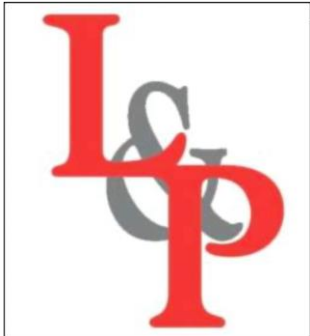


# RESERVE FUND PLAN

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## PRESTON HEIGHTS

at 9 PRESTON POINT ROAD, EAST FREMANTLE

Plan Reference SP 3496



## Job No. 16536 / 66825

Prepared by L&P Quantity Surveyor

Tom Tang MConsPrac (QS)

Report Date: 16 December 2021

## Leary & Partners Pty Ltd

ABN 010 134 148

Quantity Surveyors



Asset Management Consultants

Taxation Depreciation Consultants

Registered Tax Agent 53798007



## FUNDING PLAN

### PRESTON HEIGHTS SP 3496

#### 10 YEAR PLAN

Supplied information:

- the first plan year is to commence on 01 Apr 2022
- the anticipated fund balance at this date is \$34,000.00
- a GST credit is not available for expenses paid from this fund

Assumed calculation parameters:

- average annual increase in maintenance costs over plan period of 4.00%
- average interest rate over plan period of 1.00%
- tax rate on interest earned of 30.00%

Total recommended first year contribution per entitlement = \$1,604.44

For the 12 month period	Total Recommended Contributions *	Estimated Expenditure	Interest Earnt (less tax)	Estimated Fund Balance
2022-23	\$40,111	\$13,446	331.00	\$60,996
2023-24	\$41,715	\$21,385	498.00	\$81,824
2024-25	\$43,384	\$6,241	703.00	\$119,670
2025-26	\$45,119	\$50,655	818.00	\$114,952
2026-27	\$46,924	\$11,125	930.00	\$151,681
2027-28	\$48,801	\$119,074	816.00	\$82,224
2028-29	\$50,753	\$42,417	605.00	\$91,165
2029-30	\$52,783	\$121,239	399.00	\$23,108
2030-31	\$54,895	\$49,692	180.00	\$28,491
2031-32	\$57,090	\$14,162	350.00	\$71,769

\* This column shows the contributions we recommend be collected each year to fund the Estimated Expenditure. If discounts are offered for early payment, these amounts need to be added to our Total Recommended Contributions when calculating the levy amount. The contributions for future years should be reviewed on an annual basis to ensure they take into account changing circumstances.

LEGEND: Rate is in current \$ values, First Required (FR) is year item first occurs, Repeat Cycle (RC) shows frequency of recurrence.

