

MAINTENANCE RESERVE 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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Printed: 13 May 2020



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SUMMARY OF CONTRIBUTIONS

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

Fund Balance @ June 2020: \$244,800.00

For the 12 month period ending	Total Contributions+	Expected Requirements	Fund Balance*	Interest less Tax
30/06/2021	\$33,915	\$29,953	\$253,081	\$4,319
30/06/2022	\$35,611	\$54,914	\$238,038	\$4,260
30/06/2023	\$37,392	\$79,540	\$199,687	\$3,797
30/06/2024	\$39,261	\$57,717	\$184,564	\$3,333
30/06/2025	\$41,224	\$54,992	\$173,905	\$3,109
30/06/2026	\$43,286	\$35,638	\$184,663	\$3,110
30/06/2027	\$45,450	\$65,366	\$167,805	\$3,057
30/06/2028	\$47,722	\$39,291	\$179,247	\$3,010
30/06/2029	\$50,109	\$39,944	\$192,637	\$3,226
30/06/2030	\$52,614	\$45,067	\$203,622	\$3,437
30/06/2031	\$55,245	\$44,038	\$218,490	\$3,661
30/06/2032	\$58,007	\$82,090	\$198,019	\$3,613
30/06/2033	\$60,907	\$126,073	\$135,749	\$2,895
30/06/2034	\$63,953	\$91,890	\$109,943	\$2,131
30/06/2035	\$67,150	\$89,577	\$89,245	\$1,728

*This balance includes interest earned on the fund balance and tax payable on these earnings.

We were advised that this scheme is registered for GST.

+GST needs to be added to the Total Contributions when levying the residents

Expected Inflation 5.00%

Contingency 10.00%

Interest 2.50%

Taxation 30.00%

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 MAINTENANCE RESERVE FUND FORECAST

The purpose of this report is to enable the retirement village to make adequate monetary provision for future maintenance items, 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.

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. This report determines the amount of money the operator is required to pay into the maintenance reserve fund. It makes no allowance for the GST which may be imposed on resident levies. The amount of GST payable on these levies should be determined by the operator once the levies have been set.

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 ITEMS NOT INCLUDED

The cost of major replacements and refurbishments have not been included in this forecast. Costs considered to be day to day running costs have not been included.

7.00 CONTRIBUTION SCHEDULE

The "Contributions Optimisation Chart" in Section 3 graphs how the contribution scheme relates to the expected requirements and the maintenance reserve fund balances over the full forecast period. When calculating the contributions we :

- ensure that there are always sufficient funds to meet the forecast requirements.
- try to achieve a steadily increasing contribution scheme.
- ensure that the retirement village is not unduly contributing funds
- investigate the expected requirements over the full forecast period, not just the first ten years.

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 maintenance reserve fund forecast uses the following abbreviations :

- FR: First Replacement
- RC: Replacement Cycle

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 item for general repairs and maintenance allows for such things as plumber/electrician callouts, minor carpentry repairs, locksmith repairs etc.
- 12.04** 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.
- 12.05** The allowance for painting does not included for special hoarding or other special safety provision that may be a requirement of the local council.
- 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 :
- repair patio posts
 - repair concrete kerb
 - repair brick paving
 - repair tiling to units during lease
 - repair concrete kerb/garden edge
 - clean eaves, gutters and roofs

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

- 12.08** This report includes an allowance to paint the units internally where the units are resident

occupied during lease. The remaining balance of internal unit painting is provided for in the Capital Replacement Fund report where the operator is responsible for the reinstatement costs inside the units.

