

30 HEATHER STREET, PARNELL, AUCKLAND 1052

BODY CORPORATE No. 349938

REPORT OF THE CHAIRMAN AND BUILDING MANAGER TO THE AGM – OCTOBER 2024

Introduction

This is our report to apartment owners for the 12 months to the end of August 2024.

Health and Safety (H&S)

- Building security
 - Several incidents of non-residents illegally entering the building led to:
 - Improved garage gate locks
 - Stronger front door lock (power upgraded)
 - Installation of light sensors in the garages
 - Significantly improved security as a result.
 - Our experience is common to many central and city fringe buildings.
 - Crimes reported to the police and the Parnell Business Association.
 - All residents are encouraged to play their part in maintaining a secure building.
- *HSNZProtect* independently assessed H&S risks in the common areas. Their advice was accepted in almost all cases, resulting in improved signing.
- Building warrant of fitness (BWoF) – annual inspection led to installation of emergency door release buttons (EDRs) from the garages into the building. Auckland Council conducted an audit of BWoF standards across the city. Unlike many buildings, we were deemed compliant.
- Emergency lighting – replacement batteries installed where necessary. New units to be installed in the next few months.

Building maintenance and improvements

Exterior:

- Annual building wash, including touch-up painting – year four of a seven-year contract.
- Rust repairs – the wall of a 3rd floor apartment balcony.
- Leaks – monitoring three units that have experienced occasional and minor leaks during severe weather (heavy rain but also strong wind).
- Scooter parking area – designated to avoid e-scooters being parked outside the front door.

Interior

- Door entry/intercom – installed an improved audio-visual system.
- Lift – enhancements: new ceiling incorporating softer lighting, new signing and floor covering.
- Lobby – new plants, dried flowers and freshly painted doors and table.
- Water supply – installed smart meters in July (benefits = remote reading, accuracy, sustainability and user-pays).

Long Term Maintenance Plan (LTMP)

New legislation requires that LTMPs be extended to a 30-year period. Plan Heaven provided an upgraded and extended Plan which the Committee recommends for acceptance.

Finances

The end of year position showed total funds of \$140.0k, comprising a surplus of \$15.1k in the Working Account, a Contingency fund of \$51.5k and a closing balance in the LTMP fund of \$73.1k. The latter represents a reduction of \$25k compared with last year, this being the result of the significant investments made in year (as detailed above). The Committee recommends that the Working Account surplus be moved to the Contingency Fund.

We manage and control routine expenditure tightly. In the year to 31st August 2024, Working Account expenditure was 6.5% less than budget. The most significant recurring features of the Working Account are:

- Repairs and maintenance (R&M) – in 2023-24 this came in at \$17k, once again well below the budget of \$30k. We are recommending that the budget be reduced to \$25k in 2023-24.
- Insurance – we have used the 2023 building valuation of \$25.8m (allowing for demolition, reinstatement and inflation) for insurance purposes. Our insurance premium has increased by 9.8% to \$42.9k (2023: \$38.9k). Four insurers were approached with two providing quotes. We have renewed the cover with Vero.
- Building Manager's fee – increased by CPI.
- Body Corp Manager (First Street's fee) – increased by CPI.
- Utilities – we have assumed electricity and water charges will again increase.

We are recommending a \$57.75k contribution to the LTMP Fund, in line with the new Plan.

The outcome is that owners' levies for the year to 31st August 2025, will be the same as last year.

Owners and residents

- Unit title – we explored some historic anomalies to title and parking issues affecting the building, but so far without consequence.
- *"What's happening?"* newsletter – further issues this year to keep everyone aware of activities.
- *"Things you need to know"* – our Rules are issued to new owners and tenants, along with this document, available to all owners on First Street's portal <https://www.firststreet.co.nz>
- Ownership – during the year, one apartment changed hands. Of the 21 units, 12 were occupied by owners or their relatives at the end of the period.
- Tenants – we rely on owners choosing tenants carefully; and on letting agents¹ briefing tenants correctly. We continue to believe that short-term tenancies are inappropriate for our building, principally because of the increased security risk, leading to higher insurance costs.

Body Corporate (BC)

- Committee Members – our thanks for giving their time to ensure the BC operates effectively.
- First Street (BC Manager) – we are grateful for the level of service, support and guidance.
- We have a duty to preserve and, as far as possible, to enhance the condition of our building. We continue to act in pursuit of two key objectives, i.e. to ensure that:
 - 30 Heather Street is a wonderful place to live; and that
 - apartment ownership represents a sound and attractive investment.
- The last twelve months have seen many improvements. We believe that the building is well maintained and operated.

Richard Cuthbert
Body Corporate Chairman

Craig Bong
Building Manager

16th October 2024

¹ The Body Corp can advise owners and recommend letting agents – companies that know the building and who employ experienced staff.