ESTIMATED EXPENDITURE					FR	RC	12 mths ending	12 mths ending	12 mths ending	12 mths ending	12 mths ending	12 mths ending	12 mths ending	12 mths ending	12 mths ending	12 mths ending
Item	Description	Unit	Qty	Rate	Yr	Yrs	31.03.23	31.03.24	31.03.25	31.03.26	31.03.27	31.03.28	31.03.29	31.03.30	31.03.31	31.03.32
							Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	<b>Building</b>															
#1	Paint building externally	Item		30,956	4	10				35,914						
#2	Repair common pipework (part only)	Item		3,000	3	5			3,347					4,072		
#3	Replace balustrade to stairwells and balconies	m	186	447	6	One off						104,432				
#4	Replace CCTV cameras (approx. 20%)	No.	2	844	2	2		1,809		1,957		2,117		2,290		2,477
#5	Replace CCTV DVRs & monitors	Item		7,150	6	8						8,972				
#6	Replace entry doors to units (approx. 10%)	No.	3	900	5	8					3,258					
#7	Replace general building signage (part only)	Item		1,435	5	7					1,731					
#8	Replace light fittings to common area (approx. 10%)	No.	2	226	1	2	465		503		544		588		636	
#9	Replace main switchboard	Item		23,400	7	30							30,537			
#10	Replace windows	Item		82,500	8	One off								111,969		
#11	Repaint / maintain masonry façade	Item		9,288	4	10				10,775						
	<b>External</b>															
#12	Maintain colorbond panel fence	Item		5,720	7	10							7,465			
#13	Maintain irrigation system	Item		411	3	5			459					558		
#14	Maintain letterboxes	Item		1,300	9	10									1,835	
#15	Repaint carpark line markings	Item		1,200	2	5		1,288					1,567			
#16	Repair brick walls	m2	45	202	1	8	9,391								12,852	
#17	Replace bitumen surfacing (approx. 5%)	m2	39	45	1	4	1,804				2,110				2,468	
#18	Replace bitumen surfacing (approx. 50%)	m2	390	45	9	15									24,694	
#19	Replace clothes lines (approx. 50%)	No.	2	550	6	8						1,380				
#20	Replace concrete paving (approx. 2.5%)	m2	7	165	5	10					1,393					
#21	Replace metal drain grates (part only)	Item		2,099	2	10		2,252								
#22	Replace underground pipework (approx. 20%)	Item		3,375	9	15									4,763	
	<b>Roof</b>															
#23	Replace concrete roof tiles (approx. 10%)	m2	63	99	2	8		6,681								9,143
#24	Replace downpipes (approx. 30%)	m	44	77	2	12		3,638								
#25	Replace gutters (approx. 30%)	m	42	86	2	12		3,860								
	<b>Miscellaneous</b>															
#26	Anticipated miscellaneous expenses						1,786	1,857	1,932	2,009	2,089	2,173	2,260	2,350	2,444	2,542
	<b>Total</b>						<b>13,446</b>	<b>21,385</b>	<b>6,241</b>	<b>50,655</b>	<b>11,125</b>	<b>119,074</b>	<b>42,417</b>	<b>121,239</b>	<b>49,692</b>	<b>14,162</b>

## RECOMMENDED LOT CONTRIBUTIONS FOR FIRST 10 YEARS OF PLAN

Lot No.	Entitl.	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
L1	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L2	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L3	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L4	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L5	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L6	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L7	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L8	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L9	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L10	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L11	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L12	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L13	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L14	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L15	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L16	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L17	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L18	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L19	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L20	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L21	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L22	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L23	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L24	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
L25	1	1,604.44	1,668.60	1,735.36	1,804.76	1,876.96	1,952.04	2,030.12	2,111.32	2,195.80	2,283.60
Totals	25	\$40,111.00	\$41,715.00	\$43,384.00	\$45,119.00	\$46,924.00	\$48,801.00	\$50,753.00	\$52,783.00	\$54,895.00	\$57,090.00

\*If GST is payable on the levies or discounts are offered for early payment, these amounts need to be added to our Total Recommended Contributions when calculating the levies.

\*If acquisitions, upgrades, etc. are not included in this report, the cost of these items needs to be added to our Total Recommended Contributions when calculating the levies.

\*The contributions for future years should be reviewed on an annual basis to ensure that they take into account changing circumstances.

