

CAPITAL REPLACEMENT FUND

LAKES RESIDENTIAL RETIREMENT VILLAGE

at

33 EMILY STREET INNISFAIL

L&P Job No. 42659/64888

Prepared by L&P Quantity Surveyor

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SUMMARY OF EXPECTED REQUIREMENTS

15 YEAR PLAN 15 YEAR FORECAST: Starting July 2020

for

LAKES RESIDENTIAL RETIREMENT VILLAGE

Prepared by Leary & Partners Pty Ltd - Job No. 42659

Dated : 07 May 2020

For the 12 month period ending	Expected Requirements
30/06/2021	\$146,722
30/06/2022	\$155,440
30/06/2023	\$121,441
30/06/2024	\$133,693
30/06/2025	\$151,234
30/06/2026	\$117,967
30/06/2027	\$115,596
30/06/2028	\$117,398
30/06/2029	\$133,200
30/06/2030	\$137,427
30/06/2031	\$109,096
30/06/2032	\$800,401
30/06/2033	\$123,832
30/06/2034	\$158,108
30/06/2035	\$119,480

We were advised that this scheme is registered for GST.

Expected Inflation	5.00%
Contingency	10.00%

PREAMBLE CLAUSES**1.00 LEARY AND PARTNERS**

Leary & Partners is an independent Quantity Surveying firm with no affiliation to this retirement village.

2.00 PURPOSE OF CAPITAL REPLACEMENT FUND

The purpose of this report is to enable the retirement village to make adequate monetary provision for future capital replacements in accordance with the requirements of the relevant legislation.

3.00 LEGISLATION

This survey has been prepared with reference to the Retirement Villages Act. It does not take into account the impact of future changes to this legislation or to other relevant legislation (eg. The Work Place Health and Safety Legislation).

Amendments to the Retirement Village Act 1999 which potentially affect the Maintenance Reserve Fund and Capital Replacement Fund budgets commenced on 1 February 2019. There appears to be uncertainty about how some of the amendments will be interpreted/applied. This report reflects our understanding of the Act as it applies post 1 February 2019, based on currently available industry advice. We advise that it is possible that changes in this advice and/or future legislative/policy amendments may require us to amend the advice contained in this report. It is our expectation that any such amendment will be done when this report is updated for the 2020/2021 financial year.

Allowances in this report for unit reinstatement are only for the operator's contribution towards reinstatement expenses associated with "current resident contracts" (pre 1 February 2019 contract).

4.00 THE GOODS AND SERVICES TAX

This report was produced for an entity required to be registered for the GST. The cost estimates allow for indirect increases to the base cost of materials and labour due to the introduction of the GST, but excludes the GST imposed on maintenance and repair works undertaken by the village operator.

5.00 BASIS OF FORECAST

Expenses have been forecast in line with the standard requirements for a building of this nature and assume a typical level of usage and maintenance.

6.00 STRUCTURAL DEFECTS AND OBSOLESCENCE

This is not a structural report and does not cover expenditure that occurs either directly or indirectly as a result of structural defects. It does not cover expenditure as a result of accidental damage. An asbestos detection survey has not been undertaken and no allowance has been made for removal of asbestos.

Physical obsolescence is the basis by which the remaining and overall lives have been investigated. No allowance has been made for economic, functional, technological, social, and legal obsolescence.

7.00 MAINTENANCE RESERVE FUND ITEMS NOT INCLUDED

The cost of maintenance items have not been included in this forecast.

8.00 ANTICIPATED MISCELLANEOUS EXPENSES

There is a range of non-recurrent 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 Expected Requirements table. Typically these are smaller value works and/or works that have irregular timing frequencies (for example, repair call-outs on major equipment not covered by comprehensive maintenance contracts). We have included an averaged annual allowance for these in each year.

The anticipated miscellaneous expenses allowance is not intended to cover possible future expenses (such as structural defects or concrete cancer) when there is not sufficient 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.

9.00 FORECAST PERIOD

This report is calculated to run from the date stated on the cover page, in twelve-month periods.

10.00 EXPLANATION OF ABBREVIATIONS

The capital replacement fund forecast uses the following abbreviations :

FR: First Replacement

RC: Replacement Cycle

1U: 1 Unit (change number to reflect number of units in budget)

11.00 PLAN AND FORECAST PERIOD

11.01 The term 'plan', shown on the first page of this report, refers to the period for which levies have been calculated.

11.02 The term 'forecast', shown on the first page of this report, refers to the period of time over which maintenance and repair costs are assessed.

11.03 Items with an expected overall life greater than the forecast period have not been included.

12.00 INSPECTION INFORMATION

Please note the following information relating to this forecast.

12.01 Our report is based on the following :

- data collected on site at the date of inspection
- the previous forecast provided by Leary & Partners

12.02 Supplementary architectural drawings were not provided during the survey preparation.

12.03 The recommendations in this report are based on a visual inspection of the development undertaken from the ground level and accessible building areas. No physically destructive or intrusive testing was carried out.

12.04 The item included in the forecast for the replacement of underground pipework is a contingency allowance only. The location of the pipework and its condition were unable to be determined. Drainage documentation was not available at the time of our survey.

