



**Sinking Fund Forecast
for
Strata Plan: 99999
located at
123 Example Street
Suburb, NSW 2999**

24-Sep-13

The Owners Corporation - SP99999
c/- Any Strata Management
PO Box 1111
Suburb NSW 2999

Dear Sir/Madam,

Re: SP99999 - 123 Example Street, Suburb NSW 2999

1.0 Information

The following Sinking Fund Forecast report has been prepared by Quanto Pty Ltd for the owner's corporation of Strata Plan 99999 located at 123 Example Street, Suburb and not in any other capacity.

Quanto Pty Ltd have been advised that this is a residential development consisting of 7 units. Construction was completed in 2000.

This report is based on information provided by Any Strata Management, and a site inspection conducted by Quanto Pty Ltd on 5-Sep-13. The inspection was carried out to identify all common property and to ascertain the condition of the building.

We note that this development is in an 'extreme salt environment' and as such, many of the items within this Sinking Fund Forecast have a lower than average life expectancy. As a result the replacement cost of all items has been accounted for this expectancy within the Sinking Fund Forecast.

Quanto Pty Ltd was escorted throughout the building by one of the committee members and could not gain access to the roof itself. We have estimated for the roof replacement to take place in approximately 7-10 years. We would also recommend replacement of the roof with a stronger (coated) roof sheeting to cater for a longer life expectancy.

The purpose of this report is to provide an independent estimate of the contributions required to meet expenses for the replacement of common property items as required under the Strata Schemes Management Act 1996.

This report displays the forecasted contributions and expenditure over a 10 year period. We note that this is calculated over a 30 year period, enabling items that are not replaced in the 10 year period to be accounted for.

Please refer to Appendix A for a 10 year summary of contributions and expenditure.

We note that all figures contained in this report are exclusive of GST.

Forecasted Expenditure

Quanto Pty Ltd have allocated life expectancies and cost estimates to each of the common property items listed in this report in need of replacement over time. This determines when the items are anticipated to be replaced, and indicate funds that should be available at that time.

We note that no contingency allowance has been included in the forecast expenditure.

We note that replacement costs indicated in this report are based on rates as at the date of this report.

No allowance has been made for repairs and maintenance as these items should be covered in a separate administrative fund. No allowance has been made for cost escalations.

1.1 Exclusions

The following items have been excluded as they are considered either not likely to require replacement over a 30 year period, not common property items or assumed to be covered within the Strata Plan's building insurance:

- The structural integrity of the building or buildings;
- Window Flyscreens;
- Underground stormwater detention/retention;
- Soft landscaping; and
- Services to and from the property.

1.2 Inclusions

Please refer to Appendix B for a detailed view of items included in the 10 year forecasted expenditure calculations.

2.0 Required Contributions

The contributions per unit are calculated to ensure that sufficient funds are available to meet all expenses for common property items as, and when they need replacing.

The starting balance for this sinking fund as at 31-Mar-14 is \$65,000.00.

An inflation rate of 2.4% was used in calculating contributions in line with current CPI.

Please refer to Appendix C for a detailed view of the required contributions per unit over 10 years.

3.0 Disclaimer

This report is an estimated forecast only. The estimated costs in this report are based on our professional experience in estimating building costs.

Quanto Pty Ltd note the report is only an indication of life cycle costs based on standard replacement periods. Life cycles may vary depending upon maintenance and conditions. Our opinion on the life expectancy of common property items is based on visual inspection only.

Quanto Pty Ltd does not accept any contractual, tortious or other form of liability for any loss, damages or consequences which may arise as a result acting upon or using this report for any purpose other than its intended use.

Quanto Pty Ltd recommend that the contributions and expenditure be reviewed annually.

If you have any questions regarding the content of this report, please do not hesitate to contact Glenn Cartwright or Bob Macansh at our office.

Yours Faithfully,

A handwritten signature in black ink, appearing to be 'R Macansh', is written over a light purple rectangular background.

Robert Macansh (AAIQS)

Appendix A - 10 Year Summary of Contributions

SP 99999

123 Example Street

Suburb NSW 2999

Summary of Contributions				
Period	Annual Contribution per Entitlement	Total Annual Contributions	Forecast Annual Expenditure	Sinking Fund Balance
31-Mar-14 to 30-Mar-15	\$10.06	\$10,058	\$243	\$74,815
31-Mar-15 to 30-Mar-16	\$10.30	\$10,300	\$822	\$84,293
31-Mar-16 to 30-Mar-17	\$10.55	\$10,547	\$7,416	\$87,424
31-Mar-17 to 30-Mar-18	\$10.80	\$10,800	\$1,962	\$96,262
31-Mar-18 to 30-Mar-19	\$11.06	\$11,059	\$9,451	\$97,871
31-Mar-19 to 30-Mar-20	\$11.32	\$11,325	\$3,969	\$105,226
31-Mar-20 to 30-Mar-21	\$11.60	\$11,596	\$11,970	\$104,853
31-Mar-21 to 30-Mar-22	\$11.87	\$11,875	\$4,092	\$112,635
31-Mar-22 to 30-Mar-23	\$12.16	\$12,160	\$4,392	\$120,403
31-Mar-23 to 30-Mar-24	\$12.45	\$12,452	\$15,613	\$117,242

