

# **SINKING FUND FORECAST**

for

**THE OXFORD CENTRE**

At

133 LEICHHARDT STREET

SPRING HILL

**CTS 17548**

Job No. 13245

Printed : 29/10/2010



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# **SINKING FUND FORECAST**

**10 YEAR PLAN - 15 YEAR FORECAST**

**Starting July 2010**

for

## **THE OXFORD CENTRE**

at

**133 LEICHHARDT STREET SPRING HILL**

**Plan No. 17548**

**L&P Job No. 13245**

for

**THE OXFORD CENTRE BODY CORPORATE**

for the attention of

**The Body Corporate Chairman**

prepared by

**Leary & Partners QS : Alan Birt (AAIQS)**

Fund calculated: 29 October 2010

Fund Balance @ June 2010: \$30,000.00

Expected Inflation Rate: 5.00%

Contingency Used: 10.00%

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## SUMMARY OF CONTRIBUTIONS

10 YEAR PLAN - 15 YEAR FORECAST : Starting July 2010

for

### THE OXFORD CENTRE 17548

Prepared by Leary & Partners Pty Ltd - Job No. 13245

Dated : 29 October 2010

Fund Balance @ June 2010: \$30,000.00

Period July to July	Total Contributions+	Expected Requirements	Fund Balance*
2010-11	\$17,564	\$3,002	\$45,718
2011-12	\$18,319	\$4,539	\$60,703
2012-13	\$19,107	\$10,371	\$70,697
2013-14	\$19,929	\$13,312	\$78,626
2014-15	\$20,786	\$15,928	\$84,851
2015-16	\$21,679	\$29,941	\$78,016
2016-17	\$22,612	\$19,471	\$82,645
2017-18	\$23,584	\$104,520	\$3,261
2018-19	\$24,598	\$4,075	\$25,403
2019-20	\$25,656	\$44,841	\$7,906

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

+GST needs to be added to the Total Contributions when levying the Lot owners.

## PREAMBLE CLAUSES

### 1.00 PURPOSE OF SINKING FUND FORECAST

The purpose of this report is to enable the body corporate to make adequate monetary provision for future common property replacements and major repair items, in accordance with the requirements of the relevant legislation.

### 2.00 LEGISLATION

This survey has been prepared with reference to the Body Corporate and Community Management Act 1997. 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).

### 3.00 THE GOODS AND SERVICES TAX

All cost estimates contained in Section 2 of this report include an allowance for GST. If the body corporate is a registered entity for GST purposes, allowance has been made for the fact that the body corporate will be entitled to claim GST tax credits.

The contributions displayed in this report do not include the GST payable by the body corporate on all levies. A 10% allowance for GST should be added to the contributions displayed before levying lot owners.

### 4.00 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.

### 5.00 STRUCTURAL DEFECTS AND REFURBISHMENTS

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.

Refurbishments undertaken for reasons other than physical obsolescence have not been included apart from where the body corporate has provided us with budgeted costs. 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.

### 6.00 ADMINISTRATIVE BUDGET ITEMS NOT INCLUDED

The cost of maintenance contract items normally included in the Administrative budget have not been included in this forecast.

### 7.00 CONTRIBUTION SCHEDULE

The "Contributions Optimisation Chart" in Section 3 graphs how the contribution scheme relates to the expected requirements and the sinking 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 body corporate is not unduly contributing funds.
- investigate the expected requirements over the full forecast period, not just the first ten years.

The contributions shown in italics in Section 4 are draft figures only which should be reviewed on an annual basis to take into consideration actual expenses incurred, the actual sinking fund balance and additions or changes to the building.

**8.00 SINKING FUND BALANCE**

The levy for the current financial year was set prior to the preparation of this report. The sinking fund balance used in this forecast is therefore an estimate only, based on the last known balance, expected contributions and recorded expenses. The sinking fund balance used in the forecast is the last known balance shown in the body corporate records.

**9.00 CONTINGENCY**

The contingency sum has been included to allow for unforeseen expenses that may occur during the life of this forecast.