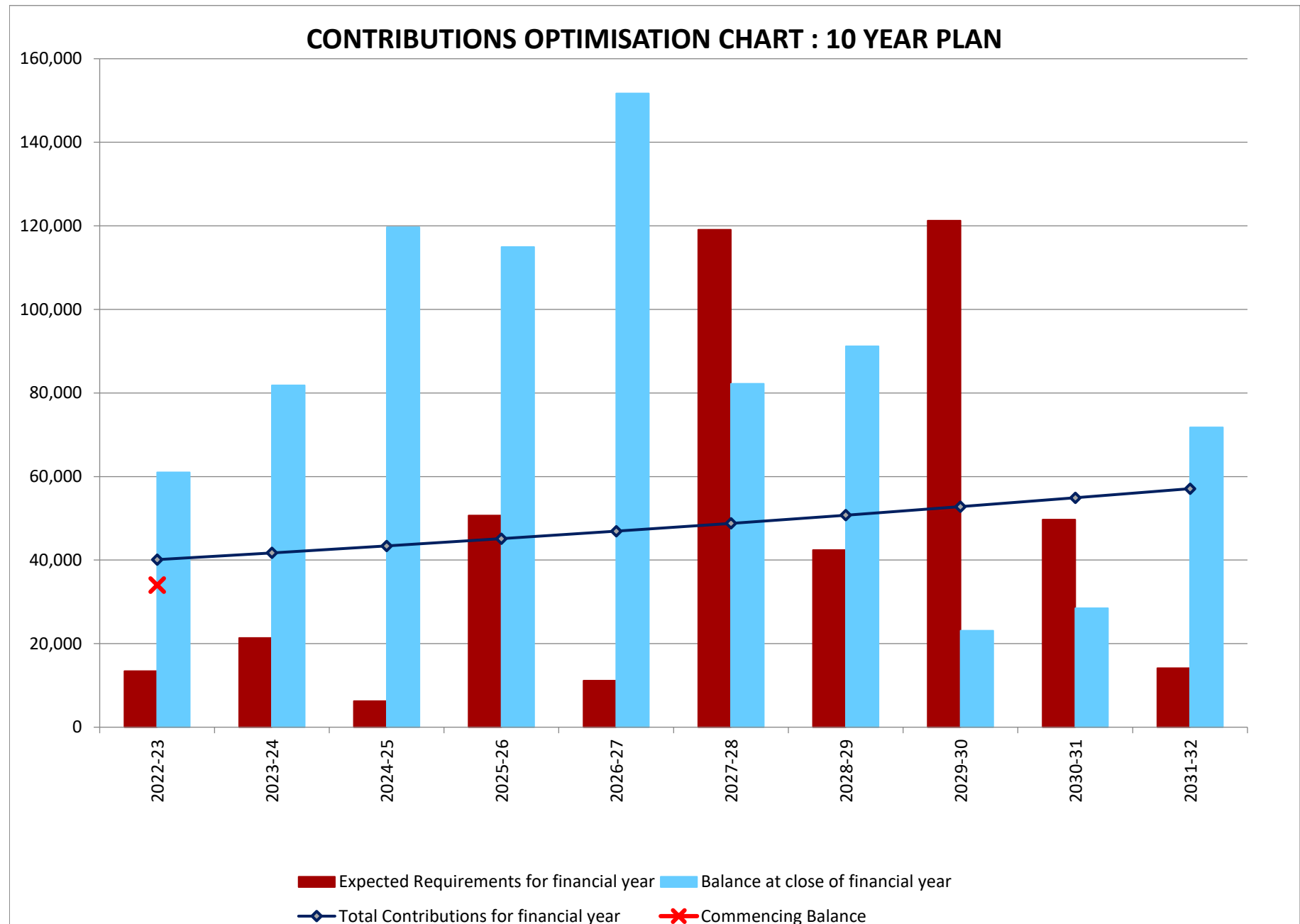
# CURRENT CONDITION REPORT

Scheme Registered: 19.1.1976

No. of Lots: 25

Building Use: Residential Units

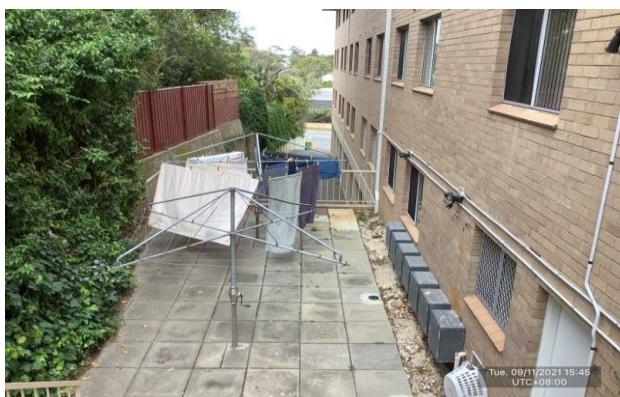
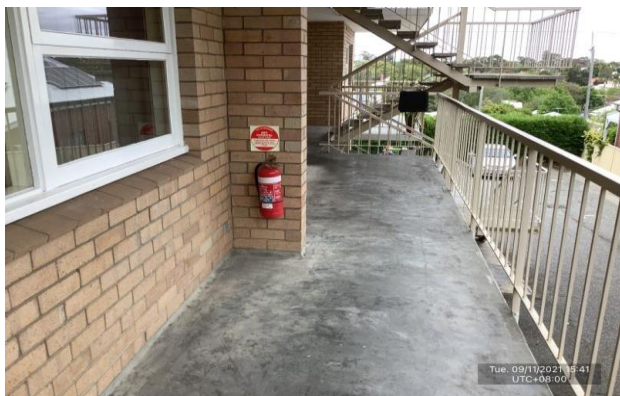
Item	Description	Plan Year First Required	Repeat Cycle Years	Date Installed	Condition
	<b>Building</b>				
#1	Paint building externally	4	10	Unknown	Fair
#2	Repair common pipework (part only)	3	5	Unknown	Fair
#3	Replace balustrade to stairwells and balconies	6	One off	Unknown	Fair
#4	Replace CCTV cameras (approx. 20%)	2	2	Unknown	Fair
#5	Replace CCTV DVRs & monitors	6	8	Unknown	Fair
#6	Replace entry doors to units (approx. 10%)	5	8	Unknown	Fair
#7	Replace general building signage (part only)	5	7	Unknown	Fair
#8	Replace light fittings to common area (approx. 10%)	1	2	Unknown	Fair
#9	Replace main switchboard	7	30	Unknown	Fair
#10	Replace windows	8	One off	Unknown	Fair
#11	Repoint / maintain masonry façade	4	10	Unknown	Fair
	<b>External</b>				
#12	Maintain colorbond panel fence	7	10	Unknown	Fair
#13	Maintain irrigation system	3	5	Unknown	Fair
#14	Maintain letterboxes	9	10	Unknown	Good
#15	Repaint carpark line markings	2	5	Unknown	Fair
#16	Repair brick walls	1	8	Unknown	Poor
#17	Replace bitumen surfacing (approx. 5%)	1	4	Unknown	Poor
#18	Replace bitumen surfacing (approx. 50%)	9	15	Unknown	Poor
#19	Replace clothes lines (approx. 50%)	6	8	Unknown	Fair
#20	Replace concrete paving (approx. 2.5%)	5	10	Unknown	Fair
#21	Replace metal drain grates (part only)	2	10	Unknown	Fair
#22	Replace underground pipework (approx. 20%)	9	15	Unknown	Fair
	<b>Roof</b>				
#23	Replace concrete roof tiles (approx. 10%)	2	8	Unknown	Fair
#24	Replace downpipes (approx. 30%)	2	12	Unknown	Fair
#25	Replace gutters (approx. 30%)	2	12	Unknown	Fair





## SITE PHOTOGRAPHS

A full digital set of inspection photographs is available on request.



# EXPLANATORY NOTES

## 1.00 PURPOSE OF THE RESERVE FUND PLAN

The purpose of this report is to assist the strata company to make adequate monetary provision for future common property maintenance, repair, renewal and replacement, in accordance with the requirements of section 102(a) of the Strata Title Act 1985.

