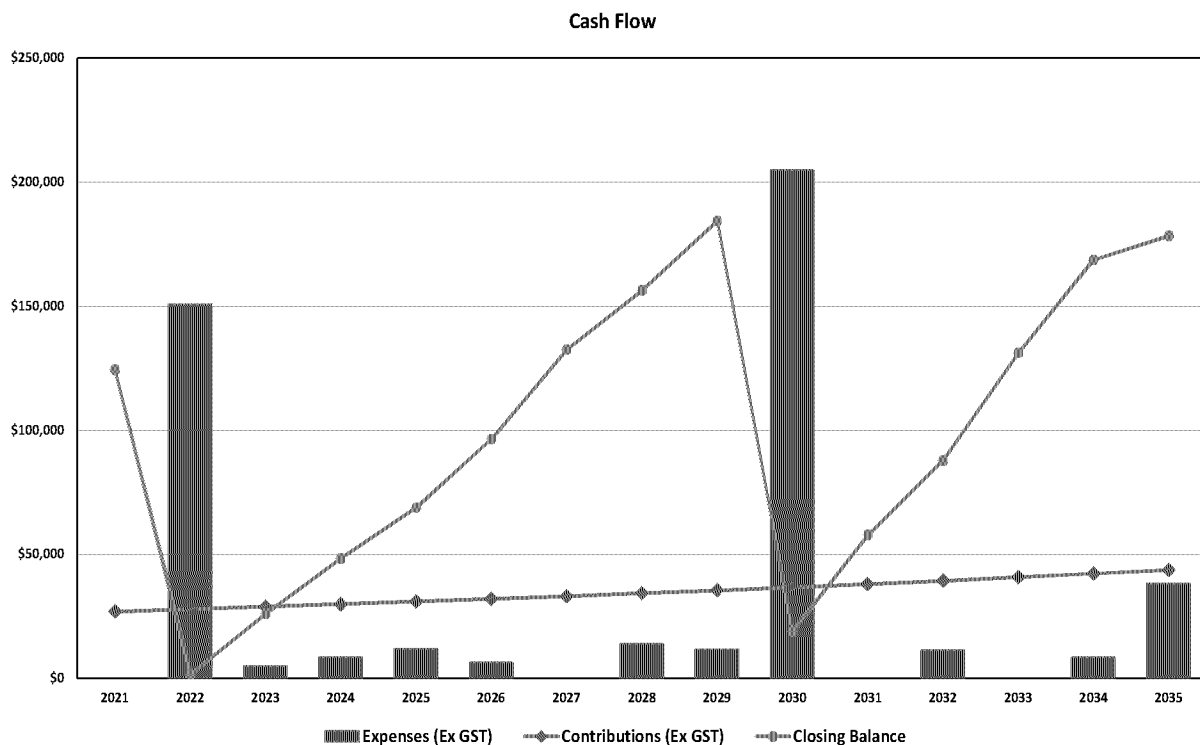
15 Year Cash Flow Tracking Sheet

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' are then allowed for leaving a 'Closing Balance' for the year which in turn becomes the 'Opening Balance' for the following year. In summary:
Opening Balance + Total Levy Contributions + Interest – Anticipated Expenses = Closing Balance

Year	Year To	Opening Balance	Total Levy Contributions	Interest	Anticipated Expenses	Closing Balance
1	31/12/2021	94,841.00	27,000.00	2,611.02	0.00	124,452.02
2	31/12/2022	124,452.02	27,945.00	0.00	150,714.00	1,683.02
3	31/12/2023	1,683.02	28,923.08	330.16	4,890.00	26,046.26
4	31/12/2024	26,046.26	29,935.39	886.05	8,497.00	48,370.70
5	31/12/2025	48,370.70	30,983.13	1,395.94	11,879.00	68,870.77
6	31/12/2026	68,870.77	32,067.54	1,969.91	6,331.00	96,577.22
7	31/12/2027	96,577.22	33,189.90	2,727.45	0.00	132,494.57
8	31/12/2028	132,494.57	34,351.55	3,441.01	13,780.00	156,507.13
9	31/12/2029	156,507.13	35,553.85	4,059.98	11,640.00	184,480.96
10	31/12/2030	184,480.96	36,798.23	2,421.56	204,801.00	18,899.75
11	31/12/2031	18,899.75	38,086.17	914.42	0.00	57,900.34
12	31/12/2032	57,900.34	39,419.19	1,735.57	11,189.00	87,866.10
13	31/12/2033	87,866.10	40,798.86	2,609.20	0.00	131,274.16
14	31/12/2034	131,274.16	42,226.82	3,572.07	8,338.00	168,735.05
15	31/12/2035	168,735.05	43,704.76	4,133.61	38,137.00	178,436.42

