

Operation and Management of Apartment Development

at

Residential Development (The Paddocks)

Station Road,

Morristownbiller

Newbridge,

Co Kildare.

On behalf of

Stennock Ltd.

May 2018

Introduction:

Certainty regarding the long-term management and maintenance structures that are put in place for an apartment scheme is a critical aspect of this form of residential development. It is essential that robust legal and financial arrangements are provided to ensure that an apartment development is properly managed with effective and appropriately resourced maintenance and operational regimes.

In this regard, consideration of the long term running costs and the eventual manner of compliance of the proposal with the Multi Unit Development Act, 2011 are matters which should be considered as part of any assessment of a proposed apartment development.

Accordingly, planning applications for apartment development shall include a building lifecycle report which in turn includes an assessment of long term running and maintenance costs as they would apply on a per residential unit basis at the time of application, as well as demonstrating what measures have been specifically considered by the proposer to effectively manage and reduce costs for the benefit of the residents.

This planning application proposes the following schedule of units.

TYPE	Description			No of Type
	3 Bed	2 Bed	1 Bed	
Block A	4	36	10	50
Block B	4	32	10	46
Block C	5	21	7	33
Block D	4	14	8	26
Block E	0	8	4	12
TOTAL	20	108	39	167

Legal Arrangements.

The apartment element will be run by a properly constituted management Company.

As developers, Stennock Limited with a registered address at The Grange, Newcastle Road, Lucan, Co. Dublin will appoint a management company to look after the following obligations pertaining to this development upon completion:

- *Maintenance and Management of communal areas under the lease*
- *Setup and maintenance of a sink fund in the event of the necessity to carry out any unforeseen capital works*
- *Procures an agent to provide services*
- *Hold a valid PL (Public Liability) and SL (Structural Liability) and tend to any arising claims where necessary*
- *Collect the service charges from individual tenants and pursue issues with non-payment on behalf of the owners company*
- *Fully comply with the regulatory framework under which it operates*

In effect this management company will then hold the lease to the external structure of the apartments contained in the development and also the common areas surrounding it. The interior of the apartments will belong to the apartment owners and they will also own a portion of the appointed management company.

Consultants must also be appointed before the properties are inhabited to ensure the developer completes all major snags which is carried out by the management company at the developers expense.

Financial Arrangements.

Each apartment owner will be required to contribute to the Management Company Service Charges on the following basis.

Projected Combined Residential and Estate Service Charge Income					
Type:	No. Of Units	Residential Charge	Estate Charge	Projected Mgmt Fee 2018	Total Mgmt Fee per Unit Type (Rounded)
1 Bed	39	€ 1093.2	€ 1111.77	€2204.97	€86,000.00
2 Bed	108	€ 1799.22	€ 1829.79	€3629.01	€392,000.00
3 Bed	20	€ 2277.49	€ 2316.19	€4593.68	€92,000.00
Total	167				
				Total Income:	€570,000

The developer engages a managing agent for the management company before the units are sold to their respective owners. Management companies are then responsible for the quality of services provided by the appointed agent, who then use the income generated by the applicable service charge paid for by the owners. This ensures they maintain communal parts of the development, costs and fees of day to day maintenance, cleaning and minor repairs and also funding for liability insurances and sink funds for capital assets such as roads, drains, lighting, lifts, roofs, gates, windows etc.

The initial year's service charge is loosely based on an estimate between both the appointed agent and the developer through the management company involved. This is paid by the purchaser when they sign the contracts to buy their new units.

Maintenance and Operational Regimes.

Operational	Maintenance
Block Insurances	Common Area
Lift Insurance	Garden and Ground
Electricity Charges	Waste and Refuse
Financial Accounts	Lift
Contracts & Leases	Car Park Spaces
Auditors Charges	Pump
Database of tenants	Emergency Lighting
Health & Safety	Fire Alarm
Collection of Service Charges from tenants	Window Cleaning
	General Repair

The management company is responsible for the maintenance and operational regimes including all of the above items. Relevant insurance documentation is to be kept up to date and on file along with health and safety information pertaining to the development as well as contracts and lease agreements for each owner and their unit. This will usually be achieved by a comprehensive database being held against all of these particulars.

General maintenance and upkeep of the development falls under the responsibility of the management company, including all of the above items and more. Upkeep of the grounds and common areas also, involving repairing any damaged articles in and around the apartment blocks and maintenance of roadways, parking spaces etc. All common areas should be maintained to an acceptable standard throughout the year.

Lawn cutting can be an expensive part of annual management fees and it is important that a schedule is in place to minimise unnecessary cuts that can both damage the growth of the grass and incur extra cost to a tenant's service charge. It is typical of a landscaping schedule to include a Spring and a Fall Cleanup to remove debris from the site after harsh weather and make it presentable for the good season. Outside of this, lawn cutting and weeding visits as mentioned earlier would be planned appropriately and only where necessary, minimising visits and thus minimising costs of management fees for new tenants.