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	Repair patio posts (approx 20%)	Item		3,271	1	1	3,378	3,547	3,724							
#2	External	Termite inspection	Item		2,643	1	1	2,729	2,866	3,009	3,159	3,317	3,483	3,657	3,840	4,032	4,234
#3	External	Gardening allowance	Item		1,390	1	1	1,435	1,507	1,583	1,662	1,745	1,832	1,924	2,020	2,121	2,227
#4	External	Rodent control	Item		1,385	1	1	1,431	1,502	1,577	1,656	1,739	1,826	1,917	2,013	2,114	2,219
#5	External	General repairs & maintenance	Item		1,053	1	2	1,087		1,199		1,322		1,457		1,607	
#6	External	Gardening equipment maintenance	Item		458	1	1	473	496	521	547	574	603	633	665	698	733
#7	External	Paint speed bumps & road line markings	Item		378	1	2	390		430		474		522		576	
#8	External	Repair brick paving (approx. 5%)	m2	121	138	2	5		18,152					23,167			
#9	External	Repair concrete kerb/garden edge (approx. 5%)	m	32	74	2	2		2,577		2,841		3,132		3,453		3,807
#10	External	Paint village signage	Item		315	3	10			358							
#11	QS fee	Quantity Surveyor fee (extra for inspect)	Item		1,201	1	3	1,240			1,435			1,661			1,923
#12	QS fee	Quantity Surveyor fee (non-inspect)	Item		424	1	1	438	460	483	507	533	559	587	617	648	680
#13	Units	Allowance for general repairs & maintenance	Item		5,040	1	1	5,204	5,464	5,737	6,024	6,325	6,641	6,973	7,322	7,688	8,072
#14	Units	Clean eaves, gutters 2020-21	Item		3,850	1	One off	3,975									
#15	Units	Roof / skylight repairs & maintenance	Item		2,159	1	1	2,229	2,340	2,457	2,580	2,709	2,845	2,987	3,136	3,293	3,458
#16	Units	Air conditioning maintenance	Item		2,106	1	1	2,175	2,284	2,398	2,518	2,644	2,776	2,915	3,060	3,213	3,374
#17	Units	Maintain plumbing systems / pipework	Item		1,738	1	1	1,794	1,884	1,978	2,077	2,181	2,290	2,405	2,525	2,651	2,784
#18	Units	Replace smoke detector batteries	Item		158	1	1	163	171	180	189	198	208	219	230	241	253
#19	Units	Clean eaves, gutters and roofs (Approx. 50%)	Item		5,214	2	1		5,653	5,935	6,232	6,544	6,871	7,215	7,575	7,954	8,352
#20	Units	Paint unit internally during lease (1 unit)	Item		3,686	2	5		3,686					3,686			
#21	Units	Repair tiling to units during lease (approx. 2.5%)	m2	15	170	2	5		2,770					3,535			
#22	Units	Paint building façade	m2	2,258	20	3	10			50,625							
#23	Units	Roof maintenance - cycle 1	Item		22,168	4	10				26,496						
#24	Units	Roof maintenance - cycle 2	Item		19,397	5	10					24,344					
#25	Vehicle	Ride - on mower maintenance	Item		787	1	1	813	853	896	941	988	1,037	1,089	1,144	1,201	1,261
#26		Tax credit claim for GST component						-2,995	-5,491	-7,954	-5,772	-5,499	-3,564	-6,537	-3,929	-3,994	-4,507
		Contingency						3,994	4,194	4,404	4,624	4,855	5,098	5,353	5,621	5,902	6,197
Total								29,953	54,914	79,540	57,717	54,992	35,638	65,366	39,291	39,944	45,067

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	Repair patio posts (approx 20%)					
#2	External	Termite inspection	4,446	4,668	4,901	5,146	5,404
#3	External	Gardening allowance	2,338	2,455	2,578	2,707	2,842
#4	External	Rodent control	2,330	2,447	2,569	2,697	2,832
#5	External	General repairs & maintenance	1,771		1,953		2,153
#6	External	Gardening equipment maintenance	770	808	849	891	936
#7	External	Paint speed bumps & road line markings	635		700		772
#8	External	Repair brick paving (approx. 5%)		29,567			
#9	External	Repair concrete kerb/garden edge (approx. 5%)		4,197		4,627	
#10	External	Paint village signage			583		
#11	QS fee	Quantity Surveyor fee (extra for inspect)			2,226		
#12	QS fee	Quantity Surveyor fee (non-inspect)	714	750	787	826	868
#13	Units	Allowance for general repairs & maintenance	8,476	8,900	9,345	9,812	10,303
#14	Units	Clean eaves, gutters 2020-21					
#15	Units	Roof / skylight repairs & maintenance	3,630	3,812	4,003	4,203	4,413
#16	Units	Air conditioning maintenance	3,543	3,720	3,906	4,101	4,306
#17	Units	Maintain plumbing systems / pipework	2,923	3,069	3,222	3,384	3,553
#18	Units	Replace smoke detector batteries	266	279	293	308	323
#19	Units	Clean eaves, gutters and roofs (Approx. 50%)	8,769	9,208	9,668	10,152	10,659
#20	Units	Paint unit internally during lease (1 unit)		3,686			
#21	Units	Repair tiling to units during lease (approx. 2.5%)		4,511			
#22	Units	Paint building façade			82,463		
#23	Units	Roof maintenance - cycle 1				43,160	
#24	Units	Roof maintenance - cycle 2					39,653
#25	Vehicle	Ride - on mower maintenance	1,324	1,390	1,460	1,533	1,609
#26		Tax credit claim for GST component	-4,404	-8,209	-12,607	-9,189	-8,958
		Contingency	6,507	6,832	7,174	7,532	7,909
	Total		44,038	82,090	126,073	91,890	89,577