**10.00 FORECAST PERIOD**

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

**11.00 EXPLANATION OF ABBREVIATIONS**

The sinking fund forecast uses the following abbreviations :

FR: First Replacement

RC: Replacement Cycle

**12.00 PLAN AND FORECAST PERIOD**

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

**12.02** 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.

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

**13.00 INSPECTION INFORMATION**

Please note the following information relating to this forecast.

**13.01** Our report is based on data collected on site at the date of inspection.

**13.02** The survey has been prepared with reference to the plan 17548.

Supplementary architectural drawings were not provided during the survey preparation.

**13.03** 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.

**13.04** Where an item has been included to replace aluminium windows or window hardware, this item does not include for any work to unit balcony doors. We believe these doors are within the lot boundaries and are therefore the responsibility of the lot owner. An allowance has been made to paint only the previously painted surfaces including external surfaces extending into lot boundaries.

**13.05** The allowance for painting does not include for special hoarding or other special safety provision that may be a requirement of the local council.

**13.06** If your building has a lift it has been assumed that the lift plant & equipment is covered by a comprehensive service agreement. Please inform our office if this is not the case.

**13.07** 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.

**13.08** 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 fire door hardware
- replacing floor light fitting
- replacing service door hardware
- replacing metal door frame

- replacing battery to emg/exit light fittings
- replacing building mounted light fitting
- replacing emg/exit light fittings
- replacing fire detector
- replacing fire hose and nozzle
- patching of render to external walls
- replacing underground pipework
- replacing fire alarm panel
- replacing toilet door hardware
- replacing floor tiles
- replacing recessed light fitting
- replacing tiled paving to entry
- replacing spot light fitting
- replacing pergola structure
- replacing tiled area
- replacing metal downpipe to main roof
- replacing box gutter
- replacing built-up roofing membrane
- replacing metal eaves gutter
- replacing metal downpipe
- replacing metal roof sheeting to carport & awning
- replacing metal roof sheeting over unit 11
- replacing vinyl floor tiles
- replacing office door hardware
- replacing door hardware

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

EXPECTED REQUIREMENTS													
Item	Area	Description	Unit	Qty.	Rate	FR	RC	to	to	to	to	to	
#1	Basement	Replace fire door hardware (approx. 25%)	No.	1	601	2	8	637				941	
#2	Basement	Replace basement gate hardware	No.	2	243	2	10	514					
#3	Basement	Replace floor light fitting (approx. 10%)	No.	1	125	2	8	132				195	
#4	Basement	Repaint timber door and frame	No.	13	99	3	8	1,432					
#5	Basement	Repaint carpark line markings	m	150	4	3	5	634			810		
#6	Basement	Replace marking numerals	No.	14	8	3	5	129			165		
#7	Basement	Repaint lift door and frame	No.	1	110	3	8	122					
#8	Basement	Replace 6000 wide basement gate	No.	1	1,955	4	14	2,284					
#9	Basement	Replace 3000 wide basement gate	No.	1	1,034	4	14	1,209					
#10	Basement	Replace service door hardware (approx. 25%)	No.	3	243	4	8	851					
#11	Basement	Replace metal door frame (approx. 30%)	No.	4	536	5	15	2,631					
#12	Building	Replace battery to emg/exit light fittings (approx. 25%)	No.	7	99	1	1	700	810	850	937	1,034	1,085
#13	Building	Replace building mounted light fitting (approx. 20%)	No.	2	101	2	7	213				300	
#14	Building	Replace emg/exit light fittings (approx. 25%)	No.	7	354	3	5	2,755				3,516	
#15	Building	Replace fire detector (approx. 20%)	No.	6	192	3	5	1,282				1,636	
#16	Building	Replace fire hose and nozzle (approx. 25%)	No.	2	437	5	15	1,071					
#17	Building	Replace intercom system	Item		6,958	6	12				8,964		
#18	Building	Repaint external surfaces of building facade	Item		12,687	7	8				17,163		
#19	Building	Patching of render to external walls (approx. 5%)	m2	11	65	7	8				963		
#20	Building	Repaint external timber door and frame	No.	2	99	7	8				268		
#21	Building	Replace underground pipework (approx. 20%)	Item		2,112	8	15					3,000	
#22	Building	Replace fire alarm panel (approx. 25%)	Item		1,664	10	15						2,605
#23	Common toilets	Replace toilet door hardware (approx. 25%)	No.	2	601	4	8	1,404					
#24	Common toilets	Repaint wall surfaces	m2	171	16	5	8	3,273					