Appendix B - Forecast Expenditure

Sinking Fund Forecast Expenditure (Years 1 - 10)												
Item #	Item Description	Year 1 31/03/14 - 30/03/15	Year 2 31/03/15 - 30/03/16	Year 3 31/03/16 - 30/03/17	Year 4 31/03/17 - 30/03/18	Year 5 31/03/18 - 30/03/19	Year 6 31/03/19 - 30/03/20	Year 7 31/03/20 - 30/03/21	Year 8 31/03/21 - 30/03/22	Year 9 31/03/22 - 30/03/23	Year 10 31/03/23 - 30/03/24	Total
1	Access Ladder											0
2	Automatic Door Opener								1354			1354
3	Awnings - Aluminium									4392		4392
4	Balustrades - Glass											0
5	Carpet											0
6	Distribution & Switchgear											0
7	Door Closers										808	808
8	Doors - Aluminium framed, glass panel, hinged											0
9	Doors - Hardware (approx 30%)					788						788
10	Doors - Timber (approx 30%)											0
11	Downpipes			1632								1632
12	Drainage Grates											0
13	Eaves Linings											0
14	Fascia - Timber											0
15	Fencing - Privacy Screens	243										243
16	Fire Control & Alarm System											0
17	Fire Extinguishers		822									822
18	Fire Doors (approx 20%)			1685								1685
19	Floor Tiles - External											0
20	Floor Tiles - Internal											0
21	Furniture - Internal											0
22	Garage Roller Doors								2463			2463
23	Guttering						3969					3969
24	Handrails - Steel											0
25	Intercom System					3817						3817
26	Letterboxes - Aluminium			1824								1824
27	Lifts											0
28	Lighting - Emergency				730							730
29	Lighting - External				1232							1232
30	Lighting - Internal					4846						4846
31	Line Marking								275			275
32	Painting - External										14805	14805
33	Painting - Internal											0
34	Pumps - Stormwater											0
35	Replace aluminium framed windows & doors											0
36	Roofing - Metal Cladding							11970				11970
37	Signage											0
38	Smoke Alarms											0
39	Traffic Mirror											0
40	Sprinkler Heads			2275								2275
Total Forecast Expenditure Per Annum		243	822	7,416	1,962	9,451	3,969	11,970	4,092	4,392	15,613	59,930

