



### FROM THE DIRECTOR

Roscon is on the move again! We have just completed the refinement of the 24/7 EMERGENCY PROPERTY MAINTENANCE ASSISTANCE (EPMA). Based on our many years of hands-on experience serving the Strata Industry, the 24/7 EPMA has been updated and modified to

reflect how our services have advanced to better meet the needs of our clients. At Roscon we continually strive to find ways in which to keep improving our catalogue of services as well as the best and most efficient ways to deliver them.

### Overview

The 24/7 EMERGENCY PROPERTY MAINTENANCE ASSISTANCE (EPMA) is a specialist around the clock, seven days a week Strata Industry property maintenance emergency service available to members only.



The Strata management industry is complex. Any emergency services deployed to a property require an appropriate command of the situation at hand including a need for qualifications in building construction and OH&S requirements. It is imperative that the provider has a thorough understanding of Strata legislation including ample experience within the

Strata industry. Roscon has long been involved in this industry and all staff and senior management have Real Estate, Strata Management and Construction experience in both commercial and domestic environments. We ensure that all existing and future Roscon personnel receive the required training to best serve our customers.

### Aim

The aim of the Roscon 24/7 EMERGENCY PROPERTY MAINTENANCE ASSISTANCE (EPMA) is to enable professional property managers to carry on proper management of the properties after hours when they are away from their offices for the day. This Roscon service is designed to provide prompt, real time

assistance to all members and their tenants. Experienced call centre staff are always on hand to evaluate the extent of the problem, diagnose the responsibilities for the resultant works, provide knowledgeable advice to resolve issues when they are the responsibility of the lot owner/occupier, as well as dispatch any necessary emergency services for issues relating to the common property. Service costs are only applicable in the event of attendance at the property.

The Strata Manager is informed of all calls that are received including a summary of the resultant response. The completed response form is emailed to the office of the Strata Manager on the next business day.

### Cost effective

The Roscon 24/7 EPMA service is provided via an annual fee per lot that covers the costs of the call centre. Diagnostic systems verify attendance to matters pertinent to common areas. No charges are applied if the matter relates to private property. It overcomes the constant dispute between lot owners / occupiers and the Strata Management by providing clear confirmation of what and where the work was carried out at the property so as to avoid confusion with works that are the responsibility of the lot owner/occupier.

### REPORTS, WHO NEEDS THEM, WHEN DO YOU NEED THEM?

Reports are an invaluable information tool for the good management of a property. They contain important information regarding the property to assist the manager in understanding the current situation of the property. They provide a snapshot of the current issues that may affect the owners/occupiers of the property.

The most important and useful reports are the safety reports, reinstatement reports, maintenance budget plans and the defect reports. These all provide vital information that assists the manager in the day to day role of management.

### Safety Report

A safety report provides a paper trail of problems that may endanger the owners/occupiers of the property. It highlights items of concern in such a manner as to enable the manager to program rectification works that is least detrimental to the owners/occupiers and to the general usage of the property. A report should be prepared after there has been a change in the nature of the property or where there have been works



performed that may have changed the access and/or egress from the property. It should be performed on a regular basis (maximum two years) to show that the property is being maintained in a way that does not pose a risk to the owner/occupiers of the property. It shows proof of due diligence that there is compliance

with general safety at the property.

### Insurance Reinstatement Report

Insurance Reinstatement reports need to be performed regularly, every two to three years, to show that the property is properly insured to the full reinstatement value. It is important to remember that the cost of building is increasing at a rate greater than the CPI.



With this in mind it is important that the improvements on the property are adequately covered for their full replacement value. It is also important that an allowance has been made for the inflationary factors that are applicable to the design and reconstruction period of the reinstatement.

Past years of inflationary trends in the cost of building have caused prudent building owners to look more closely at their insurance cover and to adopt frequent reviews and adjustments in their insured building value.

Normally a building can be insured in one of two ways – either for Indemnity Value or for Replacement Value.

**Indemnity Value** – This option is considered the poor relation as a building so insured receives cover for the value of the building as it stands, warts and all. The insured value does not factor in adjustments to cover any likely depreciation, update existing fixtures, or to conform to current and probably more costly design regulations. If total loss occurs, the insurer would pay the actual value of the destroyed property. If the loss is a partial one, the insured may be required to contribute to the cost of repairs if the remaining old construction is replaced with new. The policy will only place the insured in the position he was in prior to the loss – no better, no worse.

**Replacement Value** – Replacement involves the construction of a new building having the same functional use and of the same usable area as the old building, but built in conformance to current building codes, regulations and bylaws which may have been adopted since the original building was constructed. This can be expressed hypothetically as owning an older building with a current value of \$400,000 but having a much higher replacement value of \$2,000,000.

An existing building of whatever age, if adequately insured in this category, would absolve the owner from expense in the event of building loss. For example, if an existing building constructed of pipe columns and metal cladding were destroyed, the owner could well be required to replace it with a building of reinforced concrete and brick construction. If the property was adequately insured and insurance premiums covered the extra cost element in the event of loss, then the owner would not be exposed to additional expense.

Fire policies have, of late, become subject to averaging and a co-insurance clause has been introduced compelling the insured to maintain full insurance. In the past many building owners have insured on a maximum probable loss basis, producing a sum insured substantially less than either an indemnity or replacement value. For example, if a building was insured on a replacement basis of \$1.2 million under a maximum probable loss basis and is then actually found to have a true replacement value of \$2.0 million, the insured will be liable for the 40% balance in the claim. The importance of being adequately insured is obvious.

### Maintenance Budget Plan

Maintenance Budget Plans provide a method for the accrual of funds to maintain the building in the long term. It provides surety that works can be programmed



and afforded without the expense of special levies. These plans provide financial security and are an asset to the property. A maintenance fund with suitable cash reserves is a great supplement to the saleability of the property.