## 2.00 LEGISLATION

This report has been prepared with reference to section 100 of the Strata Title Act 1985 and section 77 of the Strata Titles (General) Regulations 2019.

## 3.00 HOW TO READ THIS REPORT

**A. Funding Plan:** The Funding Plan contains our long-term funding recommendations. This page shows the number of years covered by the reserve fund plan and the year in which the plan commences. It also lists key variables (such as the starting balance and the inflation rate) used in the report calculations.

Each year, you should consider whether there have been major changes to the expenses paid (or that you expect to pay), to the contributions collected, or to the scheme infrastructure, as these may require a variation of the recommended contributions.

**B. Estimated Expenditure:** The Estimated Expenditure table contains an itemised list of the major common property maintenance, repair, renewal and replacement work we identified as being required during the agreed plan period.

a) The "Description" column contains descriptions of the work and identifies the common property infrastructure (including personal property of the strata company) for which the work is required. This is what section 77(e) of the Regulations describes as the list of "covered items".

Note, section 77(3) of the Regulations lists many examples of infrastructure items (such as roofs and gutters, walls, floors, ceilings, windows, building foundations, footpaths, lighting, hot water systems, security systems, lifts, swimming pools, car stackers and disabled facilities) which may be included in a reserve fund's 10 year plan. Your plan should include only the section 77(3) items which are present in your scheme and which foreseeably require maintenance during the plan period. For example, most schemes are unlikely to require an allowance for major foundation works. Conversely, your plan may contain expense line-items for infrastructure which is present in your scheme but not listed in section 77(3).