Appendix C - Required Contributions per Unit

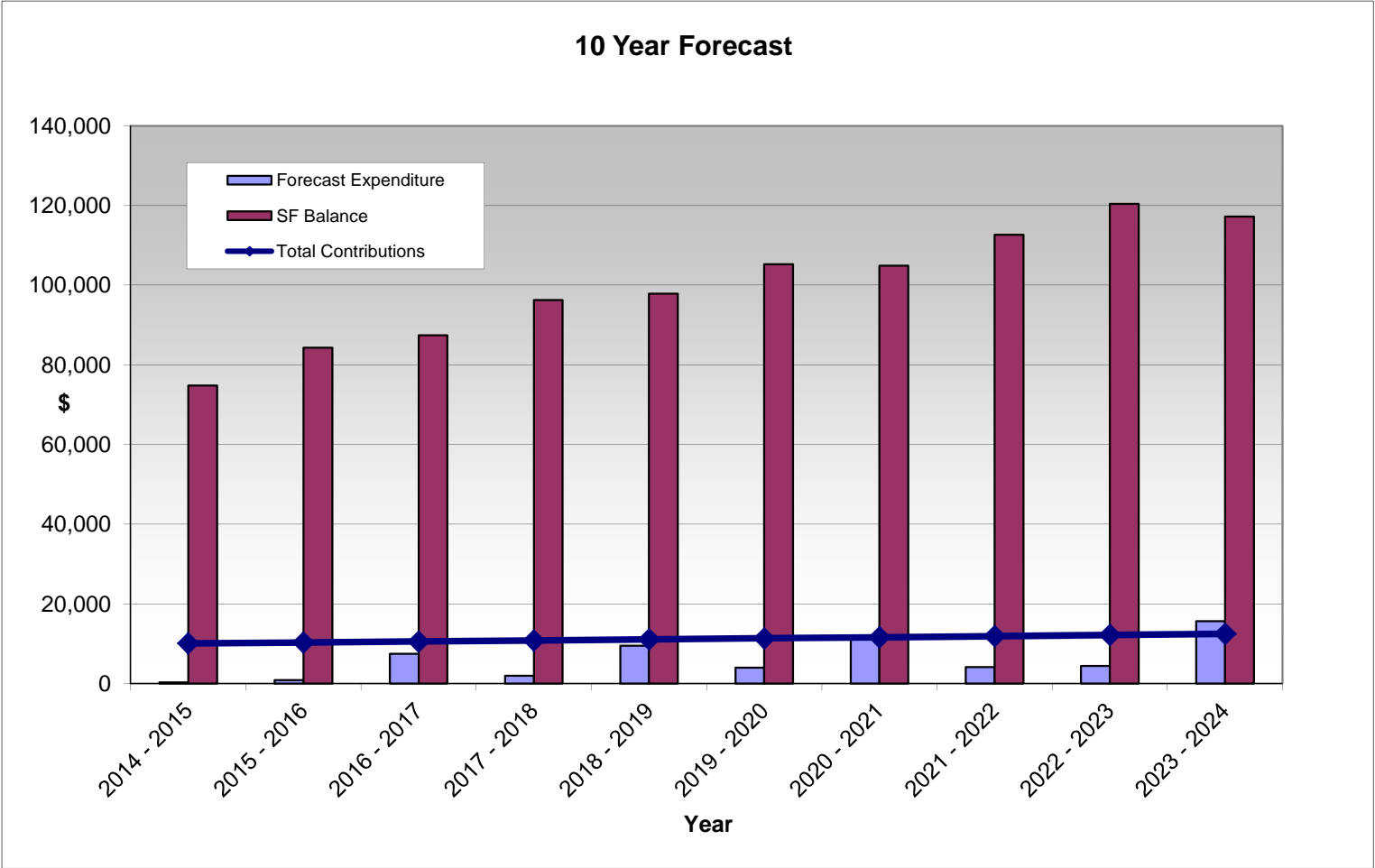
Contributions Per Unit - 10 Year Forecast											
Lot No.	Entitlement	Year 1 31/03/14 - 30/03/15	Year 2 31/03/15 - 30/03/16	Year 3 31/03/16 - 30/03/17	Year 4 31/03/17 - 30/03/18	Year 5 31/03/18 - 30/03/19	Year 6 31/03/19 - 30/03/20	Year 7 31/03/20 - 30/03/21	Year 8 31/03/21 - 30/03/22	Year 9 31/03/22 - 30/03/23	Year 10 31/03/23 - 30/03/24
Lot 1	144	1,448	1,483	1,519	1,555	1,593	1,631	1,670	1,710	1,751	1,793
Lot 2	136	1,368	1,401	1,434	1,469	1,504	1,540	1,577	1,615	1,654	1,693
Lot 3	154	1,549	1,586	1,624	1,663	1,703	1,744	1,786	1,829	1,873	1,918
Lot 4	154	1,549	1,586	1,624	1,663	1,703	1,744	1,786	1,829	1,873	1,918
Lot 5	245	2,464	2,523	2,584	2,646	2,710	2,775	2,841	2,909	2,979	3,051
Lot 6	103	1,036	1,061	1,086	1,112	1,139	1,166	1,194	1,223	1,252	1,283
Lot 7	64	644	659	675	691	708	725	742	760	778	797
Total (excl. GST)	1000	10,058	10,300	10,547	10,800	11,059	11,325	11,596	11,875	12,160	12,452
Total (incl. GST)	1000	11,064	11,330	11,602	11,880	12,165	12,457	12,756	13,062	13,376	13,697

Quanto Pty Ltd
PO Box 1818
Newcastle NSW 2300

SP999999
123 Example Street, Suburb
Date Prepared: 10-Sep-13

Note: These contributions should be reviewed annually. All contributions are exclusive of GST unless where noted.

