

KATE SHEPPARD APARTMENTS 323230

CHAIRMAN'S REPORT FOR ANNUAL MEETING OF OWNERS TO BE HELD ON WEDNESDAY, 3RD APRIL, 2019.

The biggest issues continuing to concern Owners is the repairs to the building following the earthquake of 14th November, 2016. At this point most of the internal Common Areas have been repaired and only nineteen Apartments are still to be repaired. We are continuing to attend to plaster and paint in those Apartments and carpentry repairs where required with tiling being deferred until tilers are available. We have the funds in hand to complete the repairs in those Apartments.

For the exterior of the building EQC paid to us funds up to the maximum that we are able to claim from them. However the exterior repairs will cost more than those funds so we are now in the hands of our Insurance company to agree to meet the additional costs. It is proving difficult to get their final approval as they require an actual cost for the repairs before they will give their final approval and some costs are difficult to ascertain until work is under way. In the meantime we have had Architects and Consultants prepare specifications for the work and carrying out a considerable amount of testing and investigations. A new façade for the building has been designed and approved by Fire and Wind consultants and the Council and contractors are quoting for the work. It has been determined that all windows and doors will be replaced with a higher quality than at present to meet new regulations. Glass will be single glazing but Owners will be given the cost and option to go to double glazing. The latest issue being addressed is concern that water proofing under deck tiles could be damaged and they are wanting to test with water a large number of decks at this stage we have limited them to a smaller number of Apartments.

Once all investigations are completed and costs obtained we would hope to have approval from the Insurance company so that plans can be completed and Council approvals obtained and plans made for construction work to commence later this year, spread over a nine month period with Contractors working around the building doing small sections at a time to minimise the inconvenience to Owners. The replacement of windows and doors will incur some damage around them and those repairs will be included in the main contract.

Whilst investigations have been taking place engineers have been involved and remain satisfied that the main structure is completely sound and continues to meet 100% of Earthquake Standards.

The Apartment building is now twelve years old. Carpets in corridors are starting to show some wear particularly with the work that has been carried out on two occasions with earthquake repairs. It is intended to commence replacement of carpets in the next financial year. We are putting aside money for a long term maintenance but as the whole of the exterior of the building is to be replaced this means that further maintenance to the exterior will be outside the ten year term in which we have to provide funding for maintenance. Other expenditure that will be within the next ten years will be an overhaul of our ventilation system although with the regular maintenance contract this can be deferred until we are told that more major maintenance is required. The roof membrane will require attention but it will need to be left until the

exterior is completed. The only other maintenance that would come in the next ten year period would be replacement of the garage door and possible overhaul of the lifts. The ten year maintenance plan provides for these and shows the amount that needs to be put aside annually to meet future commitments.

With the funds we are holding from EQC we are receiving a substantial amount of interest which is helping our financial position but due to our having an insurance claim on the way and substantial increase in insurance premiums in the city following the last earthquake we are hit with a very big increase in insurance premiums for the current financial year. Taking all of these factors into account a Budget has been prepared which allows us to maintain Body Corp Levy Charges at the current level reducing profits that have accumulated and deferring contributions to the long term maintenance plan.

A Kate Sheppard Apartments Web Site has been established providing information about the property and other activities around the area and it also has an Owners Section where information confidential to Owners is available. It includes forms to obtain keys and copies of annual reports. All Owners have been given access to the Owners Section but are required to set up their own access with a password to be able to have full access. Anyone having trouble getting access should let me know.

The Body Corp Rules we are operating under have been in place from the outset with only some minor changes being made. Since the Unit Titles Act further changes are required and we are currently having our Rules rewritten to ensure they comply in all respects. I had hoped to have new Rules available for approval at this Annual General Meeting but preparation by Solicitors has taken longer than expected. As soon as a copy is available it will be circulated to Owners and can be approved at the next Annual General Meeting.

The year has been busy with many Contractors working in the building in common areas, in Apartments, carrying out investigations and attending some leaks that have been caused by earthquake movement. Unfortunately disruptions will continue in the year ahead.

Glynis's health issues have continued in the past year necessitating assistance from her family and she had indicated intention to retire during the current year. An appropriate type of replacement is to be considered by the Committee.

The Committee continues to meet quarterly and to assist with other issues from time to time during the year. I would close by thanking them for their assistance and also to Glynis for carrying out her duties often under difficult conditions with all the work that has gone on in the building. It has also included a number in changes in ownership with people moving in and out and attending to tenants in the few Apartments that remain tenanted with many apartments having changed to become owner occupied. In spite of all the activity Kate Sheppard Apartments continues to be highly regarded with Apartments highly sought after and most selling very quickly when put up for sale.

ALAN G. STEWART - BODY CORP CHAIRMAN