12.05 Where the resident's contract was entered into prior to the 1 July 2000 we are advised that the village operator is responsible for 100% of the reinstatement costs for items inside the units. The cost allowances are for this percentage of the total reinstatement cost. In this report the following items have been adjusted to allow for this reinstatement cost:

Reinstate unit (1U)

Typical reinstatement allows for items such as:

- touch up Paint
- paint all internal surfaces
- replace carpet
- replace vinyl
- replace hot water system
- other general reinstatement costs

Reinstate unit (extra for-2U)

Typical extra for reinstatement allows for items such as:

- replace kitchen cupboards
- upgrade bathroom furniture & fittings
- replace cooking appliances
- replace electrical fittings
- add air conditioning system

12.06 Our inspection of roofs is limited to a visual inspection of the roof areas we can sight from the ground or general pedestrian areas. 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).

12.07 Assuming materials and workmanship were of a reasonable standard during construction, the following items should generally require only minor repairs. Thus unless otherwise noted, an estimated percentage of the total quantity has been included for the following :

- replacing clothes lines
- replacing gardening equipment
- replacing bollard lights
- replacing underground pipework
- replacing security lights
- replacing concrete garden edges
- replacing standard light fittings
- replacing skylights
- replacing air conditioners
- replacing electric hot water unit
- replacing smoke alarms
- replacing door hardware
- replacing television aerial
- replacing eaves gutters
- replacing downpipes
- replacing door frame
- replacing wall oven
- replacing cooktops
- replacing aluminium window hardware
- replacing rangehood
- replacing vinyl floor covering

We recommend the status of these items be reviewed at regular intervals.

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	Area	Description	Unit	Qty.	Rate	Yrs	Yrs	30/06/21	30/06/22	30/06/23	30/06/24	30/06/25	30/06/26	30/06/27	30/06/28	30/06/29	30/06/30
								1	2	3	4	5	6	7	8	9	10
#1	External	Replace pergola roof structure	Item		28,753	1	1	29,688	31,173	32,731	34,368	36,086	37,891	39,785	41,774	43,863	46,056
#2	External	Replace clothes lines (approx 10%)	No.	3	330	1	4	1,023				1,244					1,512
#3	External	Replace gardening equipment (approx 20%)	Item		970	1	2	1,001		1,104		1,217		1,342			1,479
#4	External	Replace underground pipework (approx. 10%)	Item		7,437	2	8		8,062								11,912
#5	External	Replace letterboxes	No.	30	132	2	15		4,298								
#6	External	Replace security lights (approx 50%)	No.	8	164	2	8		1,425								2,105
#7	External	Replace bollard lights (approx. 15%)	No.	3	408	2	2		1,325		1,461		1,611		1,776		1,958
#8	External	Replace concrete garden edges (approx 50%)	m	38	33	3	12			1,429							
#9	External	Replace external light fittings	No.	3	260	3	5			887					1,132		
#10	External	Replace letterbox numbers & letters	No.	30	21	4	10				738						
#11	External	Replace village signage	Item		1,520	5	15					1,907					
#12	QS fee	Quantity Surveyor fee (extra for inspect)	Item		1,387	1	3	1,432			1,658			1,919			2,221
#13	QS fee	Quantity Surveyor fee (non-inspect)	Item		490	1	1	506	531	558	586	615	646	678	712	748	785
#14	Reinstatement	Reinstate unit - major refurbishment (2 units)(Pre amended Act contracts)	Item		92,452	1	1	86,277	77,650	69,885	62,896	56,607	50,946	45,851	41,266	37,140	33,426
#15	Reinstatement	Reinstate unit - general refurbishment (1 unit)(Pre amended Act contracts)	Item		973	1	1	908	817	736	662	596	536	483	434	391	352
#16	Units	Replace standard light fittings (approx. 10%)	No.	21	178	1	3	3,869			4,478			5,184			6,001
#17	Units	Replace skylights (approx 5%)	No.	2	1,123	1	1	2,320	2,436	2,558	2,685	2,820	2,961	3,109	3,264	3,427	3,599
#18	Units	Replace air conditioners (approx 2.5%)	No.	1	1,811	1	1	1,869	1,963	2,061	2,164	2,272	2,386	2,505	2,631	2,762	2,900
#19	Units	Replace electric hot water unit (approx. 2.5%)	No.	1	1,566	1	1	1,617	1,698	1,783	1,872	1,966	2,064	2,167	2,275	2,389	2,509
#20	Units	Replace smoke alarms (approx. 10%)	No.	4	389	1	1	1,608	1,688	1,773	1,861	1,954	2,052	2,155	2,262	2,375	2,494
#21	Units	Replace door hardware (approx. 5%)	No.	3	469	1	1	1,453	1,526	1,602	1,682	1,766	1,855	1,948	2,045	2,147	2,255
#22	Units	Replace television aerial (approx 5%)	No.	1	998	1	1	1,030	1,082	1,136	1,193	1,252	1,315	1,381	1,450	1,522	1,598
#23	Units	Replace ceiling fans	Item		852	1	1	879	923	969	1,018	1,069	1,122	1,178	1,237	1,299	1,364
#24	Units	Replace WC	No.	1	773	1	1	798	838	880	924	970	1,019	1,070	1,123	1,179	1,238
#25	Units	Replace eaves gutters (approx. 30%)	m	142	67	2	12		10,300								
#26	Units	Replace downpipes (approx. 30%)	m	47	79	2	12		4,029								
#27	Units	Replace door frame (approx. 5%)	No.	3	756	2	2		2,458		2,710		2,988		3,294		3,632
#28	Units	Replace wall oven (approx. 2.5%)	No.	1	1,382	2	2		1,499		1,652		1,822		2,008		2,214
#29	Units	Replace cooktops (approx. 2.5%)	No.	1	940	2	2		1,019		1,124		1,239		1,366		1,506
#30	Units	Replace aluminium window hardware (approx. 10%)	No.	8	101	2	2		873		963		1,062		1,170		1,290
#31	Units	Replace rangehood (approx. 2.5%)	No.	1	479	2	2		519		572		631		695		766
#32	Units	Replace vinyl floor covering (approx. 5%)	m2	42	112	4	5				5,626					7,181	
#33	Units	Replace quarry tiles to unit entrances	Item		31,185	5	One off					39,139					
#34	Units	Replace metal roof sheeting	m2	4,523	94	12	One off										
#35	Vehicles	Replace ride on mower	Item		12,469	1	8	12,875									19,022
#36		Tax credit claim for GST component						-14,672	-15,544	-12,144	-13,369	-15,123	-11,797	-11,560	-11,740	-13,320	-13,743
		Contingency						12,239	12,851	13,494	14,168	14,877	15,621	16,402	17,222	18,083	18,987
Total								146,722	155,440	121,441	133,693	151,234	117,967	115,596	117,398	133,200	137,427