Appendix D - Graphical Analysis



Unit #	Entitlement	Ratio	Item #	Item	Qty	Unit	Rate	Markup	Total cost @ today	Effective Life	Years Left	Yr 1st Replacement	Yr 2nd Replacement	Yr 3rd Replacement	Yr 4th Replacement	Yr 5th Replacement	Yr 6th Replacement	Yr 7th Replacement	Yr 8th Replacement	Yr 9th Replacement	Yr 10th Replacement
1	144	0.144		Highlight area to be inserted from Buildsoft, from E3 to K3 Down as many rows as required																	
2	136	0.136	1	Access Ladder	1 Item		485		485	32	19	19	51	83	115	147	179	211	243	275	307
3	154	0.154	2	Automatic Door Opener	1 No.		1354		1354	12	8	8	20	32	44	56	68	80	92	104	116
4	154	0.154	3	Awnings - Aluminium	18 m		244		4392	22	9	9	31	53	75	97	119	141	163	185	207
5	245	0.245	4	Balustrades - Glass	73 m		387		28251	25	12	12	37	62	87	112	137	162	187	212	237
6	103	0.103	5	Carpet	2 m2		67		134	24	11	11	35	59	83	107	131	155	179	203	227
7	64	0.064	6	Distribution & Switchgear	1 Item		2609		2609	45	32	32	77	122	167	212	257	302	347	392	437
8		0	7	Door Closers	8 No.		101		808	23	10	10	33	56	79	102	125	148	171	194	217
9		0	8	Doors - Aluminium framed, glass	1 No.		1025		1025	16	13	13	29	45	61	77	93	109	125	141	157
10		0	9	Doors - Hardware (approx 30%)	13 No.		202	0.3	787.8	18	5	5	23	41	59	77	95	113	131	149	167
11		0	10	Doors - Timber (approx 30%)	5 No.		462	0.3	2310	24	11	11	35	59	83	107	131	155	179	203	227
12		0	11	Downpipes	48 m		34		1632	16	3	3	19	35	51	67	83	99	115	131	147
13		0	12	Drainage Grates	1 Item		324		324	35	22	22	57	92	127	162	197	232	267	302	337
14		0	13	Eaves Linings	24 m2		49		1176	26	13	13	39	65	91	117	143	169	195	221	247
15		0	14	Fascia - Timber	63 m		42		2646	26	13	13	39	65	91	117	143	169	195	221	247
16		0	15	Fencing - Privacy Screens	3 m2		81		243	13	1	1	14	27	40	53	66	79	92	105	118
17		0	16	Fire Control & Alarm System	1 Item		15768		15768	25	12	12	37	62	87	112	137	162	187	212	237
18		0	17	Fire Extinguishers	3 No.		274		822	15	2	2	17	32	47	62	77	92	107	122	137
19		0	18	Fire Doors (approx 20%)	8 No.		1053	0.2	1684.8	16	3	3	19	35	51	67	83	99	115	131	147
20		0	19	Floor Tiles - External	44 m2		87		3828	45	32	32	77	122	167	212	257	302	347	392	437
21		0	20	Floor Tiles - Internal	15 m2		87		1305	45	32	32	77	122	167	212	257	302	347	392	437
22		0	21	Furniture - Internal	1 Item		1080		1080	28	15	15	43	71	99	127	155	183	211	239	267
23		0	22	Garage Roller Doors	1 No.		2463		2463	21	8	8	29	50	71	92	113	134	155	176	197
24		0	23	Guttering	63 m		63		3969	16	6	6	22	38	54	70	86	102	118	134	150
25		0	24	Handrails - Steel	32 m		73		2336	45	32	32	77	122	167	212	257	302	347	392	437
26		0	25	Intercom System	1 Item		3817		3817	18	5	5	23	41	59	77	95	113	131	149	167
27		0	26	Letterboxes - Aluminium	1 Item		1824		1824	16	3	3	19	35	51	67	83	99	115	131	147
28		0	27	Lifts	1 Item		125000		125000	40	27	27	67	107	147	187	227	267	307	347	387
29		0	28	Lighting - Emergency	5 No.		146		730	16	4	4	20	36	52	68	84	100	116	132	148
30		0	29	Lighting - External	1 Item		1232		1232	11	4	4	15	26	37	48	59	70	81	92	103
31		0	30	Lighting - Internal	1 Item		4846		4846	18	5	5	23	41	59	77	95	113	131	149	167
32		0	31	Line Marking	1 Item		275		275	21	8	8	29	50	71	92	113	134	155	176	197
33		0	32	Painting - External	423 m2		35		14805	10	10	10	20	30	40	50	60	70	80	90	100
34		0	33	Painting - Internal	304 m2		21		6384	14	13	13	27	41	55	69	83	97	111	125	139
35		0	34	Pumps - Stormwater	1 No.		614		614	18	13	13	31	49	67	85	103	121	139	157	175
36		0	35	Replace aluminium framed window	159 m2		262		41658	36	23	23	59	95	131	167	203	239	275	311	347
37		0	36	Roofing - Metal Cladding	171 m2		70		11970	20	7	7	27	47	67	87	107	127	147	167	187
38		0	37	Signage	1 Item		612		612	26	13	13	39	65	91	117	143	169	195	221	247
39		0	38	Smoke Alarms	5 No.		134		670	24	11	11	35	59	83	107	131	155	179	203	227
40		0	39	Traffic Mirror	1 No.		264		264	32	19	19	51	83	115	147	179	211	243	275	307
41		0	40	Sprinkler Heads	35 No.		65		2275	24	3	3	27	51	75	99	123	147	171	195	219