



# Long-Term Maintenance Plan

21 Hunters Park Drive

Three Kings 1042

Unit Plan 326889



## Report details

Inspection date:	13/07/2022
Inspector:	Mark Donnelly



3/08/2022

The Body Corporate Committee

21 Hunters Park Drive  
Three Kings 1042

Dear Committee Members,

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

Based on our survey of your property's maintenance needs, we recommend that the long-term maintenance fund levies be set at the levels 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 Utility Interest (Total long term maintenance fund levy divided by utility interests)	\$7.70
Total Utility Interests	10000
Total Long Term Maintenance Fund Levy	\$77,000.00

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:

Report Index	Page No.
<b>Owners Report Summary</b>	<b>Section 1</b>
Building Details and Report Inputs Page	2
15 Year Cash Flow Tracking & Graph with New Levies	3
<b>Report Detail</b>	<b>Section 2</b>
15 Year Anticipated Expenditure Table	4
Building Data List from Property Inspection	6
Inspector's Building Report & Building Specific Report Notes	12
Report Notes	13

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Yours sincerely,



The Team at Solutions in Engineering

## Building Details & Report Inputs Supplied information

Building Address	21 Hunters Park Drive Three Kings 1042
Unit Plan No.	326889
Plan Type	Unit Plan
Registered Plan Date/Year of Construction	Reg. 2003
Number of Utility Interests	10000
Number of Units	92
Estimated Long Term Maintenance Fund Balance	\$0
Starting date of Financial Year for Report	1/10/2022
GST Status	Not Registered for GST
Current Long-Term Maintenance Levy per Utility interests	\$0.00

## Report assumptions & information

Assumed Interest Rate on invested funds (For funds over \$10,000) Years 1 - 3	1.70%
Assumed Interest Rate on invested funds (For funds over \$10,000) Years 4 - 15	3.00%
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 - Years 1 - 3	1.22%
Interest on Invested Funds – Based on Assumed Interest Rate minus Company Taxation Rate. Calculated only on Long Term Maintenance Fund balances over \$10,000 - Years 4 - 15	2.16%
Contingency Allowance - For minor and/or unforeseen expenses	8%
Assumed Rate of Inflation for Building Maintenance Costs - Based on average annual building cost increase over the past five years.	3.00%
Forecast Period - Number of years the forecasts	15 years

## 15 Year Levy Table

Year	Year To	Total Contribution	Contribution per Utility Interest	Quarterly Contribution
1	30/09/2023	77,000.00	7.70	1.93
2	30/09/2024	79,310.00	7.93	1.98
3	30/09/2025	52,000.00	5.20	1.30
4	30/09/2026	53,560.00	5.36	1.34
5	30/09/2027	55,166.80	5.52	1.38
6	30/09/2028	56,821.80	5.68	1.42
7	30/09/2029	58,526.45	5.85	1.46
8	30/09/2030	60,282.24	6.03	1.51
9	30/09/2031	62,090.71	6.21	1.55
10	30/09/2032	63,953.43	6.40	1.60
11	30/09/2033	65,872.03	6.59	1.65
12	30/09/2034	67,848.19	6.78	1.70
13	30/09/2035	69,883.64	6.99	1.75
14	30/09/2036	71,980.15	7.20	1.80
15	30/09/2037	74,139.55	7.41	1.85

### 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 (Inc. GST)	Closing Balance
1	30/09/2023	0.00	77,000.00	321.47	24,300.00	53,021.47
2	30/09/2024	53,021.47	79,310.00	598.60	87,222.00	45,708.07
3	30/09/2025	45,708.07	52,000.00	757.08	19,305.00	79,160.15
4	30/09/2026	79,160.15	53,560.00	1,897.14	36,219.00	98,398.29
5	30/09/2027	98,398.29	55,166.80	1,558.60	107,649.00	47,474.69
6	30/09/2028	47,474.69	56,821.80	1,133.09	46,855.00	58,574.58
7	30/09/2029	58,574.58	58,526.45	1,662.60	21,731.00	97,032.63
8	30/09/2030	97,032.63	60,282.24	1,565.62	109,383.00	49,497.49
9	30/09/2031	49,497.49	62,090.71	1,490.74	23,054.00	90,024.94
10	30/09/2032	90,024.94	63,953.43	1,922.96	65,951.00	89,950.33
11	30/09/2033	89,950.33	65,872.03	1,580.40	99,439.00	57,963.76
12	30/09/2034	57,963.76	67,848.19	1,340.20	59,683.00	67,469.15
13	30/09/2035	67,469.15	69,883.64	1,931.87	25,945.00	113,339.66
14	30/09/2036	113,339.66	71,980.15	1,857.78	126,643.00	60,534.59
15	30/09/2037	60,534.59	74,139.55	1,457.21	60,282.00	75,849.35