Maintenance plans are required for a minimum ten year period and should be monitored annually and reviewed after five to six years. The purpose of this plan is to provide sufficient funds to meet expenses of a capital nature, e.g. painting, carpet replacement in the stairwells, guttering replacement, landscaping upgrading, etc.

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A maintenance budget plan report should be prepared so that an accurate estimate can be made of future anticipated expenditure. A poorly maintained building creates a problem in the future:- When works are needed and if sufficient funds have not been allocated over past years, the present owners may not be in a position to contribute to a special levy.

When someone plans to sell their property, there may be a number of maintenance issues the owner's corporation has not attended to. A prospective purchaser may become wary and intensify negotiations to compensate for any special levy they may have to pay in the future. It may be difficult to sell a unit as the overall appearance of the complex may not be as attractive as other well-maintained complexes.

The owner's corporation should make sure that they plan for the future! Body Corporate Managers are responsible for very valuable assets that need to be constantly maintained and regularly improved. Regular maintenance needs to be carefully programmed and planned so that the building does not deteriorate. Managers should consult with owners to ensure sufficient maintenance budget plan levies are being collected to cover projected expenditures. The location of a building can often cause certain areas to deteriorate quicker than usual, e.g. concrete surfaces located near the ocean, stained timber windows facing west. Preventative maintenance is always better than major repairs.

Roscon can properly prepare a maintenance program to particularly suit any building and a maintenance budget plan assessment advising what maintenance plan fund levies should be paid so that sufficient funds are available when work is needed - the usual time frame for these assessments is a 10 year period. The sale price of units or townhouses can be dramatically affected if your building has not been maintained so remember, prevention is better than cure!

### Building Defects Report



A building defects report details today's problems. It flags the items of importance and defines the urgency of works that are of a serious nature. It provides a better understanding of the problems on the property, permitting the manager to bring the property up to the standards that are expected by the owners/occupiers. It is a report that is performed on demand, at times when the status of the repair of the property may be in question, or as a preventative measure that confirms

the current status of the property. To avoid deterioration of your client's most valuable asset, a building maintenance program should be discussed amongst owners and Strata managers.

### WHY A SHARE CAR

Car sharing is a revolution in personal transportation - urban mobility for the 21st century. About 80% of Australians live in cities with many of them simply not driving enough to justify the expense and hassles of owning a car, yet are reluctant to give up the freedom of driving a car when they want to. Car sharing



provides flexible car usage to suit an urban lifestyle. It is instant 24 hour a day access to a network of cars throughout major Australian cities where a member pays only for time used, on a per hour or per trip basis without commitment or inconvenience:

- as **EASY** as catching a cab,
- the **CONVENIENCE** of your own car,
- as **AFFORDABLE** as a few lattes,
- **FASTER** than renting, and
- lets you **KICK the CAR HABIT**

Reserve the car by iPhone or Internet, 24 hours a day, at times that best suit your lifestyle and then use it for a few hours or a week. Pay per trip and never have to worry about repairs, insurance, fuel or daily or monthly parking again. And when you feel like it, grab a taxi, take the train, walk, ride a bike or take the bus.

If you drive less than 15,000km a year and you don't need a car for work every day, car sharing will likely save you thousands of dollars a year, provide you with greater mobility and actually reduce pollution. The car of the future will be shared.

[www.greensharecar.com.au](http://www.greensharecar.com.au)

### The Roscon team at work again

Roscon have been called upon to resolve the issues of water intrusion into a building. The property had a series of leaks that were causing efflorescence to develop on the underside of the slab and had water intrusion during rain events. Upon investigation we discovered a series of problems that were causing the

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issues. The membrane was failing and the floor waste that had been installed was poorly installed without a puddle flange. It had been attended to by plumbers over the years who had made minor adjustments to the drain. These adjustments meant that the flow of water through the drain was severely impeded.



Roscon arranged for the paving to be removed. Then after removing the tanking and all of the misguided attempts to make good the drain by various plumbers, we then installed the puddle flange that should have been installed in the first place, finally tanking the whole area. To confirm that the area was fully sealed we then fully water tested to verify that there were no other points of moisture intrusion.



The design department of Roscon set to and developed a decking design that was supported on adjustable supports, thereby allowing the decking to be installed level even though the tanking was graded to fall to the floor waste. The support system also made allowances for expansion and contraction while developing no detrimental effect to the waterproofing membrane. We installed bearers and merbau decking to the entire terrace with an access hatch installed over the floor waste so that it could be cleaned and serviced in the future.



Since the completion of the works we have not had a single call from the property to report any problems. Considering recent weather conditions, that is confirmation that the works have been performed to the highest standards and attention to detail.

## HERE IS SOMETHING TO THINK ABOUT

### Medical Problem

An old woman came into her doctor's office and confessed to an embarrassing problem. "I do that all the time, Doctor Johnson, but they're soundless, and they have no odour. In fact, since I've been here, I did it no less than twenty times. What can I do?"

"Here's a prescription, Mrs. Harris. Take these pills three times a day for seven days and come back and see me in a week."

Next week an upset Mrs. Harris marched into Dr. Johnson's office. "Doctor, I don't know what was in those pills, but the problem is worse! I'm doing it just as much, but now it smells terrible! What do you have to say for yourself?"

"Calm down, Mrs. Harris," said the doctor soothingly. "Now that we've fixed your sinuses, we'll work on your hearing!!!"

### NEXT *rosconupdate* Spring 2010

- 1) New metering and servicing guidelines.
- 2) What you need to know about carbon Monoxide
- 3) What have Roscon been up to?

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