The infrastructure items listed in your plan are likely to change over time, as the repair/replacement of long-cycle items (such as replacing roof sheeting or windows) either become necessary during the plan period or have been completed and are not required during the next plan period.

b) The "FR" (First Replacement) column shows the year in which the work item is next forecast to occur.

c) The "RC"(Replacement Cycle) column shows the length of the cycle between each occurrence of the work.

- If this column says "one-off", it means the work item is a one-off expense, such as a refurbishment, for which no further money will be collected after the forecast work has occurred.
- In a new building, it may be an extended period before the first occurrence of work, with the work then repeating on a more frequent cycle, for example part of a fence first needs to be repaired after eight years and then requires additional repairs every four years as the fence continues to age.

d) The yearly expenditure columns show the work expenses which are forecast to occur in each year of the plan plus the estimated value of the work in that year.



**C. Current Condition Report:** The Current Condition Report contains our general assessment of the condition of the common property infrastructure for which a work requirement has been identified. Consistent with the requirements of section 77(f) of the Regulations, the condition report relates only to the "covered items". (These are defined as those items "that the strata company anticipates will require maintenance, repair, renewal or replacement in the period covered by the plan".)

a) In the "Condition" column, we have broadly assessed the condition using these three categories.

**Good:** appears reasonably new with few or no marks and little or no damage

**Fair:** is reasonably new but has notable marks and damage, or it appears midway through its life but is not notably marked or damaged

**Poor:** appears old enough to require replacement soon and/or is badly marked and damaged

If the condition assessment is for a group of items (such as light fittings) or for a maintenance item which applies to a large area or multiple locations (such as external facade painting), the condition assessment is based on the typical, over-all condition of the subject infrastructure.

For some work items, the reported condition is only for a relevant component of the infrastructure. For example, a condition assessment of "Poor" for wall painting applies only to the condition of the paintwork. It does not mean the walls are in poor structural condition.

This condition assessment and the work descriptions are intended only to assist you in understanding the basis on which we have calculated the reserve fund contributions shown in the Funding Plan. They are not designed to be used as a detailed specification for maintenance works or the basis of a formal maintenance program.

b) The "Installed" column shows the year the subject infrastructure was constructed/installed where this is known or can reasonably be assumed. For infrastructure components, the installed date may be the "installed" date for that component. For example, the "installed" date for wall painting will be the date the walls were last painted, not the date the walls were originally constructed.

**D. Recommended Lot Contributions for First 10 Years of Plan:** This table shows the Total Recommended Contribution for each year divided by the number of unit entitlements held by each lot. It is designed to show how the recommended contributions will affect the individual lots.

**E. Contributions Optimisation Chart:** The Contributions Optimisation Chart at the end of this report graphs how the recommended annual contributions relate to the estimated annual expenditure and the reserve fund balances over the full plan period. When calculating the recommended contributions, we:

- Ensure that there are always sufficient funds to meet the forecast requirements,
- Investigate the expected requirements over the full plan period, not just the first ten years,
- Take into account the need to recommence collecting funds for the next occurrence of cyclical expenses after a work item has occurred within the plan period,
- Try to achieve a steadily increasing recommended contribution,
- Ensure that the lot owners are not unduly contributing funds.

**F. Site Photographs:** The Site Photographs are intended to provide a general indication of the design and scope of the scheme infrastructure. They are not intended to be a comprehensive record of all the common property areas and items we inspected.

**G. Explanatory Notes:** The explanatory notes you are currently reading contain important information about this report. They explain the methods we used to identify and to estimate the included maintenance, repair, renewal

and replacement expenses. They also explain some of our underlying assumptions. This explanatory notes section will help you to understand the type of expenses included in the reserve fund 10 year plan. It will also help you to understand the type of expenses which may have been excluded and why.

#### **4.00 BASIS OF PLAN FORECASTS**

We have identified the major repair and replacement works of a foreseeable and cyclical nature which will be required during the forecast period to maintain the existing scheme infrastructure in good, on-going condition.