15 Year Cash Flow Graph

The graph below tracks the 'Contributions' (the amount collected in levies), the projected 'Closing balance' of the long-term maintenance fund and the likely 'Expenses' for each year of this plan. The three lines in the graph are:
 Contributions line - Total maintenance 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 'Year 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 (Incl. GST)' followed by a line calculating the 'Contingency Allowance (Incl. GST)' for unforeseen and minor expenses and finally 'Total Expenses (Incl. GST)' for that year. Please note: This page rounds figures to the nearest whole dollar.

Expenditure Item	Current Cost	Year 1 (2021)	Year 2 (2022)	Year 3 (2023)	Year 4 (2024)	Year 5 (2025)	Year 6 (2026)	Year 7 (2027)	Year 8 (2028)	Year 9 (2029)	Year 10 (2030)	Year 11 (2031)	Year 12 (2032)	Year 13 (2033)	Year 14 (2034)	Year 15 (2035)
1. PROPERTY EXTERIOR																
Building wash	4,936	-	5,109	-	5,473	-	5,862	-	6,280	-	6,727	-	7,206	-	7,720	-
Repaint exterior elevations high build system	98,597	-	102,048	-	-	-	-	-	-	-	134,378	-	-	-	-	-
Garage door repaint	4,728	-	4,893	-	-	-	-	-	-	-	6,444	-	-	-	-	-
Sub Total (Incl. GST)		0	112,050	0	5,473	0	5,862	0	6,280	0	147,549	0	7,206	0	7,720	0
2. WORK AT HEIGHTS ACCESS																
Hire scaffolding	21,174	-	21,915	-	-	-	-	-	-	-	28,858	-	-	-	-	-
Sub Total (Incl. GST)		0	21,915	0	0	0	0	0	0	0	28,858	0	0	0	0	0
3. ROOFING																
Downpipes, roof drains and rainheads	810	-	-	-	898	-	-	-	1,031	-	-	-	1,183	-	-	-
Guttering repairs	1,350	-	-	-	1,497	-	-	-	1,718	-	-	-	1,971	-	-	-
Roof covering - tile repairs (total: 1440 m2) - 5%	3,958	-	-	-	-	-	-	-	-	5,212	-	-	-	-	-	6,407
Roof covering - tile ridge cap repairs (total: 332 lm) - 20%	4,227	-	-	4,528	-	-	-	-	-	5,566	-	-	-	-	-	6,842
Sub Total (Incl. GST)		0	0	4,528	2,395	0	0	0	2,749	10,778	0	0	3,154	0	0	13,249
4. DRIVEWAY AND EXTERIOR WALKWAYS																
Drainage / stormwater maintenance - allowance	1,350	-	-	-	-	1,549	-	-	-	-	1,840	-	-	-	-	2,185
Paving repairs (total: 887 m2) - 5%	3,610	-	-	-	-	4,143	-	-	-	-	4,920	-	-	-	-	5,843
Pedestrian gate replacement	479	-	-	-	-	550	-	-	-	-	-	-	-	-	-	775
Security gate repairs	1,446	-	-	-	-	1,659	-	-	-	-	-	-	-	-	-	2,341
Security access key system replacement	4,046	-	4,188	-	-	-	-	-	-	-	-	-	-	-	-	6,549
Sub Total (Incl. GST)		0	4,188	0	0	7,901	0	0	0	0	6,760	0	0	0	0	17,693