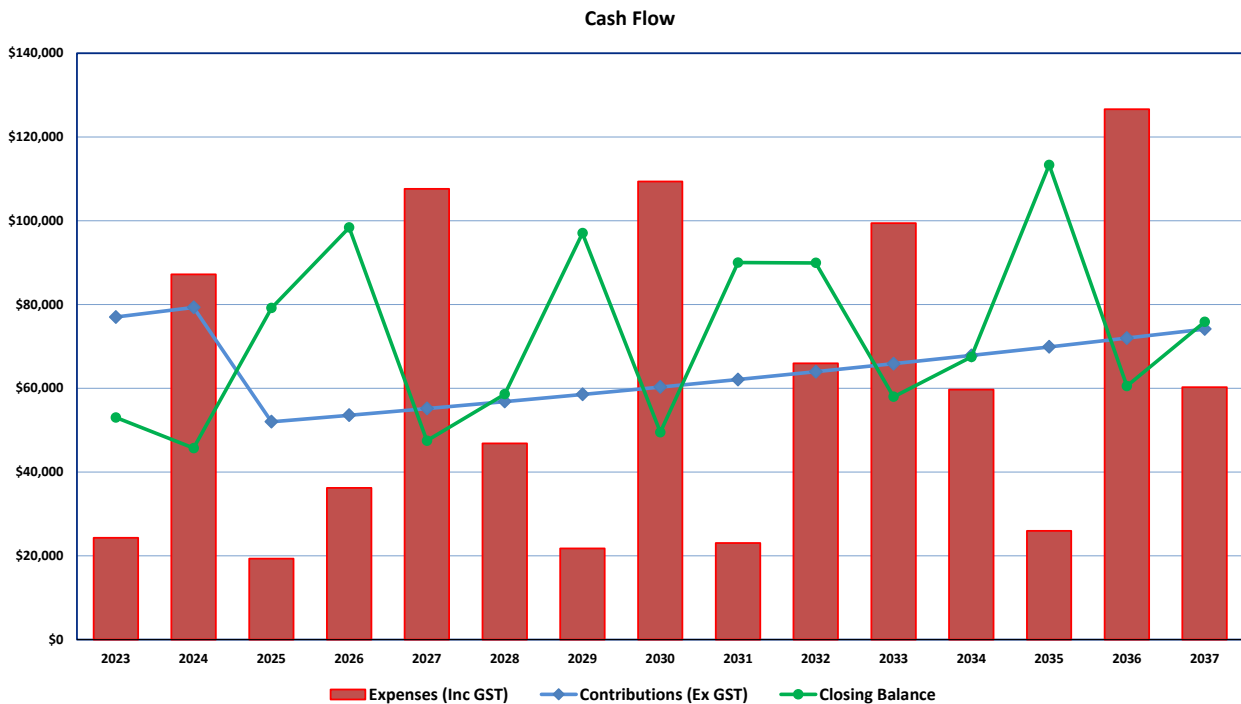
### 15 Year Cash Flow Graph

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 (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 (2023)	Year 2 (2024)	Year 3 (2025)	Year 4 (2026)	Year 5 (2027)	Year 6 (2028)	Year 7 (2029)	Year 8 (2030)	Year 9 (2031)	Year 10 (2032)	Year 11 (2033)	Year 12 (2034)	Year 13 (2035)	Year 14 (2036)	Year 15 (2037)
<b>1. PROPERTY EXTERIOR</b>																
Building wash - soft chemical wash recommended	14,700	-	15,141	15,595	16,063	16,545	17,041	17,553	18,079	18,622	19,180	19,756	20,348	20,959	21,587	22,235
Repaint elevations - average block size 832 m2 - programmed painting cycle	37,800	-	38,934	-	-	42,544	-	-	46,489	-	-	50,800	-	-	55,511	-
Trim and detail painting - extra value painting @ 10% of elevations	3,780	-	3,893	-	-	4,254	-	-	4,649	-	-	5,080	-	-	5,551	-
<b>Sub Total (Incl. GST)</b>		<b>0</b>	<b>57,968</b>	<b>15,595</b>	<b>16,063</b>	<b>63,343</b>	<b>17,041</b>	<b>17,553</b>	<b>69,217</b>	<b>18,622</b>	<b>19,180</b>	<b>75,636</b>	<b>20,348</b>	<b>20,959</b>	<b>82,649</b>	<b>22,235</b>
<b>2. WORK AT HEIGHTS ACCESS</b>																
Elevating working platforms - methods to elevations by contractor - exterior	10,080	-	10,382	-	-	11,345	-	-	12,397	-	-	13,547	-	-	14,803	-