- a) Item lives, maintenance requirements, work cycles and expenses have been forecast in line with the standard requirements for a scheme of this nature and assume a typical level of usage and maintenance.
- b) Allowances for major/specialist plant and equipment have been based on typical industry experience unless we have been provided with installation-specific advice by your service contractors.
- c) Replacement allowances are based on physical obsolescence. This report does not include an assessment of the future requirement to replace or upgrade items due to economic, functional, technological, social or legal obsolescence.
- d) Work cost estimates are based on a like-with-like basis.
- e) Maintenance contract items and other expenses of a routine nature that are normally included in the Administrative budget are not included in this plan.

The cost allowances in this report are our best estimate of the likely future costs, based on the information available to us at this date. These cost estimates may be impacted by factors that cannot be reasonably foreseen at this time. Common examples of such factors include:

- associated remedial works being required,
- special access or scaffolding being required, or
- the strata company choosing to vary the repaired or replaced infrastructure.

Further, when competitive quotes are sought, there is normally a variation between the quoted prices.

For these reasons, we recommend that the strata company obtains competitive quotes for major work items (including external painting) at least twelve months in advance of the forecast work date.

#### **5.00 PLAN PERIOD & REVIEW TIMING**

The term 'Plan', shown on the Funding Plan page, refers to the period of time over which maintenance and repair costs are assessed.

Section 100(2A) of the Act says designated strata companies must have, at minimum, a 10 year plan. However, for practical reasons, it is industry standard in most states to use 15 year plans, which more accurately reflect mid-term maintenance expenses. A 15 year plan reduces the extent to which levies move up or down when your plan is updated. Unless instructed otherwise, we have prepared the minimum required 10 year plan.

This report includes only work items expected to occur during the plan period. Items of work forecast to occur at a date further into the future will be added later as part of the ongoing five-yearly plan update process.

Section 100(2A) of the Act requires designated strata companies to update their reserve fund 10 year plan "at least once each 5 years".

We strongly recommend that you have your plan reviewed more frequently than this if there are major changes to the scheme infrastructure. We also recommend that you have your plan reviewed if there are major variations in the

timing/scope of forecast work or in the forecast fund balances. Leary & Partners accepts no liability for funding short-falls if you fail to review the plan appropriately.

## **6.00 STRUCTURAL DEFECTS, REFURBISHMENTS & OTHER NON-CYCLICAL EXPENSES**

This report is limited to forecasting, for budgetary purposes, the timing and cost of major repair and replacement works that are of a typical foreseeable and cyclical nature.

- a) This is not a structural investigation report and does not cover expenditure that occurs, either directly or indirectly, as a result of major structural defects. This is not a detailed investigation of specialist services and does not cover expenditure that occurs, either directly or indirectly, as a result of specialist service faults (e.g. failures of lifts, air-conditioning or fire services). If we become aware of potential defects of these types during the course of our general inspection, we will advise you so that you can commission an investigation by the relevant specialist consultant.
- b) This report does not cover expenditure required as a result of accidental damage, which would typically be covered by an insurance policy.
- c) This report does not include an asbestos or a flammable material detection survey. If such materials are present, no allowance has been made for the cost of their removal. Similarly, no allowance has been made for the installation of systems required to safely manage their continued presence. Identifying the presence of such materials and the required management steps is a specialist service.
- d) This report is not a workplace health and safety or code compliance audit. If the scheme contains safety hazards or non-compliant infrastructure, no allowances have been made for the cost of remedial action. There are typically multiple ways in which such issues may be managed and the cost will vary depending on the option chosen by the strata company.
- e) Refurbishments undertaken for reasons other than physical obsolescence have not been included. Our reserve fund plan service does not include estimating the cost of upgrades or refurbishments that involve a significant variation of the existing design or finishes and fittings.

We will include an allowance for non-cyclical expenses of the above types if the strata company provides us with the budget costs and work dates. In some cases, we may include a provisional allowance for repairing a structural defect if we believe we have sufficient information to reasonably make such an assessment.

## **7.00 RESERVE FUND BALANCE**

The reserve fund balance at the commencement of this plan was provided by a representative of the strata company.

- If this report was calculated prior to the end of the strata company's financial year, the advised starting balance will have been estimated, based on the last known balance, expected contributions and anticipated expenses.
- If this report was prepared after the levies for the first year were set, there may be a variation between the actual levies collected and our Total Recommended Contributions in that first year.
- The strata company can adjust for resulting minor variations in fund balance when setting the contributions in each future year.