Expenditure Item	Current Cost	Year 1 (2021)	Year 2 (2022)	Year 3 (2023)	Year 4 (2024)	Year 5 (2025)	Year 6 (2026)	Year 7 (2027)	Year 8 (2028)	Year 9 (2029)	Year 10 (2030)	Year 11 (2031)	Year 12 (2032)	Year 13 (2033)	Year 14 (2034)	Year 15 (2035)
5. FENCING																
Fence and screen repaint selected elevations	1,350	-	1,397	-	-	-	-	-	-	-	1,840	-	-	-	-	-
Boundary wall fence repairs (total: 269 lm – rate 50%) - 20%	2,932	-	-	-	-	-	-	-	3,730	-	-	-	-	-	-	-
Common area fence repairs mixed styles (total: 46 lm – rate 100%) - 10%	693	-	-	-	-	-	-	-	-	-	944	-	-	-	-	-
Sub Total (Incl. GST)		0	1,397	0	0	0	0	0	3,730	0	2,784	0	0	0	0	0
6. ELECTRICAL																
System maintenance - electrical and lighting common area	1,350	-	-	-	-	1,549	-	-	-	-	1,840	-	-	-	-	2,185
Sub Total (Incl. GST)		0	0	0	0	1,549	0	0	0	0	1,840	0	0	0	0	2,185
7. WATER																
Plumbing / waste water maintenance common property only	1,350	-	-	-	-	1,549	-	-	-	-	1,840	-	-	-	-	2,185
Sub Total (Incl. GST)		0	0	0	0	1,549	0	0	0	0	1,840	0	0	0	0	2,185
Grand Total (Incl. GST)		0	139,550	4,528	7,868	10,999	5,862	0	12,759	10,778	189,631	0	10,360	0	7,720	35,312
Contingency Allowance (Incl. GST)		0	11,164	362	629	880	469	0	1,021	862	15,170	0	829	0	618	2,825
Grand Total Expenses (Incl. Contingency Allowance and GST)		0	150,714	4,890	8,497	11,879	6,331	0	13,780	11,640	204,801	0	11,189	0	8,338	38,137

Building Data List from the Property Inspection for Unit Title Plan 184638

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 total quantity of that item

'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 the item after it is replaced, repaired or repainted.

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

Items	Qty	Unit	Rate (\$)	Value (\$)	Next Due	Total Life	Comments
1. PROPERTY EXTERIOR							
Building wash	2,468	m2	2.00	4,936.00	2	2	Wash down as required
Repaint exterior elevations high build system	2,468	m2	39.95	98,597.00	2	8	Repaint as required
Garage door repaint	24	ea	196.98	4,728.00	2	8	Repaint as required
2. WORK AT HEIGHTS ACCESS							
Hire scaffolding	633	m2	33.45	21,174.00	2	8	Quotation required
3. ROOFING							
Downpipes, roof drains and rainheads	27	Item	30.00	810.00	4	4	Repair as required
Guttering repairs	27	Item	50.00	1,350.00	4	4	Repair as required
Roof covering - tile repairs (total: 1440 m2) - 5%	72	m2	54.97	3,958.00	9	6	Repair as required
Roof covering - tile ridge cap repairs (total: 332 lm) - 20%	66	lm	64.04	4,227.00	3	6	Repair as required
4. DRIVEWAY AND EXTERIOR WALKWAYS							
Drainage / stormwater maintenance - allowance	1	Item	1,350.00	1,350.00	5	5	Ongoing maintenance program
Paving repairs (total: 887 m2) - 5%	44	m2	82.05	3,610.00	5	5	Repair as required
Pedestrian gate replacement	1	ea	478.62	479.00	5	10	Replace as required
Security gate repairs	1	ea	1,445.86	1,446.00	5	10	Repair as required
Security access key system replacement	1	Item	4045.75	4,046.00	2	13	Replace as required
5. FENCING							
Fence and screen repaint selected elevations	1	Item	1,350.00	1,350.00	2	8	Repaint as required
Boundary wall fence repairs (total: 269 lm – rate 50%) - 20%	54	lm	54.29	2,932.00	8	12	Repair as required - shared boundary fence
Common area fence repairs mixed styles (total: 46 lm – rate 100%) - 10%	5	lm	138.67	693.00	10	12	Repair as required
6. ELECTRICAL							
System maintenance - electrical and lighting common area	1	Item	1,350.00	1,350.00	5	5	Ongoing maintenance program
7. WATER							
Plumbing / waste water maintenance common property only	1	Item	1,350.00	1,350.00	5	5	Ongoing maintenance program