SINKING FUND FORECAST

Leary & Partners Pty Ltd

EXPECTED REQUIREMENTS																	
Item	Area	Description	Unit	Qty.	Rate	FR Yrs	RC Yrs	to Jul 2011	to Jul 2012	to Jul 2013	to Jul 2014	to Jul 2015	to Jul 2016	to Jul 2017	to Jul 2018	to Jul 2019	to Jul 2020
#26	Common toilets	Repaint toilet doors and partition	No.	6	330	5	8					2,430					
#25	Common toilets	Replace floor tiles (approx. 10%)	m2	7	149	5	10					1,278					
#27	Common toilets	Repaint ceiling surfaces	m2	46	17	5	8					943					
#28	Common toilets	Repaint doors and frames	No.	6	99	5	8					729					
#29	Common toilets	Replace recessed light fitting (approx. 10%)	No.	2	113	5	8					278					
#30	Common toilets	Replace wall mirror	m2	3	235	8	15								1,001		
#31	External	Replace marking numerals	No.	27	14	1	5	382					487				
#32	External	Repaint carpark line markings	m	35	4	1	5	134					171				
#33	External	Replace tiled paving to entry (approx. 10%)	m2	5	142	4	5				832						
#34	External	Repaint masonry garden wall	m2	18	16	4	8				328					1,062	
#35	Lift	Replace lift components	Item		43,040	8	15								61,136		
#36	Lift	Replace lift carriage interior	No.	1	12,100	8	10								17,187		
#37	Main foyer	Replace recessed light fitting (approx. 10%)	No.	1	113	3	7			126							177
#38	Main foyer	Replace fire door hardware (approx. 25%)	No.	1	601	4	8				702						
#39	Main foyer	Repaint wall surfaces	m2	58	16	6	8						1,166				
#40	Main foyer	Repaint timber door and frame	No.	4	99	6	8						510				
#41	Main foyer	Repaint lift door and frame	No.	1	110	6	8						142				
#42	Main foyer	Replace automatic door opening gear	No.	1	8,677	8	10								12,325		
#43	Main foyer	Replace carpet tiles	m2	14	102	10	12										2,241
#44	Main foyer	Replace floor tiles (approx. 15%)	m2	6	149	10	15										1,398
#45	Main foyer	Replace metal door frame (approx. 15%)	No.	1	560	10	15										
#46	Open roof area	Replace spot light fitting (approx. 30%)	No.	2	75	4	7				176						
#47	Open roof area	Replace pergola structure (approx. 20%)	Item		1,842	8	10								2,616		
#48	Open roof area	Replace tiled area (approx. 20%)	m2	14	142	12	15										
#52	Roof	Replace television aerial	No.	1	1,518	3	15			1,689							