Multi Unit Development Act 2011.

As per:

The Irish Statute Book

Multi Unit Development Act 2011

'An act to amend the law relating to the ownership and management of the common areas of multi-unit developments and to facilitate the fair, efficient and effective management of bodies responsible for the management of such common areas, and to provide for related matters'.

The following clauses are applicable to The Operation and Management of the Apartment Development at The Paddocks, Station Road, Morristownbiller, Newbridge, Co. Kildare.

See full act attached to this documentation.

Building Lifecycle Report.

Approximate Assessment of Long Term Running Costs.

<i>Expenditure</i>	<i>Residential</i>	<i>Estate</i>	<i>Total</i>	<i>Notes</i>
<i>Wages</i>	-	140000	<u>140,000</u>	<i>Maintenance, Security, Mgmt.</i>
<i>Insurance</i>	-	32500	<u>32,500</u>	<i>Public Liability & Property Damage, Engineering Cover</i>
<i>Electricity Costs</i>	66000	30000	<u>96,000</u>	<i>Common Areas Internal and External</i>
<i>Gas Supply</i>	-	1000	<u>1,000</u>	
<i>Cleaning Common Areas</i>	66000	1000	<u>67,000</u>	<i>Weekly cleaning residential</i>

				<i>common areas</i>
<i>Window Cleaning</i>	13000		<u>13,000</u>	<i>External windows and balconies</i>
<i>Refuse/Waste Disposal</i>	38000	-	<u>38,000</u>	<i>General waste and recycle refuse collection</i>
<i>General Repairs/Maintenance</i>	12000	20000	<u>32,000</u>	<i>General repairs and maintenance</i>
<i>Electrical Repairs/Maintenance</i>	25000	20000	<u>45,000</u>	<i>Electrical repairs and maintenance</i>
<i>Grounds Repairs/Maintenance</i>	10500		<u>10,500</u>	<i>Grounds repairs and maintenance</i>
<i>Fire Alarm Repairs and Maintenance</i>		8500	<u>8,500</u>	<i>Fire Alarm Repairs and System Checks</i>
<i>Lift Repairs and Maintenance</i>	26000	-	<u>26,000</u>	<i>Common Area Lifts Repairs and System Maintenance</i>
<i>Telephone and TV Services</i>	6000	6000	<u>12,000</u>	<i>Telephone and TV Services</i>
<i>Legal and Professional Fees</i>	-	2500	<u>2,500</u>	<i>Legal and professional Fees</i>
<i>Bank Charges</i>	-	800	<u>800</u>	<i>Bank Charges</i>
<i>Audit Fees</i>	-	3500	<u>3,500</u>	<i>Audit Fees</i>
<i>Reserve Fund</i>	20000	20000	<u>40,000</u>	<i>Reserve Fund</i>
<i>General Expenses</i>	-	1500	<u>1,500</u>	<i>General Expenses</i>
<u>Total:</u>	282,500	287,300	<u>€569,800</u>	

Measures that have been Considered to Effectively Manage and Reduce Costs.

Architectural Measures.

In order to reduce costs for the benefit of future residents, the following specific architectural measures have informed the design.

Walls:

The external envelope of the apartment buildings are constructing using a combination of facing bricks at the lower levels and zinc coated aluminium cladding panels at the uppermost level. These are considered to be maintenance free finishing materials. The use of render/ painted render/self coloured render on external wall finishes has been avoided in all cases.

Windows:

The windows are also proposed in aluminium cladding, PVC or similar maintenance free finish to ensure both long life and minimum maintenance is required. Window cleaning will be carried out at intervals by the Management Company. The glazing units are high performance and the areas of glazing are balanced against the need to preserve energy.

Roofs:

The apartment buildings are finished with flat roofs throughout the proposed development. The roofs will be provided with minimum falls of 1/60 to ensure adequate drainage from all areas. The success of flat roof construction depends upon effective design, specification, installation and maintenance. Each roof will be provided with a 20 year minimum guarantee.

Number of Cores/ Lifts.

The number of cores, lifts and fire escape cores have been minimised throughout the development taking the orientation and mix of apartment types into consideration whilst avoiding the need for long corridors.

Natural Daylight.

The design utilises the maximum amount of natural daylight and optimises solar gain, avoiding any North West/North East orientations.

Car Parking.

There are no basements proposed within the development, and all car parking is provided at surface level in between individual blocks. This will result in a cost saving the end users who will not be required to light and maintain large underground car parking areas.

Mechanical and Electrical Measures to Reduce Costs.

When constructing a new development there are number of factors that can play a huge part in reducing the overall costs and these fall under two general categories of mechanical and electrical systems and the measures that can be employed to achieve this reduction.

Apartments are constructed using concrete block and a combination of low maintenance brickwork and rendered block finishes. Hard wearing concrete and granite finishes to sills ensures a lifetime of durability in the weather we experience along with concrete footpaths in and around the development.