ESTIMATED EXPENDITURE			12 mths ending	12 mths ending	12 mths ending	12 mths ending	12 mths ending
Item	Area	Description	30/06/31	30/06/32	30/06/33	30/06/34	30/06/35
			11	12	13	14	15
#1	External	Replace pergola roof structure	48,359	50,777	53,316	55,982	58,781
#2	External	Replace clothes lines (approx 10%)			1,838		
#3	External	Replace gardening equipment (approx 20%)	1,631		1,798		1,983
#4	External	Replace underground pipework (approx. 10%)					
#5	External	Replace letterboxes					
#6	External	Replace security lights (approx 50%)					
#7	External	Replace bollard lights (approx. 15%)		2,159		2,380	
#8	External	Replace concrete garden edges (approx 50%)					2,567
#9	External	Replace external light fittings			1,444		
#10	External	Replace letterbox numbers & letters				1,202	
#11	External	Replace village signage					
#12	QS fee	Quantity Surveyor fee (extra for inspect)			2,571		
#13	QS fee	Quantity Surveyor fee (non-inspect)	825	866	909	954	1,002
#14	Reinstatement	Reinstate unit - major refurbishment (2 units)(Pre amended Act contracts)	30,083	27,075	24,367	21,931	19,737
#15	Reinstatement	Reinstate unit - general refurbishment (1 unit)(Pre amended Act contracts)	317	285	256	231	208
#16	Units	Replace standard light fittings (approx. 10%)			6,947		
#17	Units	Replace skylights (approx 5%)	3,779	3,968	4,166	4,374	4,593
#18	Units	Replace air conditioners (approx 2.5%)	3,045	3,197	3,357	3,525	3,701
#19	Units	Replace electric hot water unit (approx. 2.5%)	2,634	2,766	2,904	3,049	3,202
#20	Units	Replace smoke alarms (approx. 10%)	2,619	2,750	2,887	3,032	3,183
#21	Units	Replace door hardware (approx. 5%)	2,367	2,486	2,610	2,740	2,877
#22	Units	Replace television aerial (approx 5%)	1,678	1,762	1,850	1,943	2,040
#23	Units	Replace ceiling fans	1,432	1,504	1,579	1,658	1,741
#24	Units	Replace WC	1,300	1,365	1,434	1,505	1,581
#25	Units	Replace eaves gutters (approx. 30%)				18,498	
#26	Units	Replace downpipes (approx. 30%)				7,236	
#27	Units	Replace door frame (approx. 5%)		4,004		4,415	
#28	Units	Replace wall oven (approx. 2.5%)		2,441		2,691	
#29	Units	Replace cooktops (approx. 2.5%)		1,660		1,830	
#30	Units	Replace aluminium window hardware (approx. 10%)		1,423		1,569	
#31	Units	Replace rangehood (approx. 2.5%)		845		932	
#32	Units	Replace vinyl floor covering (approx. 5%)				9,164	
#33	Units	Replace quarry tiles to unit entrances					
#34	Units	Replace metal roof sheeting		748,176			
#35	Vehicles	Replace ride on mower					
#36		Tax credit claim for GST component	-10,910	-80,040	-12,383	-15,811	-11,948
		Contingency	19,936	20,933	21,980	23,079	24,233
	Total		109,096	800,401	123,832	158,108	119,480