<b>Sub Total (Incl. GST)</b>		<b>0</b>	<b>10,382</b>	<b>0</b>	<b>0</b>	<b>11,345</b>	<b>0</b>	<b>0</b>	<b>12,397</b>	<b>0</b>	<b>0</b>	<b>13,547</b>	<b>0</b>	<b>0</b>	<b>14,803</b>	<b>0</b>
<b>3. ROOFING</b>																
Roof covering - metal repairs and cleaning (total: 4350 m2) -5% (new roofing)	20,051	-	-	-	-	22,568	-	-	-	-	26,162	-	-	-	-	30,329
Flashing repairs and roof inspections	3,500	-	3,605	-	3,825	-	4,057	-	4,305	-	4,567	-	4,845	-	5,140	-
Gutter repairs and clean-outs	3,000	-	3,090	-	3,278	-	3,478	-	3,690	-	3,914	-	4,153	-	4,406	-
Rain heads, down pipes and roof-drains clean-outs	2,000	-	2,060	-	2,185	-	2,319	-	2,460	-	2,610	-	2,768	-	2,937	-
<b>Sub Total (Incl. GST)</b>		<b>0</b>	<b>8,755</b>	<b>0</b>	<b>9,288</b>	<b>22,568</b>	<b>9,854</b>	<b>0</b>	<b>10,455</b>	<b>0</b>	<b>37,253</b>	<b>0</b>	<b>11,766</b>	<b>0</b>	<b>12,483</b>	<b>30,329</b>
<b>4. DRIVEWAY AND WALKWAY</b>																
Drainage maintenance - allowance	1,400	-	1,442	-	1,530	-	1,623	-	1,722	-	1,827	-	1,938	-	2,056	-
Driveway - Concrete surface repair (total: 2800 m2) -5%	9,232	-	-	-	-	-	10,702	-	-	-	-	-	12,779	-	-	-
Line marking repaint	1,040	-	-	-	-	-	1,206	-	-	-	-	-	-	-	1,527	-
Driveway - surface signage repaint	400	-	-	-	-	-	464	-	-	-	-	-	-	-	587	-
Security gate repairs or future replacement funding	400	-	412	424	437	450	464	478	492	507	522	538	554	570	587	605