## **8.00 THE GOODS AND SERVICES TAX**

The estimated costs shown in the Estimated Expenditure table are GST inclusive. This means the amount shown in the Estimated Expenditures table is the amount we estimate you will be invoiced for the work.

If the strata company is a registered entity for GST purposes, we will include at the bottom of the Estimated Expenditure table the line item "Tax credit claim for GST component". This line item makes a balancing adjustment for the GST credit

amount, which registered strata schemes are entitled to claim back from the ATO. The GST credit is shown as a negative number because it reduces the total amount of money you must collect to fund the work in that year.

The Total Recommended Contributions shown on the Funding Plan page are the amounts which we recommend you deposit into the reserve fund account. If the strata company is a registered entity for GST purposes, it will normally be required to make a GST payment to the Australian Tax Office when it collects levies from the lot owners. Schemes which are registered for GST will need to add a 10% GST allowance to the Total Recommended Contribution before levying lot owners.

## **9.00 ANTICIPATED MISCELLANEOUS EXPENSES**

There is a range of non-routine capital expenses which it is reasonable to believe will occur during the forecast period but which it is not practical to show individually as line items in the Anticipated Expenditure table. Typically, these are:

- smaller value works such as touch-up painting or replacement of a light fitting outside the major replacement cycle, and/or
- works that have irregular timing frequencies (for example, infrequent repair call-outs on major equipment that is not covered by a comprehensive maintenance contract).

We have included an annual average allowance for these miscellaneous expenses in each forecast year. Like all the reserve fund expense allowances, this allowance should be reviewed regularly to ensure it remains appropriate for the ongoing requirements of the scheme.

The anticipated miscellaneous expense allowance is not intended to cover possible future expenses (such as structural defects and concrete cancer) when there is insufficient factual basis for us to reasonably assess them as being required during the forecast period. Nor is the allowance intended to cover the increased cost of other works due to unanticipated factors such as changes to the scope of works.

## **10.00 INSPECTION INFORMATION**

Please note the following information relating to this forecast.

- a) Our report is based on data collected on site at the date of inspection.
- b) The report has been prepared with reference to the strata plan. We have not been provided with architectural plans for the scheme.
- c) The recommendations in this report are based on a visual inspection of the scheme. We inspected those areas of the scheme which the inspector believed could be safely accessed and viewed using general pedestrian routes, without requiring specialist equipment or access into/through private lot areas. Inspection of locked common property areas was dependent on the required access being provided during the inspection. We did not inspect roof cavities, sub-floor areas (or other similarly enclosed areas). No physically destructive or intrusive testing was carried out.
- d) Assuming materials and workmanship were of a reasonable standard during construction, some infrastructure items should require only partial, ongoing replacement or repair during the plan period. For example, pickets on a timber fence may be replaced progressively for an extended period before the entire fence frame is replaced. For these items, allowance has been included for the ongoing, partial replacement or repair costs. (These allowances may change in future forecasts to reflect a greater maintenance requirement during future periods.) Depending on the age of the item, the plan may also include a line-item for the item's complete replacement.
- e) For some items we may have included an allowance to repair/replace a percentage of an item or items on a progressive basis (for example, light fittings) if it is reasonable to assume that all of the item or items will not be repaired or replaced at the same time.

- f) Allowances for the replacement of service infrastructure (such as pipework and electrical wiring) are provisional allowances only. The location of such service infrastructure and its condition could not be determined using an external visual inspection.
- g) Our inspection of roofs is limited to a visual inspection of the roof areas we can sight from the ground or areas we can safely access using permanent stairs/ladders without specialist safety equipment. Unless you provide additional information, our roofing allowances are based on typical roof lifecycle costs. We recommend that you undertake a roofing audit at periodic intervals and provide us with the resulting replacement recommendations (where applicable).
- h) Allowance has been made to paint only the previously painted surfaces.
  - If the common property maintenance includes the painting of lot buildings, the painting allowance includes external surfaces extending inside lot boundaries at locations such as balconies, patios or courtyards.
  - The allowance for painting does not include for special hoarding or other special safety provision that may be a requirement of the local council.