Traditional truss design roofs are applicable to singular houses and flat roof design applicable to the apartment blocks. A breathable membrane seals the buildings from the elements with concrete flat profile roof tiles and fibreglass pre-formed valleys, lead soakers and saddles. UV protected fascia, soffit and gutters compliments the exterior of these homes eliminating the need to paint or maintain them annually like traditional wood and timber designs. Resistant to sunlight degradation meaning they hold and retain their vibrant colour year after year.

Mechanical:

In terms of the mechanical aspect it is important to consider the microclimate of the site, location, building form and orientation of the space when implementing appropriate systems that will work well in the specific setting. With these considerations in place it is possible then to essentially future proof the design of these homes with low maintenance, long lasting materials ultimately reducing the service charge for future tenants.

All homes are BER A3 rated, superior low energy and low emission design achieved through a combination of design features to ultimately reduce the

cost of heating and necessity to produce hot water. Energy efficient windows and doors provided by Munster Joinery are low emission argon filled double glazed units which reflect heat back into each room.

High specification insulation and air tightness materials and membranes are utilised throughout to minimise thermal losses and drafts and retain as much heat as possible.

MHRV (Mechanical Heat Recovery Ventilation) systems function by removing old warm air from the building and introducing fresh air from outside whilst transferring heat in the process. 90% of this heat is recovered and the system is fully automatic, determining when there is excess levels of moisture in the air and running in 'boost mode' when excess levels of moisture are detected to return the environment to nominal conditions. Dust levels and condensation are also greatly reduced by the system creating a healthier living environment for its inhabitants.

A two panel solar system installed on the roof works in connection with the gas fired boiler system to effectively utilise the free energy from the sun to heat water for use anytime.

Electrical:

In terms of the electrical aspect it is important to consider aspects such as electricity supply, electricity distribution, lighting amongst other aspects such as building form, occupancy trends and orientation of spaces. These factors can then determine the requirements and selection of various electrical systems that shall be installed.

LED light bulbs are solid light bulbs that are extremely energy efficient. LED light fittings are used throughout each apartment which sees a huge reduction in the amount of electricity required over a long period of time effectively reducing the electricity consumption and resulting bill. Light emitting diodes require much less wattage to produce much more light in comparison to CFL and incandescent light fixtures. LED bulbs have been quoted to last over 10 times longer than traditional fluorescent bulbs and 40 times longer than incandescent bulbs eliminating the extra cost of replacing bulbs more frequently.

Occupancy controlled photocells and motion sensors are used for lighting in all communal areas ensure that lighting is activated only in the presence of an individual. This means lights are effectively deactivated when necessary and only illuminate when there is a need for them. This system can greatly reduce the running time of light fixtures, reducing electricity bills for the end user and prolonging the lifetime of the bulb itself mitigating the cost of replacement units.

Civil Engineering design Measures to Reduce Costs.

The use of a Civil Engineer to develop plans for the development of any home can substantially reduce the overall cost over the duration of the construction phase. By using a professional Civil Engineer to design, plan and build a new construction project it can be assured that the building meets all required specifications associated with the area in which construction is taking place. There are a number of areas where a good Civil Engineer can save on the cost of construction:

Surveying-

The importance of having land properly surveyed before any construction work commences cannot be overemphasized. This will prevent future legal complications arising and establishes land boundaries and specific land requirements and concerns.

Historic Records-

Zoning data can be used to help design a new structure, for example the height of a new building based on its projected size and architectural age of surrounding buildings in the locality.

Budgeting-

A cost benefit analysis can be carried out to by the engineer to effectively create a design that meets both the specific needs of the buyer and the constraints of a specific budget that is in place.

Landscaping Measures to Reduce Costs.

Landscaping expenses can vary greatly depending on location, size and terrain of the community property. Landscaping and property value still maintain a strong interconnected balance. It is important then to consider the cost implications of maintaining large areas of grass and the effects this will have on service charges for future tenants.

All lawn areas are to be prepared and seeded during the growing season (April-October incl.). The majority of the proposed lawn mix is a perennial ryegrass. This is one of the toughest and most traffic tolerant turf covers that can be grown. Perennial Ryegrass lawns are considered to be one of the best low maintenance lawns. This seed will be mixed with other cool season grasses to provide more density to the dominate grass in the mixture.

All tree and hedgerow planting is to be carried out in the first winter season (November-February incl.) to establish a good starting point and ensure good survival rate and longevity of growth. Root barrier systems made of a high density polyethylene (HDPE) sheets are in place beneath each tree planted to ensure there is a water barrier and root barrier below the surface. This forces both water and roots to travel down a specified distance before spreading horizontally and parallel to the ground surface above. At this point the roots are well below the paving surface and prevent costly damage to pavements, roads and building foundations avoiding any unnecessary repair costs.