EXPECTED REQUIREMENTS													
Item	Area	Description	Unit	Qty.	Rate	FR	RC	to	to	to	to	to	
						Yrs	Yrs	Jul 2011	Jul 2012	Jul 2013	Jul 2014	Jul 2015	
								to	to	to	to	to	
								Jul 2016	Jul 2017	Jul 2018	Jul 2019	Jul 2020	
#49	Roof	Replace metal downpipe to main roof (approx. 30%)	m	8	65	4	15						
#50	Roof	Replace box gutter (approx. 50%)	m2	9	94	5	15				606		
#51	Roof	Replace built-up roofing membrane (approx. 50%)	m2	47	151	6	13					1,038	
#53	Roof	Replace metal eaves gutter (approx. 30%)	m	6	42	8	15					9,156	
#54	Roof	Replace metal downpipe (approx. 30%)	m	5	50	8	15						361
#55	Roof	Replace metal roof sheeting to main roof	m2	198	87	10	15						358
#56	Roof	Replace metal roof sheeting to carport & awning (approx. 25%)	m2	18	52	10	15						27,070
#57	Roof	Replace metal roof sheeting over unit 11 (approx. 25%)	m2	18	56	14	15						1,457
#58	Stairwells	Repaint metal balustrade	m	70	9	2	8		675				
#59	Stairwells	Replace floor light fitting (approx. 10%)	No.	2	113	3	7		252				
#60	Stairwells	Replace fire door hardware (approx. 25%)	No.	1	601	4	8						
#61	Stairwells	Replace vinyl floor tiles (approx. 25%)	m2	5	149	5	10			702			
#62	Stairwells	Repaint wall surfaces	m2	267	16	6	8					913	
#63	Stairwells	Repaint sloping ceiling surface	m2	11	17	6	8					5,366	
#64	Stairwells	Repaint timber door and frame	No.	1	99	6	8					237	
#65	Stairwells	Replace carpet	m2	96	50	8	10					128	
#66	Stairwells	Repaint timber framed balustrading	m	11	60	8	10						6,859
#67	Stairwells	Replace floor tiles (approx. 15%)	m2	2	149	10	15						931
#68	Typical walkways	Replace floor light fitting (approx. 10%)	No.	1	113	3	7			126			
#69	Typical walkways	Replace fire door hardware (approx. 25%)	No.	2	601	4	8				1,404		
#70	Typical walkways	Replace office door hardware (approx. 25%)	No.	2	413	4	8				966		
#71	Typical walkways	Replace door hardware (approx. 25%)	No.	1	243	4	8				284		
#72	Typical walkways	Repaint timber door and frame	No.	8	99	6	8					1,020	
#73	Typical walkways	Repaint wall surfaces	m2	50	16	6	8					1,005	
#74	Typical walkways	Repaint timber framed glazed wall surfaces	m2	31	23	6	8					931	
#75	Typical walkways	Repaint timber framed glazed office door and frame	No.	3	83	6	8					319	

SINKING FUND FORECAST

Leary & Partners Pty Ltd

EXPECTED REQUIREMENTS																		
Item	Area	Description	Unit	Qty.	Rate	FR Yrs	RC Yrs	to Jul 2011	to Jul 2012	to Jul 2013	to Jul 2014	to Jul 2015	to Jul 2016	to Jul 2017	to Jul 2018	to Jul 2019	to Jul 2020	
#76	Typical walkways	Repaint lift door and frame	No.	2	110	6	8						283					
#77	Typical walkways	Repaint timber office door and frame	No.	1	55	6	8						71					
#78	Typical walkways	Replace carpet tiles	m2	34	102	10	12											5,442
#79	Typical walkways	Replace metal door frame (approx. 1.5%)	No.	2	560	10	15											1,754
#80		Tax credit claim for GST component						-300	-454	-1,037	-1,331	-1,593	-2,994	-1,947	-10,452	-408		-4,484
		Contingency						2,087	2,087	2,087	2,087	2,087	2,087	2,087	2,087	2,087	2,087	2,087
<b>Total</b>								<b>3,002</b>	<b>4,539</b>	<b>10,371</b>	<b>13,312</b>	<b>15,928</b>	<b>29,941</b>	<b>19,471</b>	<b>104,520</b>	<b>4,075</b>		<b>44,841</b>

# SUMMARISED SINKING FUND BUDGET FORECAST

10 YEAR PLAN - 15 YEAR FORECAST : Starting July 2010

for

## THE OXFORD CENTRE 17548

Prepared by Leary & Partners Pty Ltd - Job No. 13245

Dated : 29 October 2010

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### 1.0 General Information

The contributions shown in this report are based on a 15 year forecast period, i.e. the forecast calculations take into account the replacement and maintenance requirements of the building over the next 15 years. This report displays the forecast contributions and expenses for the first ten years of this period.

### 2.0 Current Sinking Fund Balance

The starting sinking fund balance used in these calculations is \$30,000.00 as at 30 June 2010.

### 3.0 Summary of Required Sinking Fund Contributions

These contributions have been calculated to ensure that sufficient funds are available to meet all foreseeable expenses. The calculations take into account the current balance of the body corporate's sinking fund, as well as the effect of inflation, interest earnings and taxation.