Expenditure Item	Current Cost	Year 1 (2023)	Year 2 (2024)	Year 3 (2025)	Year 4 (2026)	Year 5 (2027)	Year 6 (2028)	Year 7 (2029)	Year 8 (2030)	Year 9 (2031)	Year 10 (2032)	Year 11 (2033)	Year 12 (2034)	Year 13 (2035)	Year 14 (2036)	Year 15 (2037)
Security gate motor repairs or future replacement funding	550	-	567	584	601	619	638	657	676	697	718	739	761	784	808	832
<b>Sub Total (Incl. GST)</b>		<b>0</b>	<b>2,420</b>	<b>1,007</b>	<b>2,568</b>	<b>1,069</b>	<b>15,097</b>	<b>1,135</b>	<b>2,890</b>	<b>1,204</b>	<b>3,067</b>	<b>1,277</b>	<b>16,032</b>	<b>1,354</b>	<b>5,565</b>	<b>1,437</b>
<b>5. FENCING</b>																
Common and boundary fence repairs (total: 290 lm) -10%	2,740	-	-	-	2,994	-	-	-	3,370	-	-	-	3,793	-	-	-
<b>Sub Total (Incl. GST)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>2,994</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,370</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,793</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>6. ELECTRICAL</b>																
Light fitting maintenance - common systems only - allowance	200	-	206	212	219	225	232	239	246	253	261	269	277	285	294	303
Electrical maintenance - common systems only - allowance	400	-	412	424	437	450	464	478	492	507	522	538	554	570	587	605
Security system upgrades - common systems only - allowance for ongoing	1,200	-	-	-	1,311	-	-	-	1,476	-	-	-	1,661	-	-	-
<b>Sub Total (Incl. GST)</b>		<b>0</b>	<b>618</b>	<b>636</b>	<b>1,967</b>	<b>675</b>	<b>696</b>	<b>717</b>	<b>2,214</b>	<b>760</b>	<b>783</b>	<b>807</b>	<b>2,492</b>	<b>855</b>	<b>881</b>	<b>908</b>
<b>7. WATER</b>																
Plumbing maintenance - common systems only - allowance	600	-	618	637	656	675	696	716	738	760	783	806	831	855	881	908
<b>Sub Total (Incl. GST)</b>		<b>0</b>	<b>618</b>	<b>637</b>	<b>656</b>	<b>675</b>	<b>696</b>	<b>716</b>	<b>738</b>	<b>760</b>	<b>783</b>	<b>806</b>	<b>831</b>	<b>855</b>	<b>881</b>	<b>908</b>
<b>8. SPECIAL EXPENDITURES</b>																
Speed moderation systems 2022	20,000	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security upgrade 2022	2,500	2,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub Total (Incl. GST)</b>		<b>22,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (Incl. GST)</b>		<b>22,500</b>	<b>80,761</b>	<b>17,875</b>	<b>33,536</b>	<b>99,675</b>	<b>43,384</b>	<b>20,121</b>	<b>101,281</b>	<b>21,346</b>	<b>61,066</b>	<b>92,073</b>	<b>55,262</b>	<b>24,023</b>	<b>117,262</b>	<b>55,817</b>
<b>Contingency Allowance (Incl. GST)</b>		<b>1,800</b>	<b>6,461</b>	<b>1,430</b>	<b>2,683</b>	<b>7,974</b>	<b>3,471</b>	<b>1,610</b>	<b>8,102</b>	<b>1,708</b>	<b>4,885</b>	<b>7,366</b>	<b>4,421</b>	<b>1,922</b>	<b>9,381</b>	<b>4,465</b>
<b>Grand Total Expenses (Incl. Contingency Allowance and GST)</b>		<b>24,300</b>	<b>87,222</b>	<b>19,305</b>	<b>36,219</b>	<b>107,649</b>	<b>46,855</b>	<b>21,731</b>	<b>109,383</b>	<b>23,054</b>	<b>65,951</b>	<b>99,439</b>	<b>59,683</b>	<b>25,945</b>	<b>126,643</b>	<b>60,282</b>

## Building Data List from the Property Inspection for Unit Plan 326889

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 the item after it is replaced, repaired or reed.

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

Items	Qty	Unit	Rate (\$)	Value (\$)	Next Due	Total Life	Comments
<b>1. PROPERTY EXTERIOR</b>							
Building wash - soft chemical wash recommended	8400	m2	1.75	14,700.00	2	1	Quotation required
Repaint elevations - average block size 832 m2 - programmed painting cycle	840	m2	45.00	37,800.00	2	3	Quotation required
Trim and detail painting - extra value painting @ 10% of elevations	840	m2	4.50	3,780.00	2	3	Quotation required
<b>2. WORK AT HEIGHTS ACCESS</b>							
Elevating working platforms - methods to elevations by contractor - exterior	840	m2	12.00	10,080.00	2	3	Quotation required
<b>3. ROOFING</b>							
Roof covering - metal repairs and cleaning (total: 4350 m2) -5% (new roofing)	217	m2	92.40	20,051.00	5	5	Future funding or repair as required
Flashing repairs and roof inspections	50	Item	70.00	3,500.00	2	2	Ongoing maintenance program
Gutter repairs and clean-outs	50	Item	60.00	3,000.00	2	2	Ongoing maintenance program
Rain heads, down pipes and roof-drains clean-outs	50	Item	40.00	2,000.00	2	2	Ongoing maintenance program
<b>4. DRIVEWAY AND WALKWAY</b>							
Drainage maintenance - allowance	2	Item	700.00	1,400.00	2	2	Ongoing maintenance program
Driveway - Concrete surface repair (total: 2800 m2) -5%	140	m2	65.94	9,232.00	6	6	Future funding or repair as required
Line marking repaint	130	lm	8.00	1,040.00	6	8	Repaint as required
Driveway - surface signage repaint	2	Item	200.00	400.00	6	8	Repaint as required
Security gate repairs or future replacement funding	1	ea	400.00	400.00	2	1	Future funding or repair as required
Security gate motor repairs or future replacement funding	1	ea	550.00	550.00	2	1	Future funding or repair as required
<b>5. FENCING</b>							
Common and boundary fence repairs (total: 290 lm) -10%	29	lm	94.47	2,740.00	4	4	Ongoing maintenance program
<b>6. ELECTRICAL</b>							
Light fitting maintenance - common systems only - allowance	1	Item	200.00	200.00	2	1	Ongoing maintenance program
Electrical maintenance - common systems only - allowance	1	Item	400.00	400.00	2	1	Ongoing maintenance program