Inspector's Report for Unit Title Plan 184638

1. Painting 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 becomes porous and loses its protective abilities well before this point.
2. The measurements and estimated costs for painting includes 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.
3. The costs estimated for painting are as accurate as possible. However, it is recommended that quotations are obtained for painting well in advance of when the work is to be carried out to allow for any shortfall or excess in funds. Actual painting quotations will vary from our estimates.
4. Funds allocated for elevating working platforms (EWP's) can be used for many types of access equipment including, but not limited to; scaffolding, boom lifts, cherry pickers, etc.
5. Tiled roofs may have a service life of 50-60 years with proper care and maintenance.
6. Trees should be kept 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. Harsh environments shorten the service life of many items and can lead to unpredictable wear and tear on a wide range of surfaces and materials. Any signs of corrosion or deterioration should be assessed and repaired as swiftly as possible.
8. We recommend that the balance be increased over the length of this report. It is necessary to offset the effects of inflation of construction materials and labour costs and to ensure that adequate funds are available to provide for major works which 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 balance will be reviewed in light of current price levels and the state of the property at the time of each update.
9. We recommend that this report be updated every 3 years to ensure that it captures market variations and any changes to the property itself.

Report Notes

Long-Term Maintenance Plan (NZ)

This forecast satisfies the current requirements of Section 116 of the Unit Titles Act 2010 and Section 30 of the Unit Titles Regulations 2011. The Regulations state:-

30 Long-term maintenance plans

(1) A long-term maintenance plan must—

(a) cover—

(i) the common property, building elements, and infrastructure of the unit title development;
and

(ii) any additional items that the body corporate has decided by ordinary resolution to include in the plan; and

(b) identify those items that the body corporate may decide by ordinary resolution not to maintain for any period during the lifetime of the plan; and

(c) state the period covered by the plan; and

(d) state the estimated age and life expectancy of each item covered by the plan; and

(e) state the estimated cost of maintenance and replacement of each item covered by the plan; and

(f) state whether there is a long-term maintenance fund; and

(g) if there is a long-term maintenance fund, state the amount determined by the body corporate to be applied to maintain the fund each year; and

(h) state who has prepared the plan.

Figures used and updates - The figures used in the forecast are typical for this type of building and normal usage. The Body Corporate has some discretion in the timing of most maintenance items. The purpose of this plan 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 Reserve Bank of New Zealand's historical interest rates for the previous fifteen years. The company tax rate is applied to interest income unless Solutions in Engineering is advised that the Body Corporate is exempt from tax on external income. The standard inflation rate used by Solutions in Engineering is based upon RBNZ historical data for Construction Producer Price inflation, commencing December 1997. 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.

Leaky Buildings - The requirement for a Long Term Maintenance Plan applies to all buildings whether they are a leaky building or not. A Long Term Maintenance Plan assesses the typical maintenance costs and useful lives of building components based on the building being properly and professionally constructed. It is important to note that this report is not a Leaky Building Report. A full leaky building report requires destructive testing, engineering assessment, specification writing and the calling of competitive tenders to ascertain full costs. A Long Term Maintenance Plan obviously does not involve this process. However the report will calculate the remaining life of each building component based on its condition at the time of inspection so deterioration caused by a leaky building issue will affect this part of the building data collected.

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 Body Corporate Committee/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 Body Corporate Committee/Representative.

Items with Indefinite Lives - There is no allowance for replacement of items that, if properly maintained, should last indefinitely, (unless otherwise requested by the body corporate); for example: sanitary fittings and lift carriage interiors. This plan deals only with estimating the timing of physical obsolescence.

Improvements - The Body Corporate may resolve to undertake improvements not related to normal maintenance. No allowance has been made for these items unless instructed.

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 Body Corporate. 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.

Updates - The forecast is made with the best available data at this time. The forecast must be reviewed at least once every three years (Unit Titles *Regulations 2011, Section 30(2)*). We recommend a minimum of bi-annual updates.

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