For Period	to Jul-11	to Jul-12	to Jul-13	to Jul-14	to Jul-15	to Jul-16	to Jul-17	to Jul-18	to Jul-19	to Jul-20
<b>Total Sinking Fund Contribution</b>	\$17,564	\$18,319	\$19,107	\$19,929	\$20,786	\$21,679	\$22,612	\$23,584	\$24,598	\$25,656
<b>Contribution per Entitlement</b>	\$10.95	\$11.42	\$11.91	\$12.42	\$12.96	\$13.52	\$14.10	\$14.70	\$15.34	\$15.99

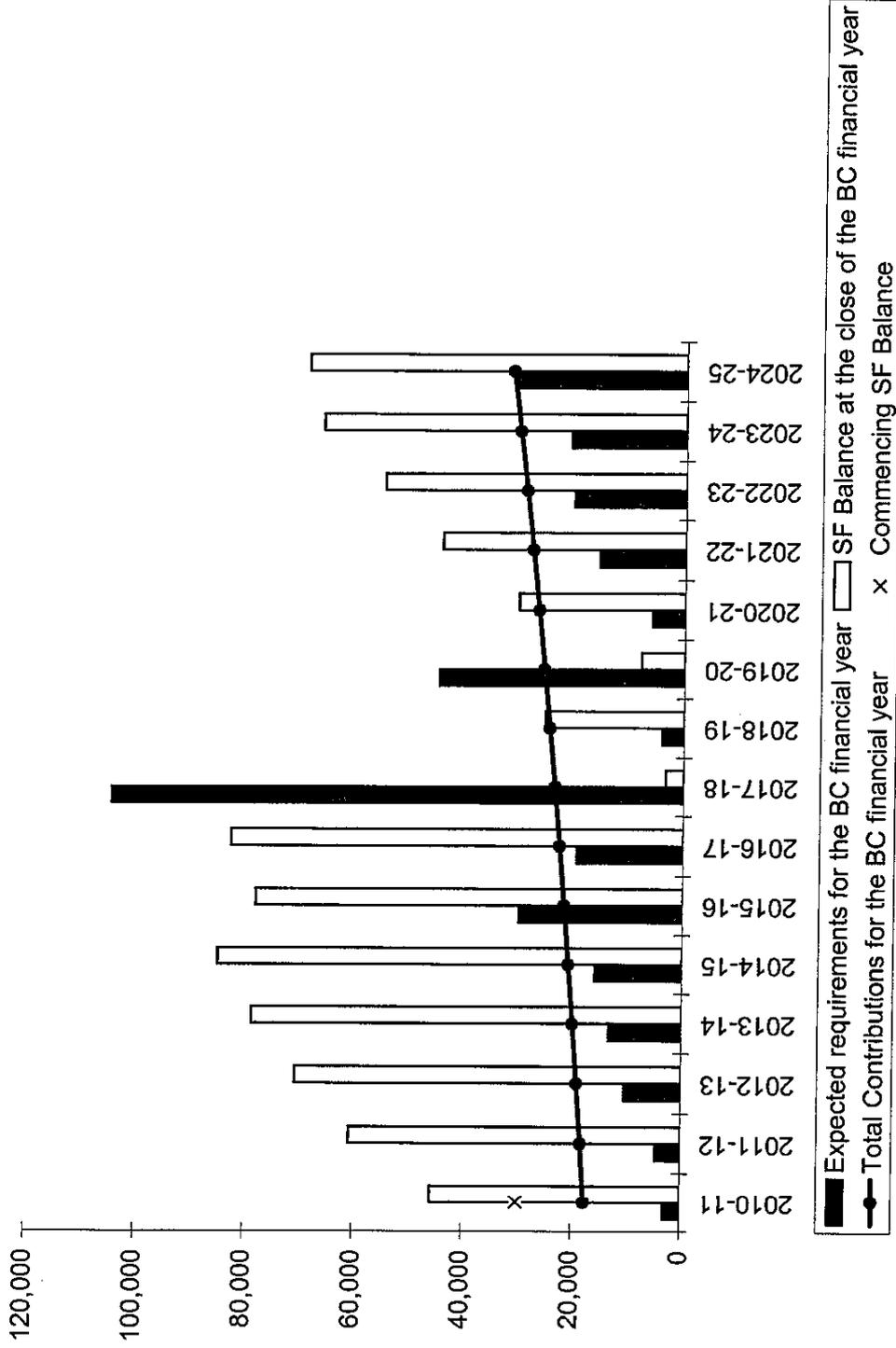
*GST needs to be added to the Total Contributions when levying the Lot owners.*