Items	Qty	Unit	Rate (\$)	Value (\$)	Next Due	Total Life	Comments
Security system upgrades - common systems only - allowance for ongoing	1	Item	1,200.00	1,200.00	4	4	Upgrade as required
<b>7. WATER</b>							
Plumbing maintenance - common systems only - allowance	1	Item	600.00	600.00	2	1	Ongoing maintenance program
<b>8. SPECIAL EXPENDITURES</b>							
Speed moderation systems 2022	1	Item	20,000.00	20,000.00	1	0	At request of BC
Security upgrade 2022	1	Item	2,500.00	2,500.00	1	0	At request of BC




# Building Photo Section

Item Group	Photo
Property Exterior	 <p>The 'Photo' column contains four vertically stacked images of a modern residential building. The top image shows a parking area with several cars parked under a dark canopy structure, with the building's facade in the background. The second image is a close-up of the building's exterior, showing grey and orange panels and a white garage door. The third image shows a view of the building from a distance, featuring palm trees and a fence in the foreground. The bottom image shows a side view of the building with a balcony and a white garage door.</p>

Item Group	Photo
Work At Heights Access	 <p>The 'Photo' column contains four vertically stacked images. The top image shows a close-up of a building's exterior with a white door and a window, with a wooden walkway in the foreground. The second image shows a street-level view of a building with several white garage doors and palm trees. The third image shows a wider view of a multi-story building with a garage at the ground level. The bottom image shows a residential-style building with a gabled roof and a carport, with a white car parked in the foreground.</p>

Item Group	Photo
Driveway And Walkway	 <p>The 'Photo' column contains four images illustrating driveway and walkway issues:</p> <ul style="list-style-type: none"><li>The top image shows a close-up of a red metal manhole cover on a cracked asphalt driveway next to some green plants.</li><li>The second image shows a long, narrow, paved walkway or driveway between a building and a fence, with some vegetation on the left.</li><li>The third image shows a driveway with white painted lines and the word 'VISITOR' written twice on the asphalt.</li><li>The bottom image shows a curved driveway with a yellow double line on the right side and a white arrow pointing forward.</li></ul>

Item Group	Photo
Electrical	



## Inspector's Report for Unit Title Plan 326889

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1. **INFLATION** - 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 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 be updated every 3 years to ensure that it captures market variations and any changes to the property itself.
3. **HARSH ENVIRONMENT** - A harsh environment can shorten the service life of many items and will lead to accelerated wear and tear on a wide range of surfaces and materials. Any signs of corrosion or deterioration should be assessed and rectified as soon as possible.
4. **PAINT QUOTATIONS** - 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. The costs estimated for painting are as accurate as possible but will vary from actual painting quotations.
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. **ELEVATING WORKING PLATFORMS** - 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.
7. **SURFACE CLEANING** - Surface cleaning may be carried out using high pressure water or a chemical wash. Care should be taken to meet relevant water restrictions.
8. **BOUNDARY FENCES OR WALLS** - Maintenance of fences or walls between properties is regulated under the Neighbourhood Disputes (Dividing Fences and Trees) Act 2011, which states that neighbours have equal responsibility for dividing fences or walls (excluding retaining walls). As such, a 50% rate has been used for all maintenance work on boundary fences or walls.
9. **METAL ROOFS** - Metal roofs may have a service life of 60 years or more with proper care and maintenance.
10. **WATERPROOFING** - Waterproofing requires regular maintenance and replacement.

## 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:-*

#### *116 Long-term maintenance plans*

- (1) A body corporate must establish and regularly maintain a long-term maintenance plan.*
- (2) A long-term maintenance plan must cover a period of at least 10 years from the date of the plan or the last review of the plan.*
- (3) The purpose of a long-term maintenance plan is to –*
  - (a) Identify future maintenance requirements and estimate the costs involved; and*
  - (b) Support the establishment and management of the funds; and*
  - (c) Provide a basis for the levying of owners of principal units; and*
  - (d) Provide ongoing guidance to the body corporate to assist it in making its annual maintenance decisions.*

#### *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.*
- (2) A body corporate must carry out a review of its plan once every 3 years.*
- (3) Subject to subclause (2), a body corporate may carry out a review of its plan as frequently as it considers necessary.*

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