### 4.0 Summary of Expected Expenditure

The table below is a summary of the forecast sinking fund expenditure for the next ten years. A contingency allowance has been included to provide for general unforeseen expenses which may occur during the forecast period. Detailed information about the expense items listed in this summary are contained in an extended forecast report. If you wish to view the extended report please contact your Body Corporate or Body Corporate Manager.

Categories	Expected Sinking Fund Requirements									
	to Jul-11	to Jul-12	to Jul-13	to Jul-14	to Jul-15	to Jul-16	to Jul-17	to Jul-18	to Jul-19	to Jul-20
Doors & Other Openings		1,151		9,804	2,631			13,325		3,572
Floor Coverings				832	2,191			6,859	1,062	9,547
Surface Finishes	516	675	2,318	328	7,374	11,836	18,393	1,906		998
Electrical Systems	700	1,080	4,030	986	1,128	893	937	4,500	1,334	1,990
Fire Equipment			1,282		1,071			1,636		2,605
Communication Systems			1,689			8,964				
Lifts								78,323		
Roofing Items				606	1,038	9,156		3,335		28,527
Drainage & Water Systems								3,000		
Contingency	2,087	2,087	2,087	2,087	2,087	2,087	2,087	2,087	2,087	2,087
Tax credit claim for GST component	-300	-454	-1,037	-1,331	-1,593	-2,994	-1,947	-10,452	-408	-4,484
<b>Total Expected Expenditure</b>	\$3,002	\$4,539	\$10,371	\$13,312	\$15,928	\$29,941	\$19,471	\$104,520	\$4,075	\$44,841

### Contributions Optimisation Chart : 15 Year Forecast



**Variable Contributions for 10 Year Plan**

Lot No.	Entitl.	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
L1	71	777.46	810.89	845.76	882.13	920.06	959.62	1,000.88	1,043.92	1,088.81	1,135.63
L2	76	832.21	868.00	905.32	944.25	984.85	1,027.20	1,071.37	1,117.44	1,165.49	1,215.60
L3	129	1,412.57	1,473.31	1,536.66	1,602.74	1,671.66	1,743.54	1,818.51	1,896.70	1,978.26	2,063.33
L4	180	1,971.03	2,055.78	2,144.18	2,236.38	2,332.54	2,432.84	2,537.45	2,646.56	2,760.37	2,879.06
L5	128	1,401.62	1,461.89	1,524.75	1,590.31	1,658.70	1,730.02	1,804.41	1,882.00	1,962.93	2,047.33
L6	327	3,580.70	3,734.67	3,895.26	4,062.75	4,237.45	4,419.66	4,609.71	4,807.92	5,014.67	5,230.30
L7	161	1,762.97	1,838.78	1,917.85	2,000.32	2,086.33	2,176.04	2,269.61	2,367.20	2,468.99	2,575.16
L8	154	1,686.32	1,758.83	1,834.46	1,913.35	1,995.62	2,081.43	2,170.93	2,264.28	2,361.65	2,463.20
L9	129	1,412.57	1,473.31	1,536.66	1,602.74	1,671.66	1,743.54	1,818.51	1,896.70	1,978.26	2,063.33
L10	182	1,992.93	2,078.62	2,168.00	2,261.23	2,358.46	2,459.87	2,565.65	2,675.97	2,791.04	2,911.05
L11	67	733.66	765.21	798.11	832.43	868.22	905.56	944.50	985.11	1,027.47	1,071.65
Totals	1604	\$17,564.03	\$18,319.28	\$19,107.01	\$19,928.61	\$20,785.54	\$21,679.32	\$22,611.53	\$23,583.83	\$24,597.93	\$25,655.64

\*The contributions shown in italics should be reviewed on an annual basis.

\*GST needs to be added to the Total Contributions when levying the